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28. CONFIDENTIALITY. Neither party nor its respective Affiliates ("Receiving Party") shall at any time, during or after the term of this Agreement, disclose to others, and shall not take or use for its own or any third party's purposes, any trade secrets, confidential information, knowledge, designs, data, know-how, or any other information belonging to the other party ("Disclosing Party") and considered logically as "confidential." Receiving Party recognizes that this obligation applies not only to technical information, designs and marketing, but also to any business information that Disclosing Party treats as confidential. Any information that is not readily available to the public (including this Agreement and the terms hereof) shall be considered to be a trade secret and confidential (all of the foregoing, collectively "Confidential Information"). Upon termination of this Agreement, for any cause or for no cause, Receiving Party shall return to Disclosing Party, all of Disclosing Party's Confidential Information in or under Receiving Party's possession, custody, or control. To the extent such return of Confidential Information is not possible or practical, at Disclosing Party's written request, Receiving Party shall promptly destroy all copies of Confidential Information and provide Disclosing Party certification of such destruction. Notwithstanding any provision of this Agreement to the contrary, Receiving Party shall not be deemed to have violated its duty of confidentiality with respect to the following authorized disclosures of Confidential Information: (i) disclosure of Confidential Information which Receiving Party can reasonably prove is, or had previously become, generally known by third parties through no breach or fault of Receiving Party; (ii) disclosure of Confidential Information required by applicable law; and (iii) disclosure of Confidential Information to Receiving Party's employees, auditors, attorneys, or other authorized representatives or agents for purposes of performing its obligations under this Agreement, provided that Receiving Party shall take all steps necessary to ensure that such employees, auditors, attorneys and other authorized representatives maintain the confidentiality of all Confidential Information. Nothing set forth herein shall abrogate the obligations set forth in the Mutual Nondisclosure Agreement entered into by the parties on or about May 17, 2019.

29. NOTICES. All notices and other communications required or permitted to be given hereunder shall be addressed as follows:

If to Supplier:

Structurlam Mass Timber Corporation
950 Tower Lane, Suite 925
Foster City, CA 94404

Attention: Matthew Karmel, Chief Executive Officer
Phone: 1 (919) 741-7412
Email: mkarmel@structurlam.com

If to Purchaser:

Walmart Inc.
Corporate Real Estate
2403 SE J Street

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Suite #300
Bentonville, AR 72712

Attention: Joe Allbright, Sr. Director
Phone: (479) 250-5992
Email: Joe.Allbright@walmart.com

Attention: Brian Hooper, Vice President
Phone: (479) 273-8106
Email: Brian.Hooper@walmart.com

With copies to:

Walmart Inc.
Realty Operations
2608 SE J Street
Bentonville, AR 72716-0550

Attention: Myles A. Cochran, Managing Counsel
Phone: (479) 204-0028
Email: myles.cochran@walmartlegal.com

Unless a different method of notice is specified, all notices and other communications required or permitted under this Agreement or any Purchase Order shall be in writing delivered by hand, email, fax, commercial courier, or certified mail, return receipt requested. Refusal of delivery for any reason shall be deemed receipt.

30. AMENDMENT AND MODIFICATION. No modification of this Agreement shall be valid or binding unless such modification is in writing, duly dated and signed by both parties. In particular, no shrink-wrap, click-wrap, click-through, click-accept, online terms, or website terms ("Additional Terms") provided with any Purchase Order hereunder shall be binding on Supplier or modify any of the terms and conditions of this Agreement. All such Additional Terms shall be of no force or effect and shall be deemed rejected by Supplier in their entirety.

31. FORUM SELECTION; CHOICE OF LAW. This Agreement, all Orders, and all disputes arising thereunder or relating thereto, whether sounding in contract or tort, shall be governed by and construed in accordance with the laws of the State of Arkansas without regard to the internal law of Arkansas regarding conflicts of law, and the state courts located in Dallas County, Texas and federal courts of Dallas County, Texas, shall have exclusive jurisdiction over any actions or suits. The parties mutually acknowledge and agree that they shall not raise, and hereby waive, any defenses based upon venue, inconvenience of forum or lack of personal jurisdiction in any action or suit brought under this Agreement. Any legal action brought by Supplier against Purchaser related to this Agreement or any Orders shall be filed in one of the above referenced jurisdictions within two (2) years after the cause of action arises or it shall be deemed forever waived. This Agreement shall be executed in the English language. In the event of any conflict between this Agreement as written in the English language and any translation, this

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Agreement written in English shall control. The parties acknowledge that they have read and understand this clause and agree willingly to its terms and conditions.

32. ENTIRE AGREEMENT; WAIVER OF RIGHTS UNDER ORIGINAL AGREEMENT

(a) This Agreement, together with all attachments and exhibits and any Purchase Orders, contain the entire agreement of the parties with respect to Goods or services that are the subject matter of this Agreement. Any attachments or exhibits attached hereto and any Purchase Orders executed or issued concurrent with or subsequent to the Effective Date of this Agreement are integral parts and are made a part of this Agreement by reference. All prior communications, oral or written, regarding or relating to the Goods or services that are the subject matter of this Agreement are without any force and effect as it is the specific intent of the parties that this Agreement alone sets forth the terms on which the parties have mutually agreed. Notwithstanding anything stated herein to the contrary and the Amendment and Restatement of this Agreement any claim Purchaser had against Supplier for Damages under the terms of the Original Agreement shall be preserved, subject to the limitations set forth in Section 23; provided, however, that Purchaser hereby waives any claim for Damages arising under the Original Agreement as a result of Supplier's failure of any obligation Supplier has or may have had under the Original Agreement with respect to the delivery of Goods pursuant to the Delivery Schedule. The foregoing waiver shall not impact Supplier's obligation to apply the Legacy Deposits as outlined in Section 10 hereof.

(b) Except as expressly set forth herein, the terms of this Agreement shall control over any inconsistent terms of a Purchase Order.

(c) Each party specifically agrees that it enters into this Agreement based on its own understanding of the terms hereof and does not rely, in whole or in part, on any interpretation or representation of the other party. Each party agrees that this Agreement is the result of good faith arms' length negotiations.

33. SEVERABILITY. If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the parties shall amend this Agreement, as necessary, to restore the original balance of benefits and burdens intended by the parties.

34. ASSIGNMENT. Purchaser may not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Supplier. Supplier may assign any of its rights or delegate any of its obligations to any Affiliate or to any person or entity acquiring all or substantially all of Supplier's assets, in each case only to the extent that Purchaser's guaranty of Supplier's senior credit facilities is extinguished in connection therewith in a manner reasonably satisfactory to Purchaser. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves the assigning or delegating party of any of its obligations under this Agreement.

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35. SUCCESSORS. This Agreement and the rights and obligations hereunder shall be binding upon and shall inure to the benefit of Purchaser, Supplier, and their respective permitted successors and assigns. Except for express beneficiaries under the indemnity provisions of this Agreement, nothing in this Agreement shall provide any benefit to any third party or entitle any third party to any claim, cause of action, remedy, or right of any kind, it being the intent of the parties that this Agreement shall not be construed as a third party beneficiary contract. Notwithstanding the foregoing, no sale of all or substantially all of the assets of Supplier, or a sale or exclusive license or lease of any of the Critical Assets, shall be effective unless and until such purchaser, licensee, or lessee, as the case may be, agrees to assume Supplier's obligations hereunder pursuant to an assignment in form and substance reasonably acceptable to Purchaser.

36. FORCE MAJEURE. Supplier shall not be liable or responsible to Purchaser, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, if such failure or delay is caused by or results from acts beyond Supplier's control, including: (i) acts of nature; (ii) flood, fire, earthquake, or explosion; (iii) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (iv) requirements of law; (v) actions, embargoes, or blockades in effect on or after the date of this Agreement; (vi) action by any governmental authority (whether or not having the effect of law); (vii) national or regional emergency; (viii) strikes, labor stoppages or slowdowns, or other industrial disturbances; (ix) industry-wide shortages of, or delays in, receiving Southern Yellow Pine lumber or other raw materials; or (x) shortage of adequate power or transportation facilities (each, a "Force Majeure Event").

37. INDEPENDENT CONTRACTORS. The parties acknowledge that they are independent contractors and that neither party is an employee, agent, servant, representative, partner, or joint venturer of the other. Each party shall be solely responsible for the hiring, firing, direction, supervision, discipline, discharge, promoting, demoting, evaluations, rates of pay, benefits, and other terms and conditions related to its own employees. Except as expressly required by law, no employees of either party shall be considered loaned employees for any purpose, including the application of: (i) the Age Discrimination in Employment Act; (ii) the Americans with Disabilities Act; (iii) the Fair Labor Standards Act; (iv) the Family and Medical Leave Act; (v) the Federal Insurance Contribution Act; (vi) the Federal Unemployment Tax Act; (vii) the Immigration and Nationality Act, as amended; (viii) the Immigration Reform and Control Act; (ix) the National Labor Relations Act; (x) the Social Security Act; (xi) Title VII of the Civil Rights Act of 1964; (xii) the Worker Adjustment and Retraining Notification Act; and (xiii) state law counterparts to these laws. Neither party has the right to bind the other, nor to incur any obligation nor liability on behalf of the other party, without such party's prior written consent. Supplier shall pay all compensation, salary, and all required contributions to individuals who provide Goods or perform services for Supplier as an employee, contractor, or subcontractor. Purchaser expressly disclaims liability for any such remuneration obligations, except as otherwise expressly prohibited by law.

38. SURVIVAL. The obligations under Section 1 (Definitions), Section 2 (Interpretation), Section 6 (Representations and Warranties), Section 8 (Rejection of Goods; Recalls); Section 9 (Cancellation), Section 10 (Payment Terms; Deposit); Section 12 (Late

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Payments), Section 13 (Payment Errors), Section 14 (Notice of Bankruptcy Proceedings), Section 15 (Notice Regarding Grant of Security Interest in or Collateral Assignment of Accounts), Section 16 (Taxes), Section 19 (Purchaser's Remedies for Event Of Default), and other Sections and provisions of this Agreement that, by their sense and context (e.g., Sections 29-39 and Section 43), are intended to survive termination or expiration of this Agreement or any Purchase Order.

39. COUNTERPARTS. This Agreement and any Purchase Orders may be executed in any number of counterparts, each of which will be deemed an original, and all of which together will constitute a single instrument. The parties consent to use facsimile, electronic, and/or digital signatures to execute this Agreement, and the same are binding upon the parties as if they were original signatures. The parties shall regard facsimile, electronic, and digital copies of this Agreement, including properly executed PDF versions of this Agreement, as original instruments.

40. SPECIFIC PERFORMANCE. At any time during the Term, each party shall have the right to seek specific performance of the provisions hereof and injunctive relief against the other party.

41. RIGHT OF FIRST OFFER. In the event that Supplier shall, at any time prior to the completion of the Project, determine to sell, assign, or otherwise transfer all or part of Supplier's rights, title, or interests with respect to the Manufacturing Facility (the "Critical Assets"), Supplier shall first notify Purchaser and Purchaser shall have the right to make a bona fide offer of to acquire the Critical Assets (the "Purchaser Offer") within thirty (30) Calendar Days of such notice. For the avoidance of doubt, the foregoing right of first offer shall not apply with respect to Supplier's determination to sell, assign, or otherwise transfer all of its assets, whether by merger, acquisition, consolidation, or sale. If Supplier accepts the Purchaser Offer, Purchaser shall purchase all, but not part, of the Critical Assets for the price and on the terms and conditions contained in the Purchaser Offer. If Supplier does not accept the Purchaser Offer, Supplier may complete a sale of all or part of the Critical Assets to a third party on terms superior to those contained in the Purchaser Offer, provided that if such sale is not completed within one hundred eighty (180) Calendar Days of Supplier's rejection of the Purchaser Offer, Purchaser shall again have the right of first offer herein provided. The Purchase Agreement governing Purchaser's purchase of the Critical Assets shall contain customary provisions, including representations and warranties concerning Supplier's title to the Critical Assets, lack of infringement with the intellectual property rights of third parties and other customary intellectual property representations and protections. Notwithstanding anything to the contrary set forth herein, (i) the rights granted to Purchaser herein shall not be triggered by any sale, assignment, or other transfer of the Critical Assets to any Affiliate, direct or indirect parent, or wholly-owned subsidiary of Supplier, and (ii) any acquirer of the Critical Assets (whether alone or as part of a purchase of a pool of assets) shall be bound, and Supplier shall cause any such acquirer to be bound, by the provisions of this Agreement, including this Section 41 which shall apply equally to such acquirer.

42. GUARANTY. Guarantor hereby guarantees (the "Guaranty") Supplier's payment of any monies to be paid to Purchaser pursuant to this Agreement and the performance of

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Supplier's respective obligations hereunder. This Guaranty shall be construed as an absolute and unconditional Guaranty of payment and performance and not of collection. Purchaser shall have all remedies available to it under this Guaranty, at law and in equity.

43. TIME IS OF THE ESSENCE. Supplier shall perform its obligations under this Agreement with all due diligence and expedition, consistent with industry standards and the approved Delivery Schedule, recognizing that, subject to applicable cure periods and rights to notice, TIME IS OF THE ESSENCE FOR THE GOODS.

44. ATTACHMENTS. The attachments identified below are subject to the terms of this Agreement. Capitalized terms used but not defined in the Attachments will have the meanings given them elsewhere in this Agreement.

Attachment 1:	Home Office Campus
Attachment 2:	Purchase Order Terms and Conditions
Attachment 3:	Delivery Schedule
Attachment 4:	Hypothetical Calculations
Attachment 5:	Specifications
Attachment 6:	Deposits and Other Payments Detail
Attachment 7:	Deposit Schedule
Attachment 8:	Insurance Requirements

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IN WITNESS WHEREOF, the parties' duly authorized representatives have executed and delivered this Amended and Restated Agreement as of the Effective Date.

Purchaser:

WALMART INC.

By: _____

Name: Brian Hooper

Title: VP CRE

Date: June 27, 2022 | 11:05 CDT

Supplier:

STRUCTURLAM MASS TIMBER U.S., INC.

By: _____

Name: Nathan Waters

Title: Treasurer

Date: 2022-06-24

Read and acknowledged solely with respect to its obligations set forth in Section 42:

Guarantor:

SLP HOLDINGS LTD

By: _____

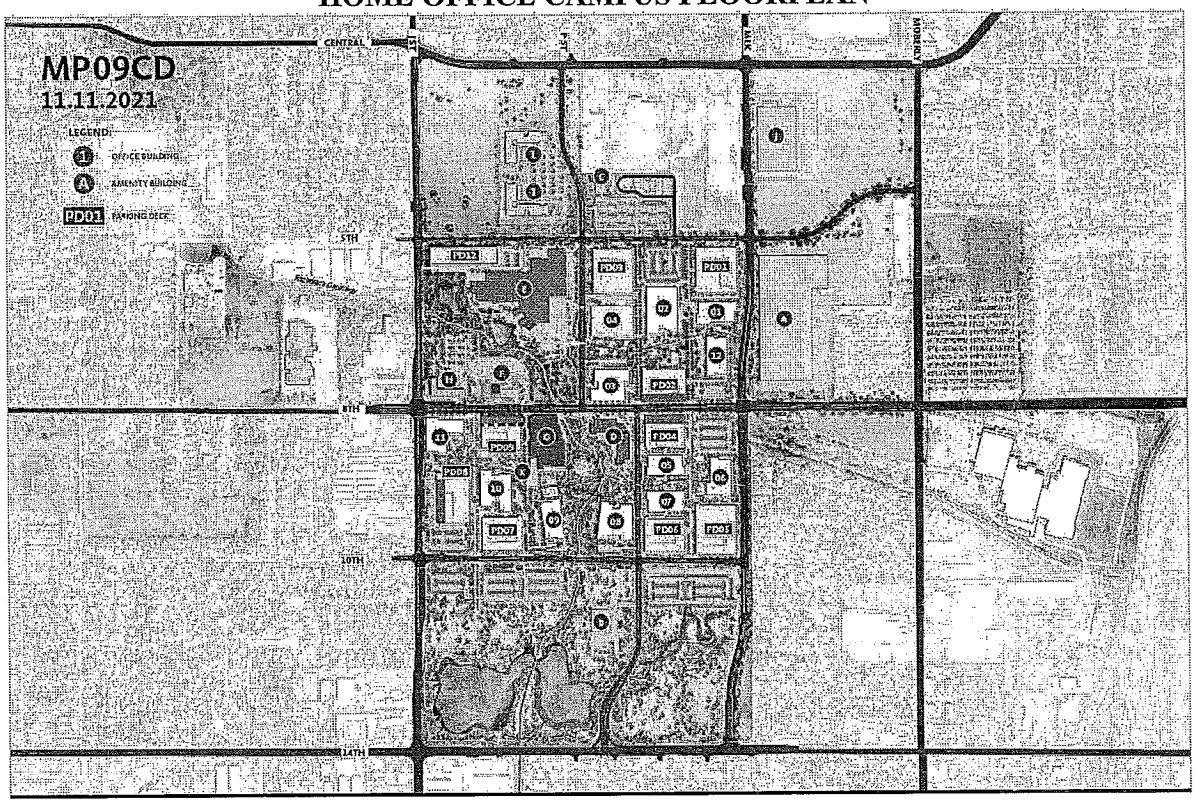
Name: Nathan Waters

Title: Treasurer

Date: 2022-06-24

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ATTACHMENT 1
HOME OFFICE CAMPUS FLOORPLAN



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ATTACHMENT 2
PURCHASE ORDER TERMS AND CONDITIONS

Attach Form of Purchase Order – Structurlam Form of Purchase Order Being Revised

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ATTACHMENT 3
DELIVERY SCHEDULE

The Excel file titled "Appendix 1 to Attachment 3 - Delivery Schedule.xlsx", attached hereto, is the definitive Delivery Schedule as of the Effective Date for Supplier's production and delivery of Goods to Purchaser.[1] The dates and quantities as set forth in the Delivery Schedule represent the outside parameters for delivery, and should the Manufacturing Facility outperform the proposed Delivery Schedule, upon prior written consent by Purchaser, Supplier will accelerate the delivery of Goods pursuant to this Agreement. For the avoidance of doubt, pursuant to Section 7 of this Agreement, Supplier's "delivery" obligations described in this Attachment 3 shall mean that Supplier has made the required Goods available to Purchaser for its inspection no later than the required delivery date as set forth in the Delivery Schedule.

[1] NTD: This is the same file that Structurlam sent to Walmart on Thursday evening, 6/16 (see M. Blum email to J. Allbright).

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ATTACHMENT 4-A
HYPOTHETICAL CALCULATIONS

Hypothetical Price and Target Direct Margin % Calculation

($USD / ft^3)	**CLT**
Labour Costs	$3.50
Material Costs	$14.36
Lumber	$10.96
Glue	$1.34
Other	$2.06
Overhead Costs **	$2.70
Total Direct Costs	**$20.56**
Target Direct Margin (per ft^3)	**$9.44**
Selling Price *(per Section 4(c)(i)(2) of this Agreement)*	**$30.00**
Assumed Volume Delivered (ft^3)	36,500
Revenue (36,500 ft^3 x $30.00 Selling Price) on Goods	$1,095,000
Target Direct Margin (36,500 ft^3 x $9.44) on Goods	$344,560
Target Direct Margin % *(per Section 4(c)(v) of this Agreement)*	**31.5%**
Minimum Target Direct Margin %	**32.5%**
Target Direct Margin at Minimum (32.5%)	$355,875
Additional Payment to Supplier *(per Section 4(c)(v) of this Agreement)*	**$11,315**

** *Includes rent, utilities, depreciation, repair and maintenance, APA fees*

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ATTACHMENT 5
SPECIFICATIONS

(a) Glulam in compliance with ANSI A190.1-2017 standards.

(b) CLT in accordance with ANSI/APA PRG 320-2018 standards.

(c) Softwood Lumber Visual Grades: To be determined. The parties agree that they shall, in good faith, use all commercially reasonable efforts to determine these Softwood Lumber visual grades no later than July 1, 2020. Upon completion, the mutually agreed specifications regarding such Softwood Lumber visual grades shall be incorporated herein.

(d) All Softwood Lumber for the manufacture and production of the Goods to be used for the Home Office Project shall be procured by Supplier via a competitive spot market exclusively from sawmills located in the State of Arkansas.

(e) CLT and Glulam shall be made one hundred percent (100%) of Softwood Lumber.

(f) Supplier will use its commercially reasonable efforts to acquire one hundred percent (100%) of Softwood Lumber from trees which, to Supplier's knowledge, after reasonable inquiry, are from within the state of Arkansas. To the extent that Supplier is unable to source Softwood Lumber of sufficient quantity or quality from trees within the state of Arkansas, despite using its commercially reasonable efforts to do so, Supplier will notify Purchaser and Purchaser will either (i) allow Supplier to source the deficit in Softwood Lumber from outside of Arkansas or (ii) adjust the Delivery Schedule to reflect the delays associated with sourcing the deficit from within Arkansas.

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ATTACHMENT 6
DEPOSITS AND OTHER PAYMENTS DETAIL

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ATTACHMENT 7
DEPOSIT SCHEDULE

Walmart Project Timber Deposit Schedule PLPv11 - 5/23/22 Product Code	Notes	Deposit Lead Time	Deposit Date	DEPOSIT Due Net (Amt - Rec.)
Walmart Campus Office Bldg 6	Paid		7/20/21	$ -
Walmart Campus Office Fitness Center	Paid		3/31/22	$ -
Walmart Campus Office Bldg 8	1st - 12/17/2021 - $3.179m	60	9/14/22	$ 2,333,844
Walmart Campus Office Bldg 5		90	10/21/22	$ 3,798,603
Walmart Campus Office Bldg 7		90	12/9/22	$ 3,798,132
Walmart Campus Office Bldg 10		90	1/21/23	$ 4,926,855
Walmart Campus Office Bldg 11		90	3/24/23	$ 4,117,978
Walmart Campus Office Bldg 9		90	5/17/23	$ 3,501,081
Walmart Campus Office Bldg 3		90	6/30/23	$ 4,912,008
Walmart Campus Office Bldg 2		90	9/5/23	$ 5,502,687
Walmart Campus Office Bldg 12		90	11/16/23	$ 3,472,040
Walmart Campus Office Bldg 1		90	12/27/23	$ 3,475,148
Walmart Food Hall				

CONFIDENTIAL INFORMATION

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ATTACHMENT 8
INSURANCE REQUIREMENTS

Supplier shall obtain insurance meeting the following minimum requirements, except to the extent Supplier is providing high risk Goods, as solely determined by Purchaser, in which case different coverages may apply:

(1) Commercial General Liability insurance including Contractual Liability, Personal and Advertising Injury Liability, Public Liability, Products-Completed Operations Liability, Medical Payments, Bodily Injury and Property Damage Liability with minimum limits of at least Ten Million Dollars ($10,000,000) per occurrence.

(2) If use of an automobile is required, Business Automobile Liability insurance, including bodily injury and property damage, for all vehicles (including owned, non-owned, and hired vehicles), with a minimum limit of at least Five Hundred Thousand Dollars ($500,000) combined single limit per occurrence.

(3) Workers' Compensation insurance within statutory limits, or One Million Dollars ($1,000,000) if no statutory requirement applies and One Million Dollars ($1,000,000) in Employer's Liability Coverage, unless Supplier is a sole proprietor and is not, pursuant to applicable laws, statutes, rules or regulations, required to carry Workers' Compensation insurance.

(4) Product Liability insurance with minimum limits of at least Ten Million Dollars ($10,000,000) per occurrence.

(5) Professional Liability insurance, including Errors and Omissions insurance, with minimum limits of at least Ten Million Dollars ($10,000,000) aggregate.

All insurance coverage required above shall be obtained from a company having a rating of B+ or better and a Financial Size Category rating of VII or better, as rated in the A.M. Best Key Rating Guide for Property and Casualty Insurance Companies. Supplier shall not cancel or reduce coverage of the insurance without giving Walmart at least thirty (30) days' prior written notice. If such notice is not given, Supplier will be liable for all resulting damages. Supplier's insurance shall be primary, non-contributory and not excess coverage. Each Commercial General Liability policy shall: (i) name Walmart Inc., its subsidiaries and its Affiliates as additional insureds; (ii) provide defense coverage as an additional benefit and not within the limits of liability; (iii) contain a waiver of subrogation in favor of Walmart; and (iv) be issued on an occurrence basis. Before the Effective Date, and as a condition to this Agreement becoming effective, Supplier shall provide to Walmart one or more certificates of insurance evidencing the coverage required by this Agreement. Supplier shall also provide Walmart with one or more certificates of insurance evidencing the coverage required by this Agreement upon the renewal or replacement of a required insurance policy in effect during the Term and at any other time as Walmart may request. Supplier shall be in material breach of this Agreement and all outstanding Purchase Orders if Supplier breaches or fails to comply with these insurance requirements.

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Supplier shall promptly notify Purchaser of any aggregate limits imposed on its insurance coverage. If aggregate limits exist, Purchaser reserves the right, if necessary, to modify the insurance requirements listed above.

Worldwide coverage is required if Supplier provides Goods and services to Walmart internationally.

Holder should read:

Walmart Inc.
c/o Supplier Underwriting
2403 SE J Street,
Suite 300,
Bentonville, AR 72712

This is Exhibit "Q" referred to in the Affidavit of **SHAWN TURKINGTON,** sworn before me at Vancouver, BC, this 26th day of April, 2023.

A Commissioner for taking Affidavits in British Columbia

GT GreenbergTraurig

Jaret L. Davis
Tel 305.579.0676
Fax 305.961.5676
davisj@gtlaw.com

December 13, 2022

Structurlam Mass Timber Corporation
950 Tower Lane,
Suite 925
Foster City, CA 94404
Email: mkarmel@structurlam.com

Attention: Matthew Karmel, Chief Executive Officer

Re: Notice of Termination of Exclusive Sourcing on Zone 4

Dear Matthew,

As you know, our firm represents Walmart Inc. ("Walmart") in connection with that certain Amended and Restated Walmart Realty Supplier Agreement — Goods Not For Resale (the "Supplier Agreement") dated as of June 24, 2022, by and between Walmart and Structurlam Mass Timber U.S., Inc. ("Structurlam"). Capitalized terms used but not defined herein have the meanings ascribed to them under the Supplier Agreement.

On November 18, 2022, I sent, on behalf of Walmart, a notice of Defective Goods (the "Defective Goods Notice") pursuant to which Walmart, among other things, notified Structurlam that Structurlam had delivered certain Glulam beams used on Office 6 that were not fabricated with an appropriate fire rating in conformity with the Product Warranty (the "Defective Glulam"). I noted in the Defective Goods Notice that Walmart, per Structurlam's recommendation and Structurlam's Recall notice, had paused construction while this issue was being reviewed and that Walmart expected from Structurlam a remediation plan wherein Structurlam would detail its plan to repair or replace the Defective Glulam as it is required to do under Section 6(e) of the Supplier Agreement.

Since such date, Structurlam has not satisfied its obligation under the Supplier Agreement to repair or replace the Defective Glulam. In the meantime, Walmart has incurred significant costs daily in connection with pausing construction and has incurred significant delays on the Project as a result of Structurlam's inability to cure the Defective Glulam.

Upon delivering the Defective Goods and the subsequent attempted delivery of Nonconforming Goods for Offices 6 and 8, as further detailed in the Notice of Nonconforming Goods I sent you on November 30th, Structurlam violated its obligation to supply Goods to Walmart in conformity with the Product Warranty. Further, Structurlam has, to date, failed to take any actions in order to cure such defect. As you know, pursuant to Section 4(b)(v) of the Supplier Agreement, if Structurlam fails to timely supply Walmart with Goods conforming to the Product Warranty in accordance with the Delivery Schedule, Walmart may, upon notice to Structurlam, terminate Exclusive Sourcing on, at Walmart's sole discretion, any or all of the applicable Purchase Order, the applicable Phase, another Purchase Order or Phase or multiple Purchase Orders or Phases or the Exclusive Sourcing arrangement in its entirety. Following notice, such Exclusive Sourcing will, without opportunity to cure, immediately terminate with respect to such Phase, Purchase Order or the entire Exclusive Sourcing arrangement, as the case may be, and Walmart may source replacement goods for such affected Goods from an alternative supplier.

Accordingly, in order to mitigate damages and avoid further delays on the Project, this letter constitutes official notice that Walmart is terminating Structurlam's exclusivity pursuant to Section 4(b)(v) of the Supplier Agreement with respect to Offices (Phases) 9, 10 and 11 (the "Terminated Phases"), those Offices (Phases) that comprise Zone 4 (as that term is used in the Delivery Schedule). For the avoidance of doubt, as of the date of this notice, Walmart will not be bound by the Exclusive Sourcing provision under Section 4(b) of the Supplier Agreement with respect to the Terminated Phases and Walmart may immediately begin sourcing goods for the Terminated Phases from an alternative supplier.

Walmart has made every attempt to bolster and support Structurlam throughout the term of the Supplier Agreement. However, the mounting costs of delaying construction and the frustration of Walmart's plans to keep the Project on pace have become untenable for Walmart and Walmart believes this is the best option available to both parties.

This letter is without prejudice to any of Walmart's rights, powers, privileges, remedies, and defenses, now existing or hereafter arising, all of which are hereby expressly reserved. This letter is not intended to constitute a complete statement of all facts relative to the issues raised in the letter and does not constitute a waiver of any of Walmart's contractual, legal, or equitable rights, all of which are expressly reserved.

Sincerely,

Jaret L. Davis
Co-Managing Shareholder

CC: Nicole Chapman, Managing Counsel, Realty Center of Expertise, Walmart
Brad Rogers, Senior Counsel, Walmart
Joe Allbright, Senior Design Director, Walmart

JLD:em

This is Exhibit " P " referred to in the Affidavit of **SHAWN TURKINGTON,** sworn before me at Vancouver, BC, this 26th day of April, 2023.

A Commissioner for taking Affidavits in British Columbia

Execution Version
CONFIDENTIAL

ASSET PURCHASE AGREEMENT

by and among

MERCER INTERNATIONAL INC.

SLP HOLDINGS LTD.

STRUCTURLAM MASS TIMBER U.S., INC.

STRUCTURLAM MASS TIMBER CORPORATION

and

NATURAL OUTCOMES, LLC.

Dated as of April 21, 2023

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EXHIBITS AND SCHEDULES

EXHIBITS

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SCHEDULES

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (including the Exhibits and Schedules hereto, each as amended or restated from time to time in writing, this "Agreement"), dated as of April 21, 2023, is made by and among Mercer International Inc., a corporation organized under the Laws of the State of Washington ("Buyer"), SLP Holdings Ltd., a British Columbia company ("SLP"), Structurlam Mass Timber U.S., Inc., a Delaware corporation ("Structurlam U.S."), Structurlam Mass Timber Corporation, a British Columbia company and Natural Outcomes, LLC, a Delaware limited liability company (each a "Seller", and collectively, "Sellers"). Buyer and Sellers are collectively referred to as the "Parties" and each individually as a "Party". Exhibit A contains definitions of certain capitalized terms used in this Agreement.

RECITALS

WHEREAS, Sellers and certain of their Affiliates carry on the business of offering a broad scope of timber products to builders and retailers in the U.S. and Canada, including manufacturing, distributing and selling glulam products, parallam, cross-laminated timber and related hardware and industrial matting (the "Business");

WHEREAS, Sellers and certain of their Affiliates will commence voluntary proceedings under Chapter 11 of the Bankruptcy Code (the "U.S. Bankruptcy Proceeding") by filing petitions for relief in the U.S. Bankruptcy Court for the District of Delaware (the "U.S. Bankruptcy Court");

WHEREAS, Sellers and certain of their Affiliates will seek to obtain an Order (the "Initial Order") under the Companies' Creditors Arrangement Act (Canada) ("CCAA") from the Supreme Court of British Columbia (the "CCAA Proceedings") to recognize the U.S. Bankruptcy Proceeding as a foreign proceeding pursuant to Part IV of the CCAA and to, among other things, have the orders of the U.S. Bankruptcy Court recognized for enforcement in Canada;

WHEREAS, Sellers will seek to obtain from the U.S. Bankruptcy Court an Order (the "Bid and Contract Procedures Order"), among other things, approving bid procedures for the sale of Sellers' assets (the "Bid Procedures"), approving stalking horse bid protections with respect to Sellers' entry into stalking horse purchase agreements, scheduling the Auction for, and Sale Hearing(s) to approve, the sale of Sellers' assets, approving the form and manner of notices of sale, the Auction and Sale Hearing(s), and approving contract procedures for the assumption and assignment of executory contracts and unexpired leases, and will subsequently seek to have the Bid and Contract Procedures Order recognized for enforcement in the CCAA Proceedings;

WHEREAS, Buyer and Sellers are contemplating, among other things, that following the execution of this Agreement, Buyer will act as a "stalking horse bidder" pursuant to the Bid Procedures for the Transferred Assets, meaning that, in the absence of Sellers' acceptance of a superior bid made in accordance with the Bid Procedures, Buyer will purchase Sellers' right, title and interest in and to the Transferred Assets and assume the Assumed Liabilities on the terms and subject to the conditions set forth in this Agreement, in accordance with the Bid Procedures and subject to obtaining the U.S. Sale Order and the Canadian Sale Order (the "Acquisition");

WHEREAS, the Parties desire to consummate the Acquisition as promptly as practicable following the satisfaction of the conditions precedent set out herein, including the issuance by the

U.S. Bankruptcy Court of the U.S. Sale Order and the issuance by the Canadian Court of the Canadian Sale Order;

WHEREAS, the Acquisition and the transactions contemplated by this Agreement and the agreements contemplated hereby are subject to the approval of the U.S. Bankruptcy Court and the Canadian Court and will be consummated only subject to the terms and conditions set forth herein and in accordance with the U.S. Orders and the Canadian Orders to be entered in the U.S. Bankruptcy Proceeding and the CCAA Proceedings, respectively; and

WHEREAS, Buyer shall deliver to Citibank, N.A. (the "Escrow Agent") a deposit in the sum of US$6,000,000 (the "Deposit Amount") on the terms contemplated herein;

NOW, THEREFORE, in consideration of the foregoing, and of the representations, warranties, covenants and agreements contained herein, the Parties agree as follows:

ARTICLE I

PURCHASE AND SALE OF THE BUSINESS

Section 1.1 Purchase and Sale of Assets. On the terms and subject to the conditions set forth herein, subject to Section 1.8, at the Closing, Sellers shall Transfer to Buyer, and Buyer shall purchase and acquire from Sellers the entirety of Sellers' right, title and interest in and to all of the Sellers' assets, properties and rights of every kind and nature, whether real, personal or mixed, tangible or intangible (including goodwill), wherever located, in the physical possession of Sellers or another Person, including the following, in each case free and clear of all Liens, claims, encumbrances, and interests (other than Permitted Encumbrances) and Excluded Liabilities (the "Transferred Assets"):

(a) [Reserved];

(b) Inventory;

(c) Transferred Leased Property;

(d) Transferred Owned Property;

(e) Fixtures and Equipment, including, for greater certainty, all of those assets listed on Schedule 1.1(e) of the Seller Disclosure Schedule;

(f) Transferred Intellectual Property and all the goodwill of the Business and/or associated with or related to such Transferred Intellectual Property;

(g) each Seller Contract listed on Schedule 1.1(g) of the Seller Disclosure Schedule and each Transferred Lease with respect to which an Order has been entered by the U.S. Bankruptcy Court (which may be the U.S. Sale Order) or the Canadian Court (which may be the Canadian Sale Order) authorizing the assumption and assignment of such Contract (such Contracts collectively, the "Closing Assumed Contracts");

(h) each non-executory Seller Contract;

(i) pursuant to Section 1.6(c), each Additional Assumed Contract with respect to which an Order has been entered by the U.S. Bankruptcy Court or the Canadian Court authorizing the assumption and assignment of such Contract;

(j) the Books and Records, subject to Section 6.9;

(k) to the extent their transfer is permitted by Law, all Permits that are held by Sellers and applications therefor or related thereto;

(l) all rights under the Seller Plans and any trusts, funding vehicles and other assets related thereto, Unionized Employees or Continuing Employees as set forth in Schedule 1.1(l) of the Seller Disclosure Schedule (collectively, the "Transferred Seller Plans");

(m) all credits, prepaid expenses, deferred charges, advance payments, refunds, security deposits, prepaid items and duties to the extent related to a Transferred Asset, but excluding any refunds of Taxes to the extent included in Section 1.2(h) and any prepayments or deposits of any Asset Taxes prior to the date hereof for which Sellers shall receive credit to the extent provided in Section 6.4(b); and

(n) any claim, right, award, recovery, indemnity, warranty, right to insurance proceeds, refund, reimbursement, audit right, duty, obligation, liability or other intangible right in favor of or owed to any Seller (other than rights arising under or relating to this Agreement, the Transaction Documents or Sellers' or any of their Affiliates' directors' and officers' insurance policies (the "D&O Insurance Claims")), to the extent (i) related to any Transferred Seller Plan, (ii) related to any other Transferred Asset and arising or attributable to the period of time on or after the Closing or (iii) related to any insurance proceeds as set forth in Section 6.10(a) other than the Excluded Insurance Proceeds.

Section 1.2 Excluded Assets. Notwithstanding anything to the contrary set forth in this Agreement or in any of the other Transaction Documents, the Parties expressly acknowledge and agree that nothing in this Agreement shall be construed to obligate any Seller to Transfer to Buyer any of the assets, properties or rights of any Seller other than the Transferred Assets specifically listed in Section 1.1, and all such assets, properties or rights of any Seller (the "Excluded Assets") shall be excluded from the Transferred Assets. Each Seller shall retain all of its respective right, title and interest in and to the Excluded Assets and Buyer shall not acquire and shall have no rights or Liabilities with respect to the right, title and interest of each Seller in and to the Excluded Assets, including, the following:

(a) any claim, right, award, recovery, indemnity, warranty, refund, reimbursement, audit right, duty, obligation, liability or other intangible right in favor of or owed to any Seller (i) to the extent arising under or related to the D&O Insurance Claims, (ii) to the extent related to a Transferred Asset (other than a Transferred Seller Plan) and arising or attributable to the period of time prior to the date hereof, (ii) to the extent related to any of the Excluded Liabilities, (iii) related to any insurance proceeds from Sellers' or any of their Affiliates' third party insurance policies to the extent such proceeds arise on account of acts or omissions that occurred prior to the date of this Agreement (together with the D&O Insurance Claims, the "Excluded Insurance Proceeds");

(b) all trade credits or refunds of costs or expenses borne by any Seller, in each case, attributable to the Transferred Assets and attributable to any period of time prior to the Closing Date;

(c) any shares or other interests in any Person or any securities of any Person;

(d) the articles and notice of articles, corporate charter, seal, minute books, stock record books and other similar documents relating to the organization, maintenance and existence of any Seller or any Affiliate of any Seller;

(e) all invoices, shipping documents, purchase orders and other preprinted business forms that have any Trademark thereon other than those included in the Transferred Intellectual Property;

(f) all Intellectual Property owned by any Seller or any of their Affiliates, other than the Transferred Intellectual Property;

(g) all personnel records (including all human resources and other records) of any Seller or any of their Affiliates relating to employees of any Seller or any of their Affiliates, in either case, other than the personnel records of the Unionized Employees and Continuing Employees;

(h) any refund of any Taxes paid by or on behalf of any Seller, other than refunds of Asset Taxes allocable to Buyer pursuant to Section 6.4(b);

(i) all deposits, cash and cash equivalents, checks and funds, bank accounts and other similar cash items;

(j) all consideration received by any Seller or their Affiliates pursuant to, and all rights of any Seller and their Affiliates under, this Agreement or any Transaction Document, subject to the terms hereof and thereof;

(k) all of the following documents prepared or received by Sellers, their Affiliates or any of their respective Representatives, in each case, with respect to the Transferred Assets: (i) lists of prospective buyers; (ii) offers, bids or proposals submitted by any prospective buyer; (iii) analyses by Sellers of any offers, bids or proposals submitted by any prospective buyer; (iv) correspondence between or among Sellers, their Representatives and any prospective buyer; and (v) correspondence between Sellers, their Affiliates or any of their respective Representatives with respect to any offers, bids or prospective buyers, the transactions contemplated hereby or otherwise contemplated by the Bid Procedures;

(l) all Retained Accounts Receivable (which, for the avoidance of doubt, shall not include the Buyer Accounts Receivable, to which Sellers shall have no entitlement under this Agreement);

(m) all Seller Contracts that are not Closing Assumed Contracts or Additional Assumed Contracts (the "Excluded Contracts");

(n) all Intracompany Receivables;

(o) all Tax Returns;

(p) all Actions owned by or available to any Seller, whether in Law or equity and under any forum (including, purely by way of example and without limitation, Canadian or United States federal courts, any provincial court or state court, any foreign court and any extrajudicial dispute resolution mechanism), including any (i) Action set forth on Schedule 1.2(p)(i) and (ii) Avoidance Action, attributable to any period of time prior to the Closing Date including, in each case, without limitation any Action (w) related to the acquisition, ownership, management, operation, use, function or value of any Transferred Asset or Excluded Asset, (x) against any counterparty to a Closing Assumed Contract, or any Affiliate of such counterparty or (y) against any director, officer, manager, employee, contractor, consultant or advisor employed by or providing services to any Seller (such Actions, the "Excluded Actions") unless (1) related to any Transferred Assets and (2) is attributable to any period of time following the Closing Date;

(q) any prepayments and good faith and other bid deposits submitted by any third party under the terms of the Bid and Contract Procedures Order; and

(r) any claim, right, award, recovery, reimbursement, or other benefit arising prior to the Closing Date from the Rebate Program and any federal matching program related thereto.

Section 1.3 Assumption of Liabilities. On the terms and subject to the conditions set forth herein, at the Closing, Buyer will assume, without duplication, and will otherwise in a timely manner pay, perform and discharge and be responsible for, in accordance with their respective terms, all of the following Liabilities arising from and after the Closing (collectively, the "Assumed Liabilities"):

(a) all Liabilities with respect to the ownership, possession, use and operation of the Transferred Assets accruing on or after the Closing;

(b) [Reserved];

(c) all Liabilities for, or related to any obligation for, any Tax that Buyer bears under Section 6.4;

(d) all Liabilities under the Closing Assumed Contracts and the Additional Assumed Contracts, including all Cure Costs;

(e) all Liabilities under any Permitted Encumbrance to the extent related to any Transferred Asset;

(f) all Liabilities under the Transferred Seller Plans and all Liabilities assumed by Buyer pursuant to Section 6.5; and

(g) all other Liabilities that Buyer has expressly assumed or agreed to assume or be responsible for under this Agreement and the other Transaction Documents.

Section 1.4 Excluded Liabilities. Notwithstanding anything to the contrary set forth in this Agreement or in any of the other Transaction Documents, the Parties expressly acknowledge and agree that, except as set forth in Section 1.3, Buyer will not assume, be obligated to pay, perform or otherwise discharge or in any other manner be liable or responsible for any Liabilities of Sellers (or any of them), including those arising from or in connection with the Transferred Assets or the Business, or for any Action against Sellers (or any of them) or relating to the Transferred Assets or the Business, whether existing on the Closing or arising thereafter as a result of any act, omission, event, thing or circumstances taking place or not taking place prior to the Closing, including the following (all such Liabilities that Buyer is not assuming being referred to collectively, as the "Excluded Liabilities"):

(a) all Income Taxes of Sellers;

(b) all Liabilities relating to or arising out of the Excluded Assets;

(c) all Liabilities in respect of any pending or threatened Action arising out of, relating to or otherwise in respect of the Business or the Transferred Assets to the extent such Action relates to the Business or the Transferred Assets for any period on or prior to the Closing Date;

(d) all product Liability or similar claim for injury to a Person or property which arises out of or is based upon any express or implied representation, warranty, agreement or guaranty made by any Seller or based on any tort claim, or by reason of the improper performance or malfunctioning of a product, improper design or manufacture, failure to adequately package, label or warn of hazards or other related product defects of any products at any time manufactured or sold or any service performed by Seller prior to the Closing Date;

(e) all recall, design defect, improper installation, manufacturing defect or similar or related claims of any products manufactured or sold or any service performed by any Seller prior to the Closing Date;

(f) all Liabilities arising under or in connection with any present or former employee benefit plan providing benefits to any present or former employee of any Seller, other than as set forth in Section 1.3(f), provided, that all such Liabilities with respect to the Continuing Employees shall only be Excluded Liabilities to the extent arising or related to any period prior to the Closing;

(g) except as provided in Section 6.5, including the Liabilities assumed by Buyer in relation to the Continuing Employees and the Unionized Employees as set out in Section 6.5(l), all Liabilities with respect to any present or former employees, officers, directors, independent contractors or consultants of Seller, including for wages or other work-related benefits, bonuses, fees, accrued vacation, workers' compensation, employee deferred compensation including stock option plans, equity grants, other grants and agreements, severance, retention, termination or other payments;

(h) all Accounts Payable;

(i) all Liabilities of the Business relating or arising from unfulfilled commitments, quotations, purchase orders, customer orders or work orders that do not constitute part of the Transferred Assets or Assumed Liabilities;

(j) all Liabilities to indemnify, reimburse, or advance amounts to any present or former officer, director, employee, agent or independent contractors of any Seller (including with respect to any breach of fiduciary obligations by same);

(k) all Liabilities under the Excluded Contracts, Intracompany Payables and/or resulting from the termination of obligations provided for in Section 1.10(b);

(l) all Liabilities associated with debt, loans, notes, bonds, guarantees, indemnifications or credit facilities of any Seller and/or the Business or the Transferred Assets;

(m) all Liabilities arising out of, in respect of or in connection with the failure by any Seller to comply with any Law; and

(n) all Liabilities associated with, or arising from or in connection with the redemption and cancellation of the Conway Material Bond Agreements as contemplated by Section 6.3(b).

Section 1.5 Assumption and Assignment of Contracts.

(a) Sellers shall assign to Buyer, and Buyer shall assume, the Closing Assumed Contracts at the Closing pursuant to the U.S. Sale Order or Canadian Sale Order, as applicable, subject to the other provisions of this Section 1.5. Buyer shall pay all Cure Costs in respect of the Closing Assumed Contracts and the Additional Assumed Contracts, which shall not be the obligation, liability or responsibility of Sellers.

(b) The U.S. Sale Order and Canadian Sale Order, as applicable, shall provide for the assumption by the applicable Seller party thereto, and the assignment to the extent legally capable of being assigned by such Seller to Buyer, of (i) each Closing Assumed Contract on the terms and conditions set forth in Section 1.6 and Section 1.7 and (ii) each Additional Assumed Contract on the terms and conditions set forth in Section 1.6 and Section 1.7.

Section 1.6 Bankruptcy Proceeding Assumption and Assignment of Contracts.

(a) Sellers may file with the U.S. Bankruptcy Court on the later of (i) May 4, 2023 or (ii) the date that is three (3) Business Days after the entry of the Bid and Contract Procedures Order, a notice (a "Notice of Potential Assignment") in the form approved by the Bid and Contract Procedures Order and serve such Notice of Potential Assignment by first-class mail on all non-Seller counterparties to those certain executory contracts and unexpired leases Related to the Business that Sellers may wish to assume and assign to Buyer in connection with the transactions contemplated hereby (each, an "Identified Contract"). Within one day after the conclusion of the Auction, or as soon as reasonably practicable thereafter, Sellers may file with the U.S. Bankruptcy Court a notice in the form approved by the Bid and Contract Procedures Order reflecting Sellers' proposed assumption and assignment of the Closing Assumed Contracts. At the Closing, Sellers shall assume and assign to Buyer the Closing Assumed Contracts, in each case, pursuant to Section 365 of the Bankruptcy Code or the U.S. Sale Order, subject to provision by Buyer of adequate assurance as may be required under Section 365 of the Bankruptcy Code. Pursuant to the terms of the Bid and Contract Procedures Order or the U.S. Sale Order, as the case may be, Sellers shall assume and assign to Buyer the Additional Assumed Contracts, in each case, pursuant

to Section 365 of the Bankruptcy Code and the U.S. Sale Order, subject to provision by Buyer of adequate assurance as may be required under Section 365 of the Bankruptcy Code.

(b) From time to time following the date hereof (and not later than five days prior to the expected Closing Date (or such later date as may be approved by the U.S. Bankruptcy Court) (the "Designation Deadline")), Buyer may, in its sole discretion, (i) designate additional Identified Contracts or any other executory contracts or unexpired leases that Buyer wishes to assume in connection with the transactions contemplated hereby as "Additional Assumed Contracts" by providing written notice to Sellers in the form of an updated Additional Assumed Contracts Schedule and (ii) notify Sellers in writing of any Closing Assumed Contract or Additional Assumed Contract that it does not any longer wish to assume and any such previously considered Closing Assumed Contract or Additional Assumed Contract that Buyer no longer wishes to assume shall be automatically deemed removed from the Schedules related to Closing Assumed Contracts or Additional Assumed Contracts and shall be automatically deemed an Excluded Contract without any adjustment to the Purchase Price.

(c) Within three Business Days following the Designation Deadline, Sellers may file with the U.S. Bankruptcy Court a further assumption notice (a "Further Assignment Notice") by first-class mail in the form approved by the Bid and Contract Procedures Order on all non-Seller counterparties to all Additional Assumed Contracts not previously noticed by Sellers in accordance with Section 1.6(a), and provide a copy of the same to Buyer. Following filing of the Further Assignment Notice, Sellers shall assume and assign to Buyer the Additional Assumed Contracts on such date as specified in such Further Assignment Notice, in each case, pursuant to Section 365 of the Bankruptcy Code and an Order providing for the assumption by the applicable Seller party thereto, and the assignment to the extent legally capable of being assigned by such Seller to Buyer, of each of the Additional Assumed Contracts pursuant to Section 365 of the Bankruptcy Code on the terms and conditions set forth in this Section 1.6, subject to provision by Buyer of adequate assurance as may be required under Section 365 of the Bankruptcy Code. For the avoidance of doubt, (x) if Buyer has not provided Sellers an updated Additional Assumed Contract Schedule to assume any additional Identified Contracts or other executory contracts or unexpired leases in accordance with the foregoing, then such Identified Contract or other executory contract or unexpired lease shall be deemed to be an Excluded Contract and may be rejected by any Seller party thereto after the expiration of the Designation Deadline, (y) no prepetition Cure Cost shall be due or payable with respect to any executory contract or unexpired lease until the permanent assumption thereof and (z) each Identified Contract or other executory contract or unexpired lease that becomes an Additional Assumed Contract pursuant to this Section 1.6(c) shall concurrently be deemed to have become a Transferred Asset.

(d) With respect to any Identified Contracts that are not Closing Assumed Contracts, if following the Closing Date, Sellers incur any direct incremental administrative expenses allowed pursuant to section 503(b) of the Bankruptcy Code associated with its continuance of such Identified Contract during the period between the Closing Date and the earlier of (x) the date such Identified Contract is either assumed and assigned to Buyer or rejected and (y) the Designation Deadline, then Buyer shall, within 15 days following the Closing Date, reimburse Sellers for such incremental expenses (other than expenses caused as a result of the relevant Seller's breach of such executory contract or unexpired lease).

(e) As part of any motion with respect to the Bid and Contract Procedures Order (or as necessary in one or more separate motions), Sellers shall request that, by virtue of any Seller providing seven days' prior notice of its intent to assume and assign any Closing Assumed Contract or Additional Assumed Contract, the U.S. Bankruptcy Court deem any non-debtor party to such Closing Assumed Contract or Additional Assumed Contract that does not file an objection with the U.S. Bankruptcy Court during such notice period to have given any Necessary Consent to the assumption of the Closing Assumed Contract or Additional Assumed Contract by the relevant Seller and assignment to Buyer.

(f) At Buyer's reasonable request, and at Buyer's sole cost and expense, Sellers shall reasonably cooperate with Buyer for a period of 90 days following the Closing Date to allow Buyer to enter into an amendment of any Closing Assumed Contract or Additional Assumed Contract upon assumption of such Closing Assumed Contract or Additional Assumed Contract by Buyer (and Sellers shall reasonably cooperate with Buyer to the extent reasonably requested by Buyer in negotiations with the counterparties thereof for a period of 90 days following the Closing Date); provided that (i) in no event shall any such amendments be effective prior to the Closing and (ii) Sellers shall not be required to enter into any such amendment if such amendment would result in the incurrence of any Liability by Sellers that is not otherwise paid by Buyer at the time of the assumption by Sellers of such Closing Assumed Contract or Additional Assumed Contract.

(g) Sellers shall use their respective commercially reasonable efforts to obtain one or more Orders of the U.S. Bankruptcy Court, which Order(s) shall be in form and substance reasonably acceptable to Buyer, and shall reflect the terms and conditions set forth herein, to assume and assign the Closing Assumed Contracts and the Additional Assumed Contracts to Buyer on the terms set forth in this Section 1.6.

(h) Subject to Section 1.6(i), to the extent that there is (i) an objection to the assignment and assumption of any Closing Assumed Contract outstanding at the Closing Date, (ii) an objection to the assignment and assumption of any Additional Assumed Contract on or prior to the seventh day after the Further Assignment Notice is served or (iii) any Necessary Consent that is required to assume and assign to Buyer any Closing Assumed Contract or Additional Assumed Contract is not obtained by the Closing Date, each Seller shall, with respect to each such Seller Contract, from and after the Closing and until the earliest to occur of (A) the date on which such objection is resolved or such applicable Necessary Consent is obtained, and (B) the date on which such Seller Contract is deemed rejected under Section 365 of the Bankruptcy Code, use commercially reasonable efforts during the term of such Seller Contract (and to the extent the term of such Seller Contract ends prior to the earlier of clause (A) or (B)) to (1) provide to Buyer the benefits under such Seller Contract (it being understood that Buyer shall be solely responsible for the obligations under such Seller Contract), (2) cooperate in any reasonable and lawful arrangement, including holding such Seller Contract in trust for Buyer pending resolution of such objection or receipt of the Necessary Consent, designed to provide such benefits to Buyer, and (3) use its commercially reasonable efforts to enforce for the account of Buyer any rights of such Seller under such Seller Contract, including the right to elect to terminate such Seller Contract in accordance with the terms thereof upon the written direction of Buyer; provided, however, that notwithstanding the foregoing, Sellers shall not be obligated to take any action that breaches, violates or results in default under the terms of any Seller Contract. Buyer shall reasonably cooperate with Sellers in order to enable Sellers to provide to Buyer the benefits contemplated by this Section 1.6(h).

(i) Notwithstanding the foregoing, a Seller Contract shall not be a Closing Assumed Contract or Additional Assumed Contract hereunder and shall not be assigned to, or assumed by, Buyer to the extent that such Seller Contract is (i) deemed rejected under Section 365 of the Bankruptcy Code or (ii) the subject of an objection to assignment or assumption or requires a Necessary Consent of any Governmental Entity or other third party (other than, and in addition to, that of the U.S. Bankruptcy Court) in order to permit the assumption and assignment by the applicable Seller to Buyer of such Seller Contract pursuant to Section 365 of the Bankruptcy Code, and such objection has not been resolved or such Necessary Consent has not been obtained prior to the 60th day following the Closing (as such 60-day period may be extended by mutual agreement of Buyer and Sellers) or (iii) is terminated by any party thereto other than Sellers, or terminates or expires by its terms, on or prior to such time as it is to be assumed by Buyer as a Closing Assumed Contract or Additional Assumed Contract hereunder and is not continued or otherwise extended upon assumption. For the avoidance of doubt, in no event shall the failure to assign to Buyer any Seller Contract due to the termination of such Seller Contract in accordance with subsection (iii) above, (x) reduce the Purchase Price or the Deposit Amount payable to Sellers (if applicable) or (y) constitute a failure to satisfy the conditions to the obligations of Buyer under Section 7.2.

Section 1.7 U.S. Bankruptcy Proceedings Assumption and Assignment of Contracts.

(a) In the period between the execution of this Agreement and the hearing of the application for the U.S. Sale Order (the "Interim Period"), Sellers shall use reasonable commercial efforts to obtain any consents or approvals required in respect of the Acquisition including:

(i) any consents of any non-Seller counterparties to any Identified Contracts for the transfer or assignment of Identified Contracts; and

(ii) any consents or approvals required of applicable Governmental Entity for the transfer or assignment of Permits to Buyer or the reissuance of Permits in favor of Buyer;

and Buyer shall provide such assistance to Sellers as is reasonably required by Sellers in respect thereof.

(b) If a non-Seller counterparty to an Identified Contract is unwilling to consent to the assignment of an Identified Contract or is unwilling to consent on terms acceptable to Buyer, acting reasonably, and such consent is required in order to assign such Identified Contract, the application to the U.S. Bankruptcy Court or the Canadian Court for the U.S. Sale Order or Assignment Order, as applicable, shall include a request that the U.S. Bankruptcy Court order that such Identified Contract be assigned pursuant to and in accordance with the terms of the Bid and Contract Procedures Order or the CCAA.

Section 1.8 Non-Assignment of Assets. Notwithstanding any other provision of this Agreement to the contrary, this Agreement will not constitute an agreement to assign or Transfer and will not effect the assignment or Transfer of any Transferred Asset (including any Closing Assumed Contract or Additional Assumed Contract) if (i) (A) prohibited by applicable Law, (B) an attempted assignment or transfer thereof would be reasonably likely to subject Buyer, its Affiliates or any of its or their respective Representatives to civil or criminal Liability or (C) an attempted

assignment or transfer thereof, without the approval, authorization, consent or waiver of, or granting or issuance of any license or permit by, any third party thereto (each such action, a "Necessary Consent"), would constitute a breach, default or violation thereof or of any Law or Order or in any way adversely affect the rights of Buyer thereunder or (ii) the U.S. Bankruptcy Court or the Canadian Court, as applicable, has not entered an Order approving such assignment or Transfer. In such event, such assignment or transfer is subject to such Necessary Consent being obtained and Sellers and Buyer will use their commercially reasonable efforts to obtain the Necessary Consents with respect to any such Transferred Asset (including any Closing Assumed Contract or Additional Assumed Contract) or any claim or right or any benefit arising thereunder for the assignment or transfer thereof to Buyer as Buyer may reasonably request; provided, however, that Sellers will not be obligated to pay any consideration therefor to any third party from whom approval, authorization, consent or waiver is requested or to initiate any litigation or legal proceedings to obtain any such approval, authorization, consent or waiver. If such Necessary Consent is not obtained, or if an attempted assignment or transfer thereof would give rise to any of the circumstances described in clauses (i) or (ii) of the first sentence of this Section 1.8, be ineffective or adversely affect the rights of Buyer to such Transferred Asset following the Closing, (x) Sellers and Buyer will, and will cause their respective Affiliates to, (1) use commercially reasonable efforts (including cooperating with one another to obtain such Necessary Consents, to the extent feasible) as may be necessary so that Buyer would obtain the benefits and assume the obligations thereunder in accordance with this Agreement, (2) complete any such assignments or Transfers as soon as reasonably practicable and (3) upon receipt of any applicable Necessary Consents, Transfer or assign the applicable Transferred Asset to Buyer, and (y) Sellers will, and will cause their respective Affiliates to, reasonably cooperate with Buyer in good faith without further consideration in any arrangement reasonably acceptable to Buyer and Sellers intended to provide Buyer with the benefit of any such Transferred Assets at Buyer's sole cost and expense, in each case, for a period of 60 days following the Closing Date.

Section 1.9 Wrong Pocket. Subject to Section 1.8, if at any time after the Closing (i) Buyer or its designee holds any Excluded Assets or Excluded Liabilities or (ii) any Seller holds any Transferred Assets or Assumed Liabilities, Buyer or the applicable Seller, as applicable, will promptly Transfer (or cause to be Transferred) such assets or assume (or cause to be assumed) such Liabilities to or from (as the case may be) the other Party, without further consideration from the other Party. Prior to any such Transfer, the Party receiving or possessing any such asset will hold it in trust for such other Party.

Section 1.10 Intracompany Arrangements.

(a) Each of Buyer and Sellers agree that any Intracompany Payables between any Seller, on the one hand, and any other Seller or Affiliate thereof, on the other hand, shall be fully settled or otherwise deemed cancelled effective as of immediately prior to the Closing.

(b) Each of Buyer and Sellers agree that, any contract, commitment or arrangement between any Seller, on the one hand, and any other Seller or Affiliate thereof, on the other hand, shall be terminated and be of no further force or effect and all obligations thereunder shall be fully satisfied and extinguished, notwithstanding any terms thereof to the contrary, effective as of immediately prior to the Acquisition.

(c) No additional consideration shall be payable by, and no additional amounts shall be owed by, Buyer or any of its Affiliates to Sellers or any of their Affiliates in connection with the transactions effected pursuant to this Section 1.10.

Section 1.11 Further Conveyances and Assurances. From time to time following the Closing, Sellers and Buyer will, and will cause their respective Affiliates to, execute, acknowledge and deliver all such further conveyances, notices, assumptions, assignments, releases and other instruments, and will take such further actions, as may be reasonably necessary or appropriate to assure to Buyer and its successors or assigns, all of the properties, rights, titles, interests, estates, remedies, powers and privileges intended to be conveyed to Buyer under this Agreement and to assure fully to each Seller and its respective Affiliates and their respective successors and assigns, the assumption of the Liabilities and obligations intended to be assumed by Buyer under this Agreement, and to otherwise make effective the transactions contemplated hereby.

ARTICLE II

CONSIDERATION; CLOSING

Section 2.1 Consideration. At the Closing, Buyer will pay to Sellers, by wire transfer in immediately available funds to the account or accounts designated by Sellers, an amount equal to US$60,000,000, *less* the Deposit Amount and, if applicable in accordance with Section 8.3, the Break-Up Fee and the Expense Reimbursement Amount (the "Purchase Price").

Section 2.2 Purchase Price Deposit. Buyer shall deliver to Escrow Agent, within one (1) Business Day of the later of the date hereof and the execution of the Escrow Agreement, the Deposit Amount. Buyer's deposit of the Deposit Amount with the Escrow Agent will be either returned to Buyer or paid to Sellers as follows, in each case, in accordance with the Escrow Agreement: (a) if the Closing occurs, the Deposit Amount shall be paid to Sellers in accordance with Section 2.7, (b) if this Agreement is terminated by Sellers pursuant to Section 8.1(e), then the Deposit Amount shall be paid to Sellers (which will be deemed fully earned by Sellers as compensation and consideration for entering into this Agreement), and Sellers shall have no further recourse against Buyer, or (c) if this Agreement is terminated for any reason other than by Sellers pursuant to Section 8.1(e), then the Deposit Amount shall be returned to Buyer without any set-off or deduction within three Business Days after such termination and Buyer shall have no further recourse against Sellers other than as set forth in Section 8.3; provided that if the Deposit Amount is payable to Buyer upon termination due to the U.S. Bankruptcy Court approving a Competing Transaction, the Deposit Amount shall not be payable until three Business days after such Competing Transaction is consummated. The Deposit Amount shall only constitute property of Sellers in the event that the Deposit Amount is released to Sellers by the Escrow Agent in accordance with the terms of this Agreement and the Escrow Agreement. The Deposit Amount shall not be subject to any lien, attachment, trustee process, or any other judicial process of any creditor of any of Sellers or Buyer.

Section 2.3 Closing. The closing of the purchase and sale of the Acquisition (the "Closing") shall take place remotely, via electronic exchange of documents, at 10:00 a.m., prevailing Eastern time, on the third Business Day following the date on which the last of the conditions set forth in Article VII (other than those conditions that by their nature are to be satisfied

at the Closing but subject to the fulfillment or waiver of those conditions) has been satisfied or waived, or at such other date, time and place as the Parties may mutually agree. The date on which the Closing occurs is called the "Closing Date."

Section 2.4 Deliveries by Buyer. At the Closing, Buyer shall deliver, or cause to be delivered, to Sellers, the following:

(a) the payment required to be made pursuant to Section 2.1;

(b) the certificates to be delivered pursuant to Section 7.3(c);

(c) pursuant to Section 2.7, a counterpart to a joint instruction to the Escrow Agent, instructing the Escrow Agent to release the Deposit Amount to Sellers;

(d) a duly executed counterpart to each of the Transaction Documents;

(e) duly executed counterparts to one or more assignment and assumption agreements with respect to the Transferred Leases, Closing Assumed Contracts and any Additional Assumed Contracts, substantially in the form of Exhibit B attached hereto (the "Assignment and Assumption Agreements"); and

(f) such other instruments of assumption and other instruments or documents, including bills of sale and/or assignment and assumption agreements, in form and substance reasonably acceptable to Sellers, as may be necessary to effect Buyer's assumption of the Assumed Liabilities and the assignment of any Transferred Assets in accordance with the requirements of applicable Law and this Agreement, in each case duly executed by Buyer.

Section 2.5 Deliveries by Sellers. At the Closing, Sellers shall deliver, or cause to be delivered, to Buyer, the following:

(a) the certificate to be delivered pursuant to Section 7.2(c);

(b) pursuant to Section 2.7, a counterpart to a joint instruction to the Escrow Agent, instructing the Escrow Agent to release the Deposit Amount to Sellers;

(c) a duly executed counterpart to each of the Transaction Documents;

(d) an IRS Form W-9 with respect to each Seller that is a United States person within the meaning of Section 7701 of the Code, duly completed and executed;

(e) the Books and Records; provided that the delivery obligations of Sellers hereunder shall be deemed satisfied if such Books and Records remain at the Transferred Owned Property or Transferred Leased Property;

(f) a copy of the U.S. Sale Order as entered by the U.S. Bankruptcy Court, vesting the Transferred Assets in Buyer free and clear of any Liens (other than Permitted Encumbrances);

(g) a copy of the Canadian Sale Order as entered by the Canadian Court, vesting the Transferred Assets in Buyer free and clear of any Liens (other than Permitted Encumbrances);

(h) duly executed counterparts to the Assignment and Assumption Agreements;

(i) an instrument of assignment substantially in the form of Exhibit C attached hereto with respect to the transfer of the Transferred Intellectual Property (the "IP Assignment Agreement");

(j) a Joint Election;

(k) an instrument of conveyance (including a quit claim deed, real property transfers or similar documents as customary in the applicable jurisdiction and as may be necessary in accordance with the requirements of applicable Law) conveying to Buyer fee simple title to the Transferred Owned Property, subject to Permitted Encumbrances; and

(l) such other instruments of assumption and other instruments or documents, including bills of sale and/or assignment and assumption agreements, in form and substance reasonably acceptable to Buyer, as may be necessary to effect Buyer's assumption of the Assumed Liabilities and the effective assignment of any Transferred Assets in accordance with the requirements of applicable Law and this Agreement, in each case duly executed by the applicable Seller.

Section 2.6 [Reserved].

Section 2.7 Escrow Mechanics. At the Closing, SLP shall deliver a written instruction to the Escrow Agent, in accordance with the Escrow Agreement, instructing the Escrow Agent to disburse an amount equal to the Deposit Amount to SLP. Any disbursement of any amounts by the Escrow Agent pursuant to this Section 2.7 and the Escrow Agreement shall be made by wire transfer of immediately available funds to such account or accounts as may be designated in such joint written instruction by Sellers, pursuant to the terms and subject to the conditions set forth in this Agreement and the Escrow Agreement.

Section 2.8 Withholding. Buyer shall be entitled to deduct or withhold from consideration otherwise payable pursuant to this Agreement such amounts as it is required to deduct or withhold with respect to the making of such payment under any provision of Canadian or U.S. federal, state, provincial or local Law related to Taxes, provided, however that Buyer shall use commercially reasonable efforts to provide Sellers with at least ten Business Days' notice of the applicability of any such deduction or withholding prior to making such deduction or withholding, and shall afford Sellers a reasonable opportunity to provide any applicable certificates, forms or documentation that would reduce or eliminate the requirement to deduct or withhold Tax under applicable Law. To the extent that amounts are so deducted and withheld, such deducted and withheld amounts shall be timely paid by Buyer to the applicable Tax Governmental Entity and shall be treated for all purposes of this Agreement as having been paid to Sellers. The Parties shall reasonably cooperate to determine whether any such deduction or withholding applies to the payment, and, if so, shall further cooperate to minimize applicable withholding Taxes and to obtain any available refund or credit of withheld amounts.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLERS

Except (x) as set forth in the corresponding numbered section or subsection of a Schedule (it being agreed that for the purposes of the representations and warranties made by Sellers in this Agreement, disclosure of any item in any Schedule of the Seller Disclosure Schedule shall be deemed disclosure with respect to any other section or sub-section of the Agreement to which the relevance of such item is reasonably apparent) or (y) to the extent relating to the Excluded Assets or the Excluded Liabilities, Sellers represent and warrant to Buyer as of the date of this Agreement and as of the Closing as follows:

Section 3.1 Organization; Good Standing. Each Seller is duly incorporated, formed or organized, validly existing and in good standing under the Laws of its jurisdiction of incorporation, formation or organization. Each Seller has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of the Business requires such qualification, except where the failure to be so qualified or in good standing, or to have such power or authority, would not, in the aggregate, have a Material Adverse Effect.

Section 3.2 [Reserved].

Section 3.3 Authority; Approval. Subject to (a) the issuance of the U.S. Sale Order and any other Order required by the U.S. Bankruptcy Court and (b) the issuance of the Canadian Sale Order and any other Order required by the Canadian Court, in connection with the transactions contemplated hereby:

(a) each Seller has all right, power and authority to enter into and perform its obligations under the Transaction Documents to which it is or will become a party and has all requisite corporate or similar power and authority and has taken all organizational action necessary in order to execute, deliver and perform its obligations under the Transaction Documents to which it is or will become a party; and

(b) this Agreement has been duly executed and delivered by each Seller and, assuming due execution and delivery by Buyer, will constitute a valid and binding agreement of each Seller, enforceable against each Seller in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance, preferential transfer, reorganization, moratorium and similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (the "Equitable Exception").

Section 3.4 Governmental Filings; No Violations.

(a) Other than the filings, notices, reports, consents, registrations, approvals, permits and authorization set forth on Schedule 3.4(a) of the Seller Disclosure Schedule, and subject to the issuance of the U.S. Sale Order, the Canadian Sale Order, and any other Order required by the U.S. Bankruptcy Court or the Canadian Court in connection with the transactions contemplated hereby, no filing, notice, report, consent, registration, approval, permit or authorization is required to be

given, filed or obtained by any Seller to or from any Governmental Entity in connection with the execution, delivery and performance by any Seller of this Agreement or the transactions contemplated hereby, except those that the failure to make or obtain would not, in the aggregate, have a Material Adverse Effect.

(b) Other than the filings, notices, reports, consents, registrations, approvals, permits and authorization set forth on Schedule 3.4(b) of the Seller Disclosure Schedule, the execution, delivery and performance by Sellers of this Agreement does not, and the consummation of the transactions contemplated hereby will not, conflict with, or result in any violation of or default (with or without notice, lapse of time or both) under, or give rise to a right of termination or acceleration of any obligation under, or result in the creation of any Lien upon any of the Transferred Assets (i) under any provision of the articles, by-laws or comparable governing documents of any Seller, (ii) subject to the U.S. Sale Order, the Canadian Sale Order, or any other Order required by the U.S. Bankruptcy Court or the Canadian Court in connection with the transactions contemplated hereby, any Law or Order to which any Seller, the Business and the Transferred Assets are subject, or (iii) subject to the U.S. Sale Order, Canadian Sale Order, or any other Order required by the U.S. Bankruptcy Court or the Canadian Court in connection with the transactions contemplated hereby, any Material Contract, except, in the case of clauses (ii) and (iii) above, for any such breach, violation, termination, default, creation or acceleration that would not, in the aggregate, have a Material Adverse Effect.

Section 3.5 Financial Statements. The financial statements set forth in Schedule 3.5 of the Seller Disclosure Schedule (the "Financial Statements") present fairly, in all material respects the consolidated financial position of SLP and its Subsidiaries in respect of the Business as of the dates thereof and the consolidated results of operations and cash flows for the periods then ended.

Section 3.6 Litigation. Except as set forth in Schedule 3.6 of the Seller Disclosure Schedule and except for the general pendency of the Bankruptcy Proceeding, the CCAA Proceedings, and Actions arising in the Ordinary Course and that would not have, in the aggregate, a Material Adverse Effect, as of the date hereof, there are no Actions pending or, to the Knowledge of Sellers, threatened against any Seller that are attributable to any of the Transferred Assets or the ownership or operation thereof or the Business.

Section 3.7 Transferred Owned Property. There are no pending, or, to the Knowledge of Sellers, threatened, appropriation, condemnation, eminent domain or like proceedings relating to any Transferred Owned Property.

Section 3.8 Material Contracts.

(a) Other than this Agreement, the other Transaction Documents and the DIP Financing, Schedule 3.8 of the Seller Disclosure Schedule sets forth a true and correct list of the following Seller Contracts relating to the Transferred Assets (together, the "Material Contracts"):

(i) any joint venture agreements, partnership agreements, purchase and sale agreements or similar agreements that are material to the Business;

(ii) any Seller Contract which is reasonably expected by Sellers as of the date hereof to either (i) involve any future aggregate receipts of revenues by any Seller or Sellers

in excess of US$2,000,000 in the aggregate during the 2023 calendar year or (ii) involve any future aggregate payments or obligations by any Seller or Sellers in excess of US$2,000,000 in the aggregate during the 2023 calendar year (other than purchase orders in the Ordinary Course);

(iii) any non-competition agreement or any agreement that purports to restrict, limit or prohibit the manner in which, or the locations in which, any Seller conducts the Business;

(iv) [Reserved];

(v) any Seller Contract pursuant to which any Seller grants or receives any license with respect to Intellectual Property that is material to the Business, taken as a whole, that (i) is exclusive or (ii) requires aggregate payments to or from any of Sellers in excess of US$200,000 per annum, in each case of clauses (i) and (ii), other than (x) agreements granted on standardized terms for commercially available software or information technology services, or (y) outbound licenses granted in the Ordinary Course;

(vi) any Seller Contract with a Governmental Entity;

(vii) any Transferred Lease;

(viii) any Seller Contract pursuant to which any Seller currently leases personal property to or from any Person providing for lease payments in excess of US$200,000 per annum; and

(ix) any collective bargaining agreement with any union, staff association, works council or other agency or representative body certified or otherwise recognized for the purposes of bargaining collectively.

(b) Except as disclosed on Schedule 3.8(b) of the Seller Disclosure Schedule and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, no Seller is in breach or default under any Material Contract and no Seller has received a written notice of a breach or default of the terms of any Material Contract. The Material Contracts are in full force and effect in accordance with their terms, except as may be limited by the Equitable Exception, and no event has occurred which constitutes, or which with notice or lapse of time or both would be reasonably be likely to constitute, a breach or default by any Seller (or to Sellers' Knowledge, any other party thereto) of its obligations under any of the Material Contracts (for the avoidance of doubt, not including with respect to the Bankruptcy Proceeding or the CCAA Proceedings), except in each case for those breaches or defaults which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.9 Compliance with Laws; Permits.

(a) The Business is being conducted in all material respects pursuant to the Laws applicable to the Business or the Transferred Assets. No Seller has received any written notice of (i) any material investigation or review by any Governmental Entity with respect to the Business or the Transferred Assets or (ii) any material noncompliance with any applicable Laws which

noncompliance has not been cured as of the date hereof. Each Seller has obtained and is in material compliance with all Permits and Orders issued or granted by a Governmental Entity necessary to conduct its Business as presently conducted, except those the absence of which to have or be in compliance with would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Each of Sellers is in compliance with the Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), and any other U.S. or foreign Law concerning anti-corruption or anti-bribery applicable to the Business, and no Seller is, to Sellers' Knowledge, being investigated by any Governmental Entity with respect to, or been given notice in writing by a Governmental Entity of, any violation by any of Sellers of the FCPA or any other U.S. or foreign Law concerning anti-corruption or anti-bribery applicable to the Business.

Section 3.10 Brokers and Finders. Except for fees and expenses payable to Stifel, Nicolaus & Company, Incorporated and Miller Buckfire & Co., LLC all of which shall be paid by, and be the responsibility of Sellers, there are no fees or expenses payable by any Seller to any investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Sellers in connection with the transactions contemplated hereby.

Section 3.11 Employees. Except for the Collective Agreement disclosed in Schedule 3.11 of the Seller Disclosure Schedules and the applicable certification and bargaining rights related thereto, no Seller is a party to any collective bargaining agreement or other agreement with a labor union or like organization covering any of the Scheduled Employees. As of the date hereof, there is no pending or, to the Knowledge of Sellers, threatened strike, lockout, slowdown or work stoppage involving the Scheduled Employees.

Section 3.12 Employee Benefit Plans. (a) each Seller Plan (including any related trusts) has been established, operated and administered in compliance with its terms and all applicable Laws in all material respects, including, without limitation and as applicable in the circumstances, ERISA, the Code and the ITA, (b) other than as set forth on Schedule 3.12 of the Seller Disclosure Schedule, all contributions or other amounts payable by Sellers with respect to each Seller Plan in respect of current or prior plan years have been paid or accrued in accordance with GAAP, (c) each Seller Plan that is subject to ERISA and that is intended to be qualified under Section 401(a) of the Code has been determined by the Internal Revenue Service ("IRS"), to be qualified under Section 401(a) of the Code and, to the Knowledge of Sellers, nothing has occurred that would adversely affect the qualification or tax exemption of any such Seller Plan, (d) with respect to any Seller Plan that is subject to ERISA, none of Sellers has engaged in a transaction in connection with which any of Sellers reasonably could be subject to either a civil penalty assessed pursuant to Section 409 or 502(i) of ERISA or a tax imposed pursuant to Section 4975 or 4976 of the Code, (e) no Seller maintains or contributes to (i) a plan that is subject to Section 412 of the Code or Section 302 or Title IV of ERISA or, in the case of Canadian Plans, provides benefits under a "Defined benefit provision" of a "pension plan" within the meaning of those terms as set out in the Pension Benefits Standards Act (British Columbia) (ii) any "multiemployer plans" within the meaning of Section 3(37) of ERISA, whether or not subject to ERISA and (f) as of the date hereof, there are no Actions pending or, to the Knowledge of Sellers, threatened against any Seller that involve or relate to any Seller Plan, other than routine claims for benefits in the Ordinary Course.

Section 3.13 Title to Transferred Assets. Sellers, as applicable, have good and valid title to, or in the case of leased assets, have or will have on the Closing Date good and valid leasehold interests in, all material Transferred Assets, free and clear of all Liens (other than Permitted Encumbrances) and, at the Closing, Buyer will be vested with good and valid title to, or in the case of leased assets, good and valid leasehold interest in, such material Transferred Assets, free and clear of all Liens (other than Permitted Encumbrances) and Excluded Liabilities, to the fullest extent permissible under Law, including Section 363(f) of the Bankruptcy Code and the CCAA.

Section 3.14 Intellectual Property.

(a) Sellers own, as applicable, all material Transferred Intellectual Property, free and clear of all Liens other than Permitted Encumbrances. To the Knowledge of Sellers, all material Transferred Intellectual Property is valid, subsisting and enforceable, and is not subject to any outstanding Order, judgment, decree or agreement materially and adversely affecting Sellers' use thereof or rights thereto.

(b) (i) To the Knowledge of Sellers' (i) Sellers' conduct of the Business as currently conducted does not infringe, misappropriate or otherwise violate the Intellectual Property of any other Person, (ii) since January 1, 2020, Sellers have not received any written notice alleging any such infringement, misappropriation of violation by any of Sellers of Intellectual Property owned by any other Person, and (iii) none of the Transferred Intellectual Property is being infringed upon, misappropriated or otherwise violated by any other Person.

(c) There is no Action pending before any Governmental Entity (other than the Bankruptcy Proceeding and the CCAA Proceedings) concerning the ownership, validity, registrability, enforceability, infringement, misappropriation or violation of any material Transferred Intellectual Property. None of the Transferred Intellectual Property is subject to any outstanding injunction, directive, Order, decree, award, settlement or judgment restricting the use or validity thereof.

(d) Since January 1, 2020, there have been no security breaches of or unauthorized access to the technology and computer systems and infrastructure, owned by Sellers and used in connection with the Business, in each case, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.15 Environmental Matters. Except for matters that relate to an Excluded Liability or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, to Sellers' Knowledge:

(a) the Business and the Transferred Assets are in compliance in all material respects with all applicable Environmental Laws and there are no facts that could give rise to a notice of non-compliance with any Environmental Law with respect to the Business or the Transferred Assets;

(b) there are no writs, injunctions, decrees, Orders or judgments outstanding, or any actions, suits, proceedings or investigations pending or threatened, relating to compliance with or Liability under any Environmental Law affecting the Business, the Transferred Owned Property or the Transferred Leased Property;

(c) there has been no waste generated by Seller or any of its Affiliates or any legally responsible predecessor corporation of Seller, that has given or could reasonably be expected to give rise to any Liability under any Environmental Law for which the Business would incur Liability; and

(d) Notwithstanding anything in this Agreement to the contrary, the representations and warranties made by Sellers in this Section 3.15 are the sole and exclusive representations and warranties made regarding environmental matters, including those related to Environmental Laws.

Section 3.16 Taxes. Other than as set forth in Schedule 3.16 of the Seller Disclosure Schedule:

(a) Sellers have filed all material Tax Returns with respect to the Transferred Assets required under applicable Law to be filed by Sellers with the appropriate Governmental Entities in all jurisdictions in which such Tax Returns are required to be filed prior to the Closing Date (taking into account any extension of time to file); and (ii) all material Taxes shown as due from Sellers on such Tax Returns with respect to such assets have been paid or arrangements for the payment thereof have been made, except to the extent nonpayment of which is permitted or required by the Bankruptcy Code or the CCAA.

(b) Each Seller has filed all material Tax Returns required under applicable Law to be filed by such Seller with the appropriate Governmental Entities in all jurisdictions in which such Tax Returns are required to be filed prior to the Closing Date (taking into account any extension of time to file); and (ii) all material Taxes shown as due on such Tax Returns have been paid or arrangements for the payment thereof have been made, except to the extent nonpayment of which is permitted or required by the Bankruptcy Code or the CCAA, and only to the extent that failure to file such Tax Return or to pay such Taxes would give rise to a Lien (other than a Permitted Encumbrance) on the Transferred Assets.

(c) No audit or other proceeding with respect to any Taxes or Tax Returns with respect to the Transferred Assets is currently in progress, or has been proposed or threatened in writing.

(d) No Seller has received written notice of any material outstanding, proposed or assessed Tax deficiency that has not been paid or accrued for and in accordance with applicable Law, nor has any Seller executed any waiver of any statute of limitations in respect of material Taxes nor agreed to any extension of time with respect to a material Tax assessment, collection or deficiency, which notice, waiver, or extension of time could give rise to a Lien (other than a Permitted Encumbrance) on the Transferred Assets.

(e) There are no liens for Taxes other than Permitted Encumbrances upon any of the Transferred Assets.

(f) There are not any outstanding ruling requests, and no rulings have been received, by any Seller relating to Taxes which ruling requests or rulings relate to Taxes which could be a Lien (other than a Permitted Encumbrance) on the Transferred Assets.

Section 3.17 Insurance. Schedule 3.17 of the Seller Disclosure Schedule sets forth a true and complete list of all insurance policies (the "Existing Insurance Policies") maintained by Sellers

applicable to the Transferred Assets, together with the insurer, the amount of the coverage, the type of insurance, the policy number and any pending claims thereunder. Except as set forth on Schedule 3.17 of the Seller Disclosure Schedule, Sellers are up-to-date in the payment of all premiums and other amounts payable under the Existing Insurance Policies to maintain the Existing Insurance Policies in full force and effect, and Sellers shall continue to make all such payments until the Closing. As of the date hereof all such policies are in full force and effect in all material respects and are sufficient for compliance by Sellers with all applicable Laws.

Section 3.18 Real Property. On the Closing Date, Sellers shall convey to Buyer pursuant to Section 363 of the Bankruptcy Code good and marketable fee simple title and the deed to the Transferred Owned Property, free and clear of all Liens other than Permitted Encumbrances. Except as set forth on Schedule 3.18 of the Seller Disclosure Schedule, Sellers have not leased or otherwise granted to any Person the right to use or occupy the Transferred Owned Property or any portion thereof, and there are no Persons in possession or Person having the right to occupy or use any of the Transferred Owned Property. Sellers have no leases of any real property other than as set forth on Schedule 3.18 of the Seller Disclosure Schedule. The civic addresses of the parcels comprising the Transferred Owned Property are set out in Schedule 3.18 of the Seller Disclosure Schedule.

Section 3.19 Status of Transferred Assets. To the Knowledge of Sellers, since the commencement of the Bankruptcy Proceeding and CCAA Proceedings, no Fixtures and Equipment or other tangible personal property has been removed or transferred from the Business or otherwise sold, leased, assigned or transferred, other than as would not materially adversely affect the operation of the Transferred Assets or the Business. The Transferred Assets constitute all of the assets of every nature and kind whatsoever necessary for Buyer to conduct and operate the Business immediately after the Closing in the manner previously conducted by Sellers.

Section 3.20 Full Disclosure. There has been no event, transaction or information regarding the Business or the Transferred Assets that has come to the Sellers' Knowledge that has not been disclosed to Buyer in writing that could reasonably be expected to have a Material Adverse Effect.

Section 3.21 No Other Representations or Warranties.

(a) Except for the representations and warranties contained in this Article III, no Seller nor any other Person on Sellers' behalf makes any other express or implied representation or warranty with respect to Sellers, the Business, the Transferred Assets, the Assumed Liabilities or the transactions contemplated hereby, and each Seller expressly disclaims any other representations or warranties, whether made by Sellers, any Affiliate of Sellers or any of Sellers' or their Affiliates' respective Representatives. Except for the representations and warranties contained in this Article III, each Seller (i) expressly disclaims and negates any representation or warranty, expressed or implied, at common law, by statute or otherwise, relating to the condition of the Transferred Assets (including any express or implied warranty of merchantability or fitness for a particular purpose) and (ii) disclaims all liability and responsibility for any representation, warranty, projection, forecast, statement or information made, communicated or furnished (orally or in writing) to Buyer or its Affiliates or Representatives (including any opinion, information, projection or advice that may have been or may be provided to Buyer by any Representative of

Sellers or any of its Affiliates). Sellers make no representations or warranties to Buyer regarding the probable success or profitability of the Transferred Assets or the use thereof. The disclosure of any matter or item in any Schedule hereto will not be deemed to constitute an acknowledgment that any such matter is required to be disclosed or is material or that such matter could result in a Material Adverse Effect.

(b) Each Seller acknowledges and agrees that, except for the representations and warranties expressly set forth in Article IV, neither Buyer nor any other Person has made any express or implied representation or warranty with respect to the transactions contemplated hereby or with respect to the accuracy or completeness of any other information provided, or made available, to Sellers in connection with the transactions contemplated hereby and none of Sellers have relied on any representation or warranty other than those expressly set forth in Article IV.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Sellers as of the date hereof and as of the Closing as follows:

Section 4.1 Organization, Good Standing. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the State of Washington. Buyer has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and, to the extent such concept applies, is in good standing as a foreign legal entity in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, in each case, except where the failure to be so qualified or in good standing or to have such power or authority, would not, individually or in the aggregate, reasonably be likely to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement.

Section 4.2 Authority; Approval.

(a) Buyer has all right, power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is or will become a party and has all requisite corporate or similar power and authority and has taken all organizational action necessary in order to execute, deliver and perform its obligations under this Agreement and the other Transaction Documents to which it is or will become a party and to consummate the transactions contemplated hereby. No additional corporate or shareholder authorization or consent is required in connection with the execution, delivery and performance by Buyer of this Agreement or any of the Transaction Documents to which it is or will become party.

(b) This Agreement has been duly executed and delivered by Buyer and, when executed and delivered by Sellers, will constitute a valid and binding agreement of Buyer enforceable against Buyer in accordance with its terms, subject to the Equitable Exception.

Section 4.3 Government Filings; No Violations.

(a) Subject to the issuance of the U.S. Sale Order, the Canadian Sale Order and any other Order required by the U.S. Bankruptcy Court or the Canadian Court in connection with the transactions contemplated hereby, no filing, notice, report, consent, registration, approval, permit or authorization is required to be given, filed or obtained by Buyer to or from any Governmental Entity in connection with the execution, delivery and performance by Buyer of this Agreement or the transactions contemplated hereby.

(b) The execution, delivery and performance by Buyer of this Agreement does not, and the consummation of the transactions contemplated hereby will not, conflict with, or result in any violation of or default (with or without notice, lapse of time or both) under, or give rise to a right of termination, loss of rights, adverse modification of provisions, cancellation or acceleration of any obligation under (i) any provision of the articles, by-laws or comparable governing documents of Buyer, (ii) subject to the U.S. Sale Order, the Canadian Sale Order, any Law or Order to which Buyer is subject or (iii) subject to the U.S. Sale Order, the Canadian Sale Order, any Contracts to which Buyer is a party, except, in the case of clauses (i) and (ii) above, for any such breach, violation, termination, default, creation or acceleration that would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement.

Section 4.4 Litigation. There are no Actions pending, or, to the Knowledge of Buyer, threatened against Buyer, and Buyer is not subject to any Order, in each case, that would, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement.

Section 4.5 Available Funds. Buyer has sufficient funds available to it in cash to pay or cause to be paid the Purchase Price, all Cure Costs and the other fees and expenses required to be paid by Buyer in connection with the transactions contemplated hereby, and to effect the transactions contemplated hereby. Upon the consummation of the transactions contemplated hereby, (a) Buyer will not be insolvent as defined in Section 101 of the Bankruptcy Code or under the CCAA, (b) Buyer will not be left with unreasonably small capital, (c) Buyer will not have incurred debts beyond its ability to pay such debts as they mature and (d) the capital of Buyer will not be impaired.

Section 4.6 Condition of the Business. Notwithstanding anything contained in this Agreement to the contrary, Buyer acknowledges and agrees (a) that it has conducted its own independent review and analysis of the Business and the Transferred Assets, Assumed Liabilities and other rights and obligations it is acquiring and assuming under this Agreement and the other Transaction Documents, as it deems necessary and appropriate in connection with the execution and delivery of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby and (b) that Buyer will acquire the Transferred Assets (i) without any representation or warranty, express or implied, as to the fitness for purpose, merchantability, condition, quantity or quality of the Transferred Assets or any part thereof and (ii) in an "as is" condition and on a "where is" and "with all faults" basis without any warranty whatsoever, legal or conventional, at Buyer's own risk as more fully set out

in Section 3.21, except, in each case, for the representations and warranties expressly set forth in Article III of this Agreement.

Section 4.7 Brokers and Finders. Except for fees and expenses payable by Buyer, there are no fees or expenses payable to any investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Buyer in connection with the transactions contemplated hereby.

Section 4.8 No Other Representations or Warranties.

(a) Except for the representations and warranties contained in this Article IV, neither Buyer nor any other Person makes any other express or implied representation or warranty with respect to the transactions contemplated hereby, and Buyer disclaims any other representations or warranties, whether made by Buyer, any Affiliate of Buyer or any of Buyer's or its Affiliates' respective Representatives.

(b) Buyer acknowledges and agrees that, except for the representations and warranties expressly set forth in Article III, no Seller nor any other Person has made any express or implied representation or warranty with respect to the transactions contemplated hereby or with respect to the accuracy or completeness of any other information provided, or made available, to Buyer in connection with the transactions contemplated hereby and Buyer has not relied on any representation or warranty other than those expressly set forth in Article III.

(c) Buyer acknowledges and agrees that the enforceability of this Agreement against Sellers is subject to receipt of the U.S. Sale Order and the Canadian Sale Order.

Section 4.9 Due Diligence by Buyer. Buyer (on behalf of itself and each of its Affiliates) acknowledges and agrees that:

(a) the representations and warranties of Sellers set forth in Article III, any other Transaction Document or in any certificate delivered with respect to this Agreement (the "Covered Representations") are the only representations and warranties of any kind given by or on behalf of Sellers, and all other representations and warranties of any kind or nature expressed or implied (including, any relating to the future or historical financial condition, results of operations, revenues, expenses, assets, liabilities or other financial information included in the Business or the Transferred Assets or the quality, quantity or condition of the assets of the Business or the Transferred Assets) are specifically disclaimed by Sellers, and none of Sellers, their respective Affiliates or their respective Representatives make or provide any other warranty or representation, and Buyer hereby waives (on behalf of itself and each of its Affiliates) any other warranty or representation, in each case, express or implied, as to the quality, merchantability, fitness for a particular purpose or condition of the Business or the Transferred Assets or any part thereof;

(b) to the extent that Buyer has received any forecasts, estimates and projections, statements of intent or statements of opinion, including projected financial statements, cash flow items, other financial information, market intelligence and predictions and certain business plan information, including in any information memorandum, any management presentations or any other information, Buyer acknowledges and agrees that, except for the Covered Representations, (i) there are uncertainties inherent in attempting to make such projections and forecasts and,

accordingly, Buyer is not relying on any of them, (ii) Buyer is familiar with such uncertainties and is taking full responsibility for making its own evaluation of the adequacy and accuracy of all such projections and forecasts, (iii) Buyer has no claim under or in connection with this Agreement against anyone with respect to the accuracy of such projections and forecasts, and (iv) none of Sellers, their respective Affiliates or any of their respective Representatives have made any representation, warranty or indemnity with respect to such projections and forecasts; and

(c) (i) Buyer has engaged expert advisors experienced in the evaluation and acquisition of businesses such as the Business, as contemplated hereby, (ii) it has conducted a due diligence exercise in relation to the Business and the Transferred Assets, it has received the Seller Disclosure Schedule, it has been provided with, among other things, access to the Virtual Data Room, including all materials regarding the Business and the Transferred Assets contained therein (and not removed), from February 24, 2023 to the first Business Day prior to the Closing Date, (iii) it has been afforded the opportunity to request additional information to evaluate the merits of the transactions contemplated herein, and (iv) in making its decision to enter into this Agreement and consummate the transactions contemplated herein, Buyer has relied exclusively upon the Covered Representations and its own efforts and opinions and those of its Representatives, including its own professional, legal, financial, tax and other advisors.

Section 4.10 [Reserved].

Section 4.11 No Other Representations or Warranties. Except for the representations and warranties contained in this Article IV, any other Transaction Document or in any certificate delivered with respect to this Agreement, neither Buyer nor any other Person makes any other express or implied representation or warranty on behalf of Buyer.

ARTICLE V

BANKRUPTCY MATTERS

Section 5.1 Competing Transactions.

(a) Consummation of the transactions contemplated hereby is subject to approval by the U.S. Bankruptcy Court and the Canadian Court and the consideration by Debtors, the U.S. Bankruptcy Court and the Canadian Court of higher or better competing bids. From and after the date hereof until the Auction is declared closed by Debtors in accordance with the Bid and Contract Procedures Order, Sellers shall be permitted to cause their respective Representatives and Affiliates to (i) initiate contact with, or solicit or encourage submission of any inquiries, proposals or offers by, any Person (in addition to Buyer and its Affiliates, agents and Representatives) with respect to any transaction (or series of transactions) involving the direct or indirect sale, transfer or other disposition of all, or a material portion of, the Transferred Assets to a purchaser or purchasers other than Buyer or effecting any other transaction the consummation of which would be substantially inconsistent with or in lieu of the transactions contemplated hereby, including by way of any merger, share purchase or exchange, asset purchase, tender offer, business combination, consolidation, joint venture, license, restructuring, reorganization, recapitalization, spin-off, split-off, or other transaction (a "Competing Transaction"), and (ii) respond to any inquiries or offers with respect to a Competing Transaction, including the purchase of all or any

part of the Transferred Assets (whether in combination with other assets of Sellers and the other Debtors or otherwise) and perform any and all other acts related thereto which are required or permitted under the Bankruptcy Code, the CCAA, the Bid and Contract Procedures Order, or other applicable Law, including supplying information relating to the Business and the assets of Sellers to prospective purchasers.

(b) If, upon completion of the Auction, Sellers have agreed to sell their assets under a Competing Transaction, Sellers may select Buyer as a Back-Up Bidder (as defined in the Bid Procedures) or may select another Back-Up Bidder as provided in the Bid Procedures on the terms and conditions contained herein (as revised in the Auction), or may select another Back-Up Bidder as provided in the Bid and Contract Procedures Order. Buyer hereby agrees and acknowledges that it shall serve as a Back-Up Bidder if so requested.

(c) Sellers agree that all pleadings with respect to the transactions contemplated hereby, including any reply in support thereof or any pleading relating to the assignment or assumption of Contracts, shall be provided to Buyer as soon as reasonably practicable prior to filing and shall be reasonably acceptable to Buyer. Buyer and Sellers understand and agree that such contemplated transactions are subject to approval by the U.S. Bankruptcy Court or the Canadian Court, as applicable.

Section 5.2 U.S. Bankruptcy Actions. As promptly as practicable after the date hereof and the commencement of the U.S. Bankruptcy Proceeding, Sellers shall file with the U.S. Bankruptcy Court an application seeking the Bid and Contract Procedures Order, which shall, among other things, (a) approve and authorize payment of the Break-Up Fee and the Expense Reimbursement Amount, and (b) establish procedures for the conduct of the Auction. Buyer agrees that it will reasonably cooperate with Sellers in obtaining granting of the Bid and Contract Procedures Order and the recognition of the Bid and Contract Procedures Order in the CCAA Proceedings. Sellers shall file such motions or pleadings as may be appropriate or necessary to assume and assign the Closing Assumed Contracts and to determine the amount of the Cure Costs.

Section 5.3 CCAA and Bankruptcy Court Filings.

(a) Buyer and Sellers shall take all actions as may be reasonably necessary to cause the Canadian Sale Order and U.S. Sale Order to be issued, entered and become Final Orders, including furnishing affidavits, declarations or other documents or information for filing with the Canadian Court and U.S. Bankruptcy Court. Buyer agrees that it will promptly take such actions as are reasonably requested by Sellers to assist in obtaining granting and entry of the Canadian Sale Order and the U.S. Sale Order including a finding of adequate assurance of future performance by Buyer, including furnishing affidavits or other documents or information for filing with the Canadian and U.S. Bankruptcy Court for the purposes, among others, of providing necessary assurances of performance by Buyer under this Agreement and demonstrating that Buyer is a "good faith" Buyer under Section 363(m) of the Bankruptcy Code.

(b) Sellers shall use their commercially reasonable efforts, subject to U.S. Bankruptcy Court and Canadian Court availability and approval, to (i) hold the Auction, unless an Auction is not required to be held pursuant to the terms of the Bid Procedures, on or before May 19, 2023 and (ii) file and have entered the Canadian Sale Order and U.S. Sale Order on or before May 31, 2023.

(c) The Parties shall consult with each other regarding pleadings that any of them intends to file with the Canadian Court and the U.S. Bankruptcy Court in connection with, or which might reasonably affect the U.S. Bankruptcy Court's approval of the U.S. Sale Order or the Canadian Court's approval of the Canadian Sale Order, including, with respect to Debtors, sharing in advance any drafts thereof for Buyer's review and comment. Each Seller shall promptly provide Buyer and its outside legal counsel with copies of all notices, filings and Orders of the Canadian Court and U.S. Bankruptcy Court that such Seller has in its possession (or receives) pertaining to the Canadian Sale Order or U.S. Sale Order, or any other Order related to any of the transactions contemplated hereby, but only to the extent such papers are not publicly available in the CCAA Proceedings or the docket of the U.S. Bankruptcy Court or otherwise made available to Buyer and its outside legal counsel. No Seller shall seek any modification to the Canadian Sale Order or U.S. Sale Order by the Canadian Court or U.S. Bankruptcy Court (as the case may be) or any other Governmental Entity of competent jurisdiction to which a decision relating to the CCAA Proceedings or Bankruptcy Proceeding has been appealed, in each case, without the prior written consent of Buyer (not to be unreasonably withheld, conditioned or delayed).

(d) If the U.S. Sale Order, Canadian Sale Order or any other Orders of the U.S. Bankruptcy Court or Canadian Court relating to this Agreement or the transactions contemplated hereby are appealed by any Person (or if any petition for certiorari or motion for reconsideration, amendment, clarification, modification, vacation, stay, rehearing or reargument shall be filed with respect to any such Order), Sellers shall promptly notify Buyer in writing thereof and subject to rights otherwise arising from this Agreement, Sellers shall use commercially reasonable efforts to prosecute such appeal, petition or motion and obtain an expedited resolution of any such appeal, petition or motion with input from Buyer.

ARTICLE VI

COVENANTS

Section 6.1 Access and Information.

(a) From the date hereof through the Closing Date, subject to Section 6.1(b), Buyer will be entitled, through its Representatives, to have reasonable access to the Scheduled Employees, the Transferred Assets, the Business and the Assumed Liabilities. Any such access will be conducted upon reasonable advance notice and under reasonable circumstances and will be subject to restrictions under COVID-19 Measures and applicable Law. Sellers will direct and use their commercially reasonable efforts to cause their Representatives to cooperate with Buyer and Buyer's Representatives in connection with such access, and Buyer and its Representatives will cooperate with Sellers and their Representatives; provided that: (i) any such access shall be conducted at Buyer's expense, in accordance with applicable Law (including applicable privacy and competition laws), under the supervision of Sellers' personnel and in such a manner as to maintain confidentiality and not to interfere with the normal operations of the Business of Sellers and their Affiliates; (ii) in no event will the foregoing permit any sampling, invasive testing or analysis of soil, groundwater, building materials or other media including any investigations of the sort generally referred to as a Phase II or detailed environmental site investigation; and (iii) the foregoing shall not require Sellers to disclose information or materials (A) protected by attorney-client, attorney work product or other legally recognized privileges or immunity from disclosure

or the disclosure of which would result in the disclosure of any trade secrets of third parties or violate any applicable Laws related to the exchange of information or any obligation of any Seller with respect to confidentiality; or (B) relating to other bids or potential bids for any of the Transferred Assets.

(b) All information received pursuant to this Section 6.1 shall be governed by the terms of the Confidentiality Agreement.

Section 6.2 Interim Operations of the Business. Except (a) (i) as required by applicable Law including any COVID-19 Measures, (ii) the DIP Financing or (iii) as authorized by any Order of the U.S. Bankruptcy Court or the Canadian Court, which Order is consistent with this Agreement, (b) as otherwise expressly contemplated by this Agreement or another Transaction Document, (c) with the prior written consent of Buyer (such consent not to be unreasonably withheld, conditioned or delayed), (d) as set forth on Schedule 6.2 of the Seller Disclosure Schedule, (e) as reasonably undertaken, consistent with actions taken by similarly situated industry participants and, except where not reasonably practicable in light of an imminent threat to health and safety, in prior consultation with Buyer, to respond to the actual or anticipated effects on the Business of COVID-19 or COVID-19 Measure, or (f) to the extent related to any Excluded Assets or Excluded Liabilities, during the period from the date hereof to and through the Closing Date, Sellers will use best efforts to conduct the Business in the Ordinary Course and maintain the Transferred Assets in their current condition, ordinary wear and tear excepted, including by making all payments in the respect of wages, benefits and pensions, due (or with respect to wages, accrued) to the Unionized Employees up to the Closing Date; *provided that* in the event that the Seller does not make all such payments (including in respect of accrued wages), then such aggregate amount shall be in good faith estimated by the Seller and the Buyer and deducted from the Purchase Price on Closing. For greater certainty, Seller will not sell, dispose or otherwise transfer howsoever the Specified Inventory. For clarity, in this Section 6.2, any reference to "wages" does not include vacation pay that is accrued but unused in the Ordinary Course as of the Closing Date.

Section 6.3 Cooperation; Status Updates; Regulatory Filings.

(a) Cooperation. Subject to the terms and conditions set forth in this Agreement, the Orders of the U.S. Bankruptcy Court and the Canadian Court, the Parties shall cooperate with each other and use their respective reasonable commercial efforts to: (i) take or cause to be taken all actions reasonably necessary, proper or advisable on their part under this Agreement or applicable Law to consummate the transactions contemplated hereby as promptly as reasonably practicable in accordance with the Bid Procedures; (ii) execute, acknowledge and deliver in proper form any further documents, certificates, agreements and other writings, and take such other action as such other Party may reasonably require, in order to effectively carry out the intent of the Transaction Documents; (iii) make or cause to be made all registrations, filings, notifications, submissions and applications with, to give all notices to and to obtain any consents, governmental transfers, approvals, Orders, qualifications and waivers from any Governmental Entity necessary for the consummation of the transactions contemplated hereby; (iv) not to take any action prior to the Closing that would reasonably be expected to prevent, materially impair or materially delay the consummation of the transactions contemplated hereby, except to the extent such action is otherwise expressly contemplated by this Agreement or the Bid Procedures; (v) provide the other

Party with cooperation and take such actions as such other Party may reasonably request in connection with the consummation of the transactions contemplated hereby; and (vi) cause the fulfillment at the earliest practicable date of all of the conditions to their respective obligations to consummate the transactions contemplated hereby.

(b) Unless otherwise agreed by Sellers and Buyers in writing, effective as of the Closing Date, Sellers shall take or cause to be taken all actions necessary, proper or advisable on their part to redeem or otherwise have cancelled the Bond and the other Conway Material Bond Agreements including the Conway Lease Agreement such that legal title to all of the Conway Lease Assets is duly and validly assigned and transferred to Structurlam U.S. or Buyer (pursuant to the U.S. Sales Order), all of which shall be effected (i) without any Liabilities to Buyer (including for any period from and after the Closing), unless Liabilities are paid and settled in full by Sellers prior to the Closing and (ii) in a manner that permits all of the Conway Lease Assets to be and constitute Transferred Assets, to be transferred to, or as directed by, Buyer on the Closing.

(c) Status Updates. Each of Sellers and Buyer shall promptly notify the other Party or Parties, as applicable, in writing (email being sufficient) of the occurrence, to such Parties' or Party's, as applicable, knowledge, of any event or condition, or the existence of any fact or circumstance, that would reasonably be expected to result in any of the conditions set forth in Article VII not being satisfied as of a reasonably foreseeable Closing Date.

(d) Regulatory Filings. Sellers and Buyer shall prepare and file as promptly as practicable all documentation to effect any necessary notices, reports and other filings and to obtain as promptly as practicable all consents, clearances, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any Governmental Entity in order to consummate the transactions contemplated hereby within five Business Days after the date of this Agreement.

(e) Reasonable Best Efforts.

(i) Without limiting the generality of the foregoing, Buyer and Sellers agree to take or cause to be taken the following actions:

(A) the prompt use of its reasonable best efforts to avoid the entry of any permanent, preliminary or temporary injunction or other decree, decision, determination or judgment that would reasonably be expected to delay, restrain, prevent, enjoin or otherwise prohibit consummation of the transactions contemplated hereby;

(B) the defense through litigation on the merits of any claim asserted in any court, agency or other proceeding by any Person or entity, including any Governmental Entity, seeking to delay, restrain, prevent, enjoin or otherwise prohibit consummation of the transactions contemplated hereby; and

(C) the prompt use of its best efforts to take, in the event that any Order is entered or issued, or becomes reasonably foreseeable to be entered or issued, in any regulatory proceeding or inquiry of any kind that would make consummation of the transactions contemplated hereby in accordance with the terms of this Agreement unlawful or that would reasonably be expected to delay, restrain, prevent, enjoin or otherwise

prohibit consummation of the transactions contemplated hereby, any and all steps (including the appeal thereof or the posting of a bond necessary to resist, vacate, modify, reverse, suspend, prevent, eliminate or remove such actual, anticipated or threatened Order) so as to permit such consummation on a schedule as close as possible to that contemplated by this Agreement.

Section 6.4 Tax Matters.

(a) Transfer Taxes. All documentary, stamp, transfer, including land transfer, registration charges, including motor vehicle registration, sales, including GST/HST, provincial sales, use, value added, excise, consumption, gross receipt, turnover, and other similar non-income Taxes and all filing and recording fees (and any penalties and interest associated with such Taxes and fees) arising from or relating to the consummation of the transactions contemplated hereby (collectively, "Transfer Taxes") will be borne by Buyer, regardless of the Party on whom liability is imposed under the provisions of the Laws relating to such Transfer Taxes, provided that all such Transfer Taxes with respect to the transfer of real property assets of Sellers located in the U.S. shall not exceed US$200,000. Upon the reasonable request of any Seller, Buyer will furnish proof of the payment of those Transfer Taxes to the appropriate Governmental Entity, where permitted. Sellers and Buyer will consult and cooperate in timely preparing and making all filings, Tax Returns, reports and forms as may be required to comply with the provisions of the Laws relating to such Transfer Taxes, and will cooperate and otherwise take commercially reasonable efforts to obtain any available refunds for or exemptions from such Transfer Taxes, including preparing exemption certificates and other instruments as are applicable to claim available exemptions from the payment of Transfer Taxes under applicable Law and executing and delivering such affidavits and forms as are reasonably requested by the other Party. Without limiting the generality of the foregoing, the Parties will:

(i) complete and sign a joint election under subsection 167(1) of the ETA on or before the Closing Date to avoid the application of GST/HST to the purchase and sale of the Transferred Assets, to the extent applicable. Buyer will duly file the election with the appropriate Governmental Entity within the time permitted under the ETA (the "Joint Election"); and

(ii) to the extent any Seller has received any amount in respect of an obligation to deliver goods or services, and Buyer has agreed to assume that obligation under this Agreement, Transferred Assets having a fair market value equal to that amount are being transferred to Buyer under this Agreement as payment by such Seller for Buyer's agreement to assume that obligation, and the Parties will file an election pursuant to the provisions of subsections 20(24) and 20(25) of the ITA, and any corresponding provisions of any other applicable Tax Law, within the prescribed time period.

(b) Asset Taxes. Sellers shall be allocated and bear all Asset Taxes for any period or portion thereof ending prior to the Closing Date, and Buyer shall be allocated and bear all Asset Taxes for any period or portion thereof that begins at or after the Closing Date. For purposes of this Section 6.4(b), (i) Asset Taxes that are based upon or related to income or receipts or imposed on a transactional basis (other than such Asset Taxes described in clause (ii)), shall be allocated to the period in which the transaction giving rise to such Asset Taxes occurred, and (ii) Asset Taxes

that are ad valorem, property or other Asset Taxes imposed on a periodic basis pertaining to a Straddle Period shall be allocated between the portion of such Straddle Period ending immediately prior to the Closing Date and the portion of such Straddle Period beginning at the Closing Date by prorating each such Asset Tax based on the number of days in the applicable Straddle Period that occur before the date on which the Closing Date occurs, on the one hand, and the number of days in such Straddle Period that occur on or after the date on which the Closing Date occurs, on the other hand. For the avoidance of doubt, to the extent any Seller has prepaid or deposited any amounts of any Asset Taxes prior to the Closing, Seller shall receive credit for such amounts in determining payments of Asset Taxes. Buyer shall be responsible for the preparation and timely filing of any Tax Returns and the payment to the applicable Governmental Entity of all Asset Taxes that become due or payable on or after the Closing Date, provided that to the extent any such Tax Returns relate to a Straddle Period, Sellers shall have the right to review and comment upon such Tax Returns prior to the filing thereof and Buyer shall incorporate any such reasonable comments that are timely provided. Sellers shall be responsible for the preparation and timely filing of any Tax Returns and payment to the applicable Governmental Entities of all Asset Taxes that become due or payable prior to the Closing Date.

(c) Purchase Price Allocation.

(i) As promptly as practicable after the Closing Date, but no later than 45 days thereafter, Buyer will prepare and deliver to Sellers, an allocation schedule setting forth the amounts to be allocated among Sellers and among the Transferred Assets of each Seller, pursuant to (and to the extent necessary to comply with) Section 1060 of the Code and the applicable regulations promulgated thereunder (or, if applicable, any similar provision under state, local or foreign Law or regulation, or for purposes of the ITA) (the "Proposed Allocation Statement"). Sellers will have 20 Business Days following delivery of the Proposed Allocation Statement during which to notify Buyer in writing (an "Allocation Notice of Objection") of any objections to the Proposed Allocation Statement, setting forth in reasonable detail the basis of their objections. If Sellers fail to deliver an Allocation Notice of Objection in accordance with this Section 6.4(c)(i), the Proposed Allocation Statement will be conclusive and binding on all Parties and will become the "Final Allocation Statement." If Sellers submit an Allocation Notice of Objection, then for 20 Business Days after the date Buyer receives the Allocation Notice of Objection, Buyer and Sellers will use their commercially reasonable efforts to agree on the allocations. Failing such agreement within 20 Business Days of such notice, the unresolved allocations will be submitted to an independent, nationally recognized accounting firm mutually agreeable to Buyer and Sellers, which firm will be instructed to determine its best estimate of the allocation schedule based on its determination of the unresolved allocations and provide a written description of the basis for its determination within 45 Business Days after submission, such written determination to be final, binding and conclusive. The allocations determined by such accounting firm (or those on the Proposed Allocation Statement to the extent Sellers did not object) will be conclusive and binding on all Parties and will become the "Final Allocation Statement." The fees and expenses of such accounting firm will be apportioned 50% to Sellers and 50% to Buyer. For the avoidance of doubt, in administering any Action, the U.S. Bankruptcy Court shall not be required to apply the Final Allocation Statement in determining the manner in which the Purchase Price should be allocated as between Sellers and their respective estates.

(ii) Except to the extent otherwise required by a "determination" within the meaning of Section 1313(a) of the Code or by applicable Law, or as agreed to between the Parties as a result of any proposed assessment or reassessment by a relevant Tax authority, Sellers and Buyer and their respective Affiliates will report, act and file Tax Returns (including, but not limited to IRS Form 8594) in all respects and for all purposes consistent with the Final Allocation Statement and neither Sellers nor Buyer will take any position (whether in audits, Tax Returns, or otherwise) that is inconsistent with the Final Allocation Statement.

(d) Cooperation and Audits. Buyer and Sellers will cooperate fully with each other regarding Tax matters and will make available to the other as reasonably requested all information, records and documents relating to Taxes with regard to the Transferred Assets, Unionized Employees and Continuing Employees until the expiration of the applicable statute of limitations or extension thereof or the conclusion of all audits, appeals or litigation with respect to such Taxes. Notwithstanding anything in this Section 6.4(d) to the contrary, Sellers, Buyer and their respective Affiliates shall not be required to provide to Sellers and their Affiliates or Buyer and its Affiliates, as the case may be, any records, Tax Returns or any other information, in each case, which includes any information not solely related to the Transferred Assets, Unionized Employees or Continuing Employees.

Section 6.5 Employment Matters.

(a) Schedule 6.5(a) sets forth the names of all individuals who are Seller Employees as of the date hereof and (x) whose job responsibilities relate to the ownership, operation or use of the Transferred Assets or (y) whom Buyer and Sellers have otherwise designated as Scheduled Employees (the individuals set forth on Schedule 6.5(a), as such Schedule may be updated in accordance with this Section 6.5(a), the "Scheduled Employees"). Schedule 6.5(a) also sets forth, for each Scheduled Employee as applicable, the Scheduled Employee's job title, date of hire, annual base salary and target bonus opportunity for 2023 (the "Scheduled Employees Schedule"). The Scheduled Employees Schedule shall be held in confidence and shall not be filed with the U.S. Bankruptcy Court or the Canadian Court (unless under seal). From time to time following the date hereof (and not later than 15 Business Days prior to the expected Closing Date), to the extent necessary, Sellers shall update the Scheduled Employees Schedule to reflect any changes thereto permitted by this Agreement. Sellers shall provide Buyer with any such updated Scheduled Employees Schedule at least 12 Business Days prior to the expected Closing Date. Buyer may add Seller Employees to Schedule 6.5(a) by providing written notice of such additions to Sellers not later than 15 Business Days prior to the expected Closing Date.

(b) At least ten Business Days prior to the expected Closing Date, Buyer shall provide Sellers with its list of Target Employees. For clarity, this list of Target Employees shall include (and may only include) all Unionized Employees.

(c) At least ten Business Days prior to the expected Closing Date, Buyer shall deliver to Sellers the form of written offer of employment that is to be provided to the Target Employees that are not Unionized Employees (if any) in accordance with the requirements set out in Section 6.5(d), and agrees to consider in good faith any comments provided by Sellers on such form.

(d) No later than seven Business Days prior to the expected Closing Date, Buyer shall, in its sole discretion, in consultation with Sellers, offer employment in writing to each of the Target Employees who are not Unionized Employees and are not independent contractors effective as of the Closing, if any.

(e) No later than seven Business Days prior to the expected Closing Date, Buyer shall, in its sole discretion, offer to retain the services of the Target Employees who are independent contractors on terms and conditions substantially similar to the terms and conditions of each such Target Employee's contract with the applicable Seller.

(f) No later than seven Business Days prior to the expected Closing Date, Buyer shall present all Unionized Employees with an Employment Confirmation Letter in the form attached hereto at Exhibit D confirming each Unionized Employee's continuing employment on the same terms and conditions as set forth in the Collective Agreement.

(g) No later than two Business Days prior to the expected Closing Date, Buyer shall deliver to Sellers a list identifying: (i) each Unionized Employee who has signed the Employment Confirmation Form referenced in Section 6.5(f); and (ii) each Target Employee who is not a Unionized Employee who has then accepted Buyer's offer of employment or engagement (each Target Employee who accepts such offer on or prior to the Closing Date and commences employment or engagement with Buyer, a "Continuing Employee"), and a list identifying: (A) each Unionized Employee that has not signed the Employment Confirmation Form referenced in Section 6.5(f); and (B) each Target Employee who has then rejected Buyer's offer of employment or engagement. In the event any, some or all of the Target Employees (who are not Unionized Employees) do not accept offers of employment or engagement with Buyer, no Material Adverse Effect shall have been deemed to occur solely due to such refusal.

(h) [Reserved].

(i) At the Closing, Buyer will be a successor employer in respect of, and will assume all obligations under and will become bound by, the Collective Agreement governing the terms and conditions of employment of the Unionized Employees, including the obligation to continue the employment of the Unionized Employees under applicable Laws, and shall recognize the service of the Unionized Employees for all purposes, including, without limitation, all Seller Plans, vacation, service awards and all post-Closing severance and termination obligations, as if they had been employed by Buyer since their individual dates of hire by the applicable Sellers or any predecessor of the applicable Seller.

(j) To the extent required by the Collective Agreement or applicable laws, Buyer shall (i) cause any pre-existing conditions or limitations and eligibility waiting periods under any group health plans of Buyer or its Affiliates to be waived with respect to the Unionized Employees and their eligible dependents, (ii) give each Unionized Employee credit for the plan year in which the Closing Date occurs towards applicable deductibles and annual out-of-pocket limits for medical expenses incurred prior to the Closing Date for which payment has been made and (iii) give each Unionized Employee service credit for such Unionized Employee's employment with Sellers since such Unionized Employee's date of hire with Sellers as set forth on Schedule 6.5(a) for all purposes, including but not limited to termination entitlements, vesting, benefit accrual (including

determination of severance benefits) and eligibility to participate under each applicable benefit plan of Buyer or its Affiliates, as if such service had been performed with Buyer, except for benefit accrual under defined benefit pension plans, for purposes of qualifying for subsidized early retirement benefits or to the extent it would result in a duplication of benefits.

(k) [Reserved].

(l) Buyer will assume all Liabilities in respect of Unionized Employees (but not Continuing Employees who are not Unionized Employees) which may become payable to, receivable by, or accrued in favor of the Unionized Employees at any point prior to the Closing Date and Buyer will assume all Liabilities in respect of Continuing Employees and Unionized Employees that arise or are incurred or accrued following the Closing Date, including premiums for employment insurance, workers' compensation, any obligations under any Seller Plans, any obligations under the Collective Agreement, any Liabilities under workers' compensation or similar Laws, accrued statutory holiday pay, fees, wages, accumulated overtime, accumulated paid time off, salaries, commissions, bonuses, accumulated vacation with pay credits or entitlements and other employee benefits or claims.

(m) Nothing in this Agreement is intended to (i) be treated as an amendment of any particular Seller Plan, (ii) prevent Buyer or any of its Affiliates from amending or terminating any compensation or benefit plan of Buyer or its Affiliates (including any Transferred Seller Plan) on or after the Closing Date in accordance with their terms the Collective Agreement (where applicable) and applicable Law, or (iii) prevent Buyer or any of its Affiliates from terminating the employment of any Continuing Employee. No current or former employee of Sellers or any beneficiary or dependent thereof is entitled to any third party beneficiary or other rights under this Section 6.5 or under any other provisions of this Agreement with respect to the compensation, terms and conditions of employment and/or benefits that may be provided to any such employee or beneficiary or dependent by Sellers, Buyer or any of its Affiliates or under any benefit plan (including any Transferred Seller Plans) which Sellers, Buyer or any of its Affiliates may maintain, other than what is legally required in accordance with the Collective Agreement or applicable Laws.

Section 6.6 Confidentiality. Each Party acknowledges that the information being provided to it in connection with the transactions contemplated hereby is subject to the terms of the Confidentiality Agreement. The terms of the Confidentiality Agreement are incorporated into this Agreement by reference in their entirety (and the Confidentiality Agreement shall continue in full force and effect until the Closing, at which time all obligations under the Confidentiality Agreement shall terminate (other than those which expressly survive the termination thereof pursuant to its terms)). If, for any reason, the Closing does not occur, the Confidentiality Agreement shall continue in full force and effect in accordance with its terms. Buyer acknowledges and understands that this Agreement, before it becomes otherwise publicly available, may be publicly filed in the U.S. Bankruptcy Court or the Canadian Court and further made available by Sellers to prospective bidders and that, except as prohibited herein, such disclosure will not be deemed to violate any confidentiality obligations owing to Buyer, whether pursuant to this Agreement, the Confidentiality Agreement or otherwise. Sellers acknowledge that from and after the Closing, all non-public information relating to the Transferred Assets and the Assumed Liabilities, will be valuable and proprietary to Buyer and its Affiliates. Sellers agree

that, from and after the Closing, no Seller will disclose to any Person any information relating to Buyer and its Affiliates, the Transferred Assets or the Assumed Liabilities, except as required by Law, Order, U.S. Bankruptcy Court requirement, Canadian Court requirement, or as otherwise becomes available in the public domain other than through any action by any Seller in violation of its obligations under this Section 6.6.

Section 6.7 Personal Information. The collection, use and disclosure of Personal Information by Buyer before the Closing is restricted to those purposes that relate to the transactions contemplated by this Agreement, and Buyer will protect that Personal Information by security safeguards appropriate to the sensitivity of the information. If, for any reason, the Closing does not occur, the Personal Information will be returned to Sellers or destroyed within a reasonable time. Following the Closing, Buyer will: (i) use and disclose the Personal Information transferred to it under the terms of this Agreement solely for the purposes for which that Personal Information was collected or permitted to be used or disclosed before the transaction was completed, or otherwise as permitted by applicable Law including applicable privacy laws; (ii) protect that Personal Information by security safeguards appropriate to the sensitivity of the information; (iii) notify the individuals who are the subject of the Personal Information, including the Continuing Employees, that the transaction has been completed that the their Personal Information has been disclosed to Buyer; and (iv) give effect to any withdrawal of consent made to the collection, use, and disclosure of the Personal Information in accordance with applicable Law including applicable privacy laws.

Section 6.8 Publicity. Except as required by the U.S. Bankruptcy Court in connection with the Bankruptcy Proceeding, or the Canadian Court in connection with the CCAA Proceedings, as applicable, any disclosure statement that the Debtors may file in connection with the Bankruptcy Proceeding or the CCAA Proceedings and any public disclosure issued by SLP pursuant to its contractual obligations under any confidentiality agreement or as required by Law or as required to be disclosed by Buyer pursuant to applicable securities laws or the rules and policies of any applicable stock exchange or quotation system, Buyer and Sellers will not issue any press release or public announcement concerning this Agreement or the transactions contemplated hereby without obtaining the prior written approval of the other Parties, which approval may not be unreasonably withheld, except that such consent shall not be required in connection with ordinary or required pleadings made by any Debtor in the U.S. Bankruptcy Court or the Canadian Court or if disclosure is otherwise required by applicable Law, by the U.S. Bankruptcy Court or by the Canadian Court; provided, however, that Buyer or Sellers, as applicable, will use its or their commercially reasonable efforts consistent with such applicable Law, U.S. Bankruptcy Court requirement or Canadian Court requirement to consult with the other Parties with respect to the text of any such required disclosure.

Section 6.9 Maintenance of Books and Records. After the Closing Date, Buyer shall until the sixth anniversary of the Closing Date, preserve, maintain and retain all books, records, other documents and electronically stored information Related to the Business, including the Books and Records, in existence on the Closing Date and, subject to compliance with applicable Law, make the same available for inspection and copying by Sellers, any of Sellers' successors or assigns or any trustee in bankruptcy and, in each case, any of their respective Representatives for any reasonable business purpose or compliance with any obligation under any applicable Law, during normal business hours of the Business upon reasonable request and upon reasonable notice.

Section 6.10 Insurance Matters.

(a) Sellers shall, and shall cause their Affiliates to, assign, to the extent assignable, to Buyer any and all proceeds owing to Sellers under Sellers' or any of their Affiliates' third party insurance policies written prior to the Closing in connection with (i) the damage or destruction of any of the Transferred Assets from and after the date of this Agreement and prior to the Closing that is, or would have been but for such damage or destruction, included in the Transferred Assets or (ii) any Assumed Liability (other than, in the case of this clause (ii), where insurance proceeds are directly or indirectly funded by Sellers or any of their Affiliates through self-insurance or other similar arrangements); provided that, Sellers shall not be required to, or to cause their Affiliates to, assign to Buyer any Excluded Insurance Proceeds. If such proceeds are not assignable, Sellers agree to pay any such proceeds received by them or any of their Affiliates to Buyer promptly upon the receipt thereof.

(b) Except as set forth in Section 1.1(n), from and after the Closing, the Business, the Transferred Assets and the Assumed Liabilities shall cease to be insured by Sellers' or their Affiliates' insurance policies or by any of their self-insurance programs or other similar arrangements, and Buyer (i) agrees on or prior to Closing to arrange for its own insurance policies (including self-insurance or similar arrangements funded directly or indirectly by Buyer or any of its Affiliates) with respect to the Business, the Transferred Assets and the Assumed Liabilities covering all periods from and after the Closing and (ii) without prejudice to any right to indemnification under this Agreement or any other Transaction Document, agrees not to seek, through any means, to benefit from any of Sellers' or their Affiliates' insurance policies which may provide coverage for claims relating in any way to the Business.

Section 6.11 Wallis Lease Extension. From and after the signing of this Agreement, Sellers and Buyer shall work together in good faith to obtain an extension of the Wallis Lease on terms satisfactory to Buyer. Buyer shall be permitted to communicate directly with the Lessor to settle satisfactory terms for the extension. In the event that Buyer reaches a satisfactory extension of the Wallis Lease, Sellers will properly execute and sign the same as requested by Buyer.

Section 6.12 [Reserved].

Section 6.13 Environmental. Buyer acknowledges and agrees that Sellers shall not be obligated to provide a site disclosure statement under the Environmental Management Act (BC) and the regulations thereto with respect to any Transferred Leased Property located in the Province of British Columbia.

Section 6.14 Conduct of Sellers. Until the earlier of the termination of this Agreement under Section 8.1 or the Closing, except (a) (i) as required by applicable Law including any COVID-19 Measures, (ii) the DIP Financing, or (iii) as authorized by any Order of the U.S. Bankruptcy Court or the Canadian Court, which Order is consistent with this Agreement, (b) as otherwise expressly contemplated by this Agreement or another Transaction Document, (c) with the prior written consent of Buyer (such consent not to be unreasonably withheld, conditioned or delayed), (d) as set forth in Schedule 6.14, (e) as reasonably undertaken, consistent with actions taken by similarly situated industry participants and, except where not reasonably practicable in light of an imminent threat to health and safety, in prior consultation with Buyer, to respond to the

actual or anticipated effects on the Business of COVID-19 or COVID-19 Measures, or (f) to the extent related to any Excluded Assets or Excluded Liabilities, during the period from the date hereof to and through the Closing Date, Sellers will (x) operate the Transferred Assets only in the Ordinary Course consistent with past practice, (y) preserve intact the Transferred Assets, reasonable wear and tear excepted, and as necessary to keep all of the Transferred Assets in substantially the same condition as at the date hereof, and (z) shall not:

(a) sell, assign, license, transfer, convey, or waive or release any right or claim relating to any of the Transferred Assets, lease, surrender, relinquish or otherwise dispose of any portion of the Transferred Assets;

(b) increase the total number of employees working as part of the Transferred Assets by more than 5%, except for construction workers in the Ordinary Course consistent with past practice;

(c) except as required by the terms of and in accordance with any key employee retention program or key employee incentive program implemented by Sellers, the Collective Agreement, any other written employment or engagement agreement currently in effect between the applicable Seller and the employee, or applicable Laws, increase the compensation payable (whether through the payment of, or agreement to pay, bonus amounts or otherwise) to any employees; provided that the foregoing shall not apply to employees working as part of the Transferred Assets for an amount of up to an additional 5% of any such employee's compensation;

(d) subject any portion of the Transferred Assets to any encumbrance, except for Permitted Encumbrances;

(e) incur any capital expenditures (other than for reasonably necessary repairs and Ordinary Course maintenance) for an amount greater than US$250,000;

(f) amend or modify in any material respect or terminate any Closing Assumed Contract or Additional Assumed Contract;

(g) take any action that could reasonably be expected to result in a Material Adverse Effect on the value of the Transferred Assets;

(h) sell, lease, remove from the Transferred Owned Property, transfer, license or otherwise dispose of, abandon or permit to lapse, fail to take any material action necessary to maintain, enforce or protect, or permit or create any encumbrance (other than Permitted Encumbrances) on any of the Transferred Assets; or

(i) agree or commit to do any of the foregoing.

Nothing contained in this Agreement is intended to give Buyer or its Affiliates, directly or indirectly, the right to control or direct the Business prior to the Closing.

Section 6.15 Notification of Certain Matters.

(a) Sellers will promptly notify Buyer of: (i) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement; (ii) any notice or other communication from any Governmental Entity related to or in connection with the transactions contemplated by this Agreement; (iii) promptly upon discovery thereof, any variances from, or the existence or occurrence of any event, fact or circumstance arising after the execution of this Agreement that would reasonably be expected to cause, any of the representations and warranties contained in Article III to be untrue or inaccurate such that the condition set forth in Section 7.2(a) will not be able to be satisfied. If the subject matter of any such notification required by the previous sentence requires any change in the Seller Disclosure Schedule, Sellers shall deliver to Buyer prior to the Closing a supplement to such Seller Disclosure Schedule (the "Updated Schedules") with such change; provided that in no event will any Updated Schedule serve to amend, supplement or modify the Schedules for purposes of Section 7.2(a) or limit the remedies available to Buyer under or with respect to this Agreement; provided, further that if the Closing occurs, the Updated Schedules will be considered and deemed to be part of the Seller Disclosure Schedule for all purposes under this Agreement, and each reference in this Agreement to a particular Seller Disclosure Schedule will mean such Seller Disclosure Schedule in, or as updated by, the Updated Schedules; and (iv) the occurrence of any fact or circumstance that could reasonably be expected to have a Material Adverse Effect.

(b) Buyer will promptly notify Sellers of any Actions relating to or involving or otherwise affecting Buyer or its Affiliates that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 4.4 or that relate to the transactions contemplated by this Agreement.

Section 6.16 Transfer of Permits.

(a) From and after the date hereof, Sellers, on the one hand, and Buyer, on the other hand, shall reasonably cooperate to transfer to Buyer as of the Closing Date all Permits included in the Transferred Assets.

(b) In addition, at any time prior to the Closing Date, Buyer may, at its sole discretion and at its sole expense, request for Sellers to maintain in effect any Permit for up to three months after the Closing for the purposes of passing through the benefits of such Permit to Buyer, and (i) provided Buyer timely pays any costs associated with such Permit, including any costs referred to in clause (iii) below and to the extent practicable and permitted by applicable Law, Sellers shall use commercially reasonable efforts to maintain in effect such Permit, (ii) Sellers and Buyer shall use commercially reasonable efforts to agree in writing on arrangements for the purposes of passing through the benefits of such Permit to Buyer, and (iii) any such arrangements described in the foregoing shall be at the sole expense of Buyer.

Section 6.17 Sellers' Obligations. Each of Sellers hereby acknowledges and agrees that their representations and warranties made hereunder are made jointly and severally, and their respective covenants and obligations under this Agreement are joint and several responsibilities. Each of Sellers agrees to be jointly and severally responsible for any damage, loss, cost and expense for which either of them may be responsible hereunder.

ARTICLE VII

CONDITIONS TO CLOSING

Section 7.1 Conditions Precedent to Each Party's Obligations. The Parties' obligations to consummate the transactions contemplated hereby are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by the Parties in whole or in part to the extent permitted by applicable Law):

(a) there shall not be in effect any Order of a Governmental Entity of competent jurisdiction or any Law preventing, restraining, enjoining, making illegal or otherwise prohibiting the consummation of the transactions contemplated hereby;

(b) the U.S. Bankruptcy Court shall have entered the U.S. Sale Order, and the U.S. Sale Order shall be in full force and effect and not subject to a stay and shall have become a Final Order; and

(c) the Canadian Sale Order and the Assignment Orders (if applicable) shall have been issued by the Canadian Court and shall have become Final Orders.

Section 7.2 Conditions Precedent to Obligations of Buyer. The obligation of Buyer to consummate the transactions contemplated hereby is subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Buyer in whole or in part to the extent permitted by applicable Law):

(a) (i) the representations of Sellers contained in the first sentence of Section 3.1 and in Section 3.3 shall be true and correct in all material respects (without giving effect to any materiality limitations, such as "material," "in all material respects" and "Material Adverse Effect" set forth therein) on and as of the Closing, except to the extent expressly made as of an earlier date, in which case such representations and warranties shall be true and correct in all material respects (without giving effect to any materiality limitations, such as "material," "in all material respects" and "Material Adverse Effect" set forth therein) as of such earlier date; and (ii) all other representations of Sellers contained in this Agreement (without giving effect to any materiality limitations, such as "material," "in all material respects" and "Material Adverse Effect" set forth therein) shall be true and correct on and as of the Closing, except to the extent expressly made as of an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date, except for any failure of any such representation and warranty to be so true and correct that has not had or would not reasonably be likely to have, individually or in the aggregate, have a Material Adverse Effect;

(b) Sellers shall have performed and complied in all material respects with all obligations and agreements required in this Agreement to be performed or complied with by them prior to or on the Closing Date including delivery of those items set forth in Section 2.5;

(c) Buyer shall have received from Sellers a certificate signed by an authorized officer of Sellers on behalf of Sellers certifying that the conditions set forth in Section 7.2(a), Section 7.2(b) and Section 7.2(e) have been satisfied;

(d) the Conway Material Bond Agreements shall be redeemed or cancelled as contemplated by Section 6.3(b), in form and substance reasonably satisfactory to Buyer;

(e) Since the date of this Agreement there shall not have occurred any Material Adverse Effect;

(f) Seller shall have performed all actions required of Sellers pursuant to this Agreement to convey title to the Transferred Owned Property to Buyer, free and clear of all Liens pursuant to Section 363 of the Bankruptcy Code, subject only to the Permitted Encumbrances, and a licensed title company or companies reasonably satisfactory to Buyer (the "Title Company") shall be irrevocably committed to issue to Buyer a title policy, insuring Buyer's fee simple title to the Transferred Owned Property, subject only to the Permitted Encumbrances, which policy shall be reasonably in form and substance to Buyer (the "Title Policy"), subject to Buyer's payment of any required premiums and fees to the Title Company and delivery of such documentation by Buyer as required by the Title Company in order to issue to Buyer the Title Policy, provided that in the event Title Company shall be unable or unwilling to provide the Title Policy notwithstanding Seller's and Buyer's fulfillment of the foregoing requirements, Seller may select a replacement title insurer, which shall be a nationally recognized title insurance company reasonably acceptable to Buyer, to provide the Title Policy; and

(g) The form of U.S. Sale Order shall be in a form reasonably acceptable to Buyer.

Section 7.3 Conditions Precedent to Obligations of Sellers. The obligations of Sellers to consummate the transactions contemplated hereby are subject to the fulfillment, prior to or on the Closing Date, of each of the following conditions (any or all of which may be waived by Sellers in whole or in part to the extent permitted by applicable Law):

(a) the representations and warranties of Buyer contained in this Agreement shall be true and correct on and as of the Closing, except to the extent expressly made as of an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date, except for any failure of any such representation and warranty to be so true and correct as would not, individually or in the aggregate, reasonably be expected to prevent the ability of Buyer to consummate the transactions contemplated hereby and deliver the Purchase Price pursuant to Section 2.1;

(b) Buyer shall have performed and complied in all material respects with all obligations and agreements required in this Agreement to be performed or complied with by Buyer prior to or on the Closing Date; and

(c) Sellers shall have received from Buyer a certificate signed by an authorized officer of Buyer on behalf of Buyer certifying that the conditions set forth in Section 7.3(a) and Section 7.3(b) have been satisfied.

Section 7.4 No Frustration of Closing Conditions. Neither Buyer nor Sellers may rely on the failure of any condition to their respective obligations to consummate the transactions contemplated hereby set forth in Section 7.1, Section 7.2 or Section 7.3, as the case may be, to be satisfied if such failure was caused by such Party's or its Affiliates' failure to use its reasonable best efforts (or such other applicable efforts standard expressly contemplated hereby) to satisfy the

conditions to the consummation of the transactions contemplated hereby or by any other breach of a representation, warranty, or covenant hereunder.

ARTICLE VIII

TERMINATION

Section 8.1 Termination of Agreement. This Agreement may be terminated prior to the Closing as follows:

(a) by mutual written consent of Buyer and Sellers;

(b) automatically, upon the consummation of a Competing Transaction, or the U.S. Bankruptcy Court approves a Competing Transaction;

(c) by either Party, upon written notice to the other Party:

(i) if the Closing has not occurred by 5:00 p.m., prevailing Eastern time, on or before sixty (60) days after the date of this Agreement (the "Termination Date"), which date may be extended by mutual written agreement of the Parties or otherwise pursuant to Section 8.1(d)(i) or Section 8.1(e)(i);

(ii) if there is in effect a final non-appealable Order of a Governmental Entity of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby (it being agreed that the Parties will promptly appeal any adverse determination which is appealable and pursue such appeal in accordance with their respective obligations under Section 6.3(e)(i)(C) unless and until this Agreement is terminated pursuant to this Section 8.1);

(iii) if the Bankruptcy Proceeding is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code or if the CCAA Proceedings are dismissed; or

(iv) if Buyer is not selected as a Successful Bidder or a Back-Up Bidder (each as defined in the Bid Procedures) upon entry of the U.S. Sale Order or Canadian Sale Order, as applicable.

(d) by Buyer, upon written notice to Sellers:

(i) in the event of a material breach by Sellers of any representation or warranty or any covenant or agreement contained in this Agreement that (A) would result in any of the conditions set forth in Section 7.1 or Section 7.2 not being satisfied if such breach remained uncured as of the Closing and (B) such breach is incapable of being cured prior to the Termination Date or, if capable of being cured, such breach has not been cured within 30 days after the giving of written notice by Buyer to Sellers of such breach; provided that Buyer is not then in material breach of any representation, warranty, covenant or agreement contained in this Agreement; provided, further, that in the event that Buyer provides such written notice to Sellers within 30 days of the Termination Date, then the Termination Date shall be extended until the end of the 30-day cure period set forth in this Section 8.1(d)(i);

(ii) if, following entry by the U.S. Bankruptcy Court or the Canadian Court of the U.S. Sale Order or the Canadian Sale Order, respectively, the U.S. Sale Order or the Canadian Sale Order (as applicable) is materially amended, modified or supplemented without Buyer's prior written consent or is voided, reversed or vacated; or

(iii) if (A) all of the conditions set forth in Section 7.1 and Section 7.3 have been satisfied or waived (other than those that, by their nature, are to be satisfied at the Closing, all of which are capable of being satisfied at the Closing), (B) Buyer has irrevocably confirmed by written notice to Sellers that (1) all conditions set forth in Section 7.2 have been satisfied (other than those that, by their nature, are to be satisfied at the Closing) or that it would be willing to waive any unsatisfied conditions in Section 7.2 if the Closing were to occur, and (2) they are ready, willing and able to consummate the Closing and (C) Sellers fail to consummate the Closing within two Business Days following the date the Closing should have occurred pursuant to Section 2.3; provided, however, that any purported termination by Sellers pursuant to Section 8.1(c)(i) shall be deemed to be a termination by Buyer pursuant to this Section 8.1(d)(iii) if Buyer is entitled to terminate this Agreement pursuant to this Section 8.1(d)(iii) at the time of such termination.

(e) by Sellers, upon written notice to Buyer:

(i) in the event of a breach by Buyer of any representation or warranty or any covenant or agreement contained in this Agreement, if (A) such breach would result in a failure of a condition set forth in Section 7.1 or Section 7.3 to be satisfied if such breach remained uncured as of the Closing and (B) such breach is incapable of being cured prior to the Termination Date or, if capable of being cured, such breach has not been cured within 30 days after the giving of written notice by Sellers to Buyer of such breach; provided that Sellers are not then in material breach of any representation, warranty, covenant or agreement contained in this Agreement; provided, further, that in the event that Sellers provide such written notice to Buyer within 30 days of the Termination Date, then the Termination Date shall be extended until the end of the 30-day cure period set forth in this Section 8.1(e); or

(ii) if (A) all of the conditions set forth in Section 7.1 and Section 7.2 have been satisfied or waived (other than those that, by their nature, are to be satisfied at the Closing, all of which are capable of being satisfied at the Closing), (B) Sellers have irrevocably confirmed by written notice to Buyer that (1) all conditions set forth in Section 7.3 have been satisfied (other than those that, by their nature, are to be satisfied at the Closing) or that it would be willing to waive any unsatisfied conditions in Section 7.3 if the Closing were to occur, and (2) they are ready, willing and able to consummate the Closing and (C) Buyer fails to consummate the Closing within two Business Days following the date the Closing should have occurred pursuant to Section 2.3; provided, however, that any purported termination by Buyer pursuant to Section 8.1(c)(i) shall be deemed to be a termination by Sellers pursuant to this Section 8.1(e)(ii) if Sellers are entitled to terminate this Agreement pursuant to this Section 8.1(e)(ii) at the time of such termination.

Section 8.2 Effect of Termination. In the event of termination of this Agreement pursuant to Section 8.1, this Agreement shall become void and of no effect; provided, however,

that the provisions set forth in this Section 8.2, Section 8.3, Article IX and in the Confidentiality Agreement shall survive the termination of this Agreement; provided, further, that nothing in this Section 8.2 shall be deemed to release any Party from liability for any willful or material breach of this Agreement prior to termination.

Section 8.3 Break-Up Fee and Expense Reimbursement Amount. In consideration of Buyer and its Affiliates having expended considerable time and expense in connection with this Agreement and the negotiation thereof, and the identification and quantification of assets to be included in the Transferred Assets, and to compensate Buyer as a stalking-horse bidder in connection with the Auction, should Seller enter into a written binding agreement with respect to a Competing Transaction, then in such event, Buyer shall be entitled to:

(a) the Expense Reimbursement Amount, not to exceed US$600,000; and

(b) an amount equal to US$1,800,000 (the "Break-Up Fee").

No bidder other than Buyer shall be entitled to a Break-Up Fee or Expense Reimbursement Amount. For the avoidance of doubt, (x) the Break-Up Fee and Expense Reimbursement Amount shall be free of any Liens and shall be payable or credited to Buyer only upon closing of the sale of the Transferred Assets (or a material portion of them) and (y) notwithstanding anything contained herein to the contrary, (i) Buyer shall have the right, but not the obligation, to increase its bid for the Transferred Assets at the Auction, and (ii) the amount of the Break-Up Fee and Expense Reimbursement Amount, once triggered pursuant to the terms of this Agreement, shall act as a credit toward any Closing by the Buyer as the high bidder or as the Backup Bidder (as defined in the Bid Procedures). Notwithstanding anything to the contrary set forth in this Agreement, Buyer agrees that the amount of the Break-Up Fee and the Reimbursement Amount credited to Buyer against the Purchase Price at the Closing as set forth in Section 2.1 (the "Closing Credit Amount") shall be reduced to the extent such credit would result in the Sellers receiving less than US$60,000,000 in proceeds at the Closing, taking into consideration (i) any amount of the Deposit of the Winning Bidder (as such terms are defined in the Bidding Procedures) under a Competing Transaction that is payable to Sellers pursuant to the Bidding Procedures and is not disputed by the Winning Bidder, or if disputed (such amount, a "Disputed Amount"), such dispute has been resolved in favor of Sellers prior to the Closing and (ii) the purchase price paid by Buyer at the Closing (taking into account the Deposit Amount payable to Sellers by Buyer in accordance with Section 2.2); provided, that if any Disputed Amount is excluded from consideration under the foregoing subclause (i) because such amount remained in dispute at the time of the Closing and such Disputed Amount is later disbursed to Sellers (or Sellers' representative) following the Closing, Sellers (or Sellers' representative) shall calculate the amount that would have been credited to Buyer at the Closing pursuant to this Section 8.3 had the Disputed Amount been undisputed at the Closing (the "Final Credit Amount"), and Sellers (or Sellers' representative) shall pay Buyer the difference between the Final Credit Amount and the Closing Credit Amount, by wire transfer of immediately available funds to an account directed by Buyer, without further consideration from Buyer.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Survival. The Parties agree that the representations, warranties, covenants or agreements contained in this Agreement (other than in respect to Section 3.21, Section 6.6 and this Article IX) will not survive the Closing hereunder, and none of the Parties will have any liability to each other after the Closing for any breach of such representations, warranties, covenants or agreements which may be made, or Action instituted, after the Closing. Notwithstanding the foregoing, the covenants and agreements that by their terms are to be satisfied after the Closing Date shall survive until satisfied in accordance with their terms.

Section 9.2 Notices. Unless otherwise set forth herein, all notices and other communications, including consents and waivers, to be given or made hereunder shall be in writing and shall be deemed to have been duly given or made on the date of delivery to the recipient thereof if received prior to 5:00 p.m. in the place of delivery and such day is a Business Day (or otherwise on the next succeeding Business Day) if (a) served by personal delivery or by recognized overnight courier service upon the Person for whom it is intended, (b) delivered by registered or certified mail, return receipt requested or (c) sent by email, as provided in this Section 9.2; provided that the email is confirmed orally or in writing by the recipient thereof (excluding out-of-office replies or other automatically generated responses):

To Buyer:

Mercer International Inc.
Suite 1120, 700 West Pender Street
Vancouver, B.C. V6C 1G8
Telephone: (604) 639-4610
Attn: Brian Merwin, Vice President Corporate Development
Email: brian.merwin@mercerint.com

With a copy to:

Sangra Moller LLP
1000 Cathedral Place
925 West Georgia Street
Vancouver, B.C. V6C 3L2
Telephone: (604) 692-3022
Attn: Harjit Sangra
Email: hsangra@sangramoller.com

and

Stearns Weaver Miller et al.
150 West Flagler Street
Suite 2200
Miami, Florida 33130
Attention: Drew M. Dillworth

Email: ddillworth@stearnsweaver.com

To Sellers or Debtors:

(a) If prior to the Closing:

c/o SLP Holdings Ltd.
2176 Government Street
Penticton, BC, Canada V2A 8B5
Telephone: (888) 858 9887
Attn: Matthew Karmel
Email: mkarmel@structurlam.com

With a copy to:

Paul Hastings LLP
1117 S. California Avenue
Palo Alto, CA 94304
Telephone: (650) 320-1800
Attn: Todd Schwartz
Email: toddschwartz@paulhastings.com

and

Gowling WLG (Canada) LLP
2300 – 550 Burrard Street
Vancouver, BC
Telephone: (604) 891-2778
Attn: Jonathan Ross
Email: jonathan.ross@gowlingwlg.com

(b) If following the Closing:

c/o Alvarez & Marsal Canada
925 West Georgia Street, Suite 902
Vancouver, BC V6C 3L2
Telephone: (604) 639 0849
Attn: Anthony Tillman
Email: atillman@alvarezandmarsal.com

With a copy to:

Paul Hastings LLP
1117 S. California Avenue
Palo Alto, CA 94304
Telephone: (650) 320-1800

Attn: Todd Schwartz
Email: toddschwartz@paulhastings.com

and

Gowling WLG (Canada) LLP
2300 – 550 Burrard Street
Vancouver, BC
Telephone: (604) 891-2778
Attn: Jonathan Ross
Email: jonathan.ross@gowlingwlg.com

or to such other Person or addressees as may be designated in writing by the Party to receive such notice as provided above; provided, however, that copies to outside counsel are for convenience only and the provision of a copy to outside counsel does not constitute notice or alter the effectiveness of any notice, request, instruction or other communication otherwise made or given in accordance with this Section 9.2.

Section 9.3 Entire Agreement; Amendments and Waivers. This Agreement together with the other agreements referred to herein, including the Transaction Documents, the Escrow Agreement and the Confidentiality Agreement represent the entire understanding and agreement between the Parties with respect to the subject matter hereof and supersede all prior discussions and agreements between the Parties with respect to the subject matter hereof. This Agreement can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Agreement signed, in the case of an amendment, supplement or change, by the Parties, or in the case of a waiver, by the Party against whom enforcement of such waiver is sought. The waiver by any Party of a breach of any provision of this Agreement will not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder will operate as a waiver thereof, nor will any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by Law.

Section 9.4 Assignment. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Nothing in this Agreement will create or be deemed to create any third party beneficiary rights in any Person or entity not a party to this Agreement. No assignment of this Agreement or of any rights or obligations hereunder may be made by either Sellers or Buyer (by operation of law or otherwise) without the prior written consent of the other Parties and any attempted assignment without the required consents will be void; provided, however, that (a) Buyer may assign some or all of its rights or delegate some or all of its obligations hereunder to one or more Affiliates, including to effect the purchase and transfer of the Canadian Assets and the U.S. Assets to different Affiliates and (b) Sellers may assign some or all of their rights or delegate some or all of their obligations hereunder to successor entities (including any liquidating trust) pursuant to a Chapter 11 plan confirmed by the U.S. Bankruptcy Court or as permitted by the CCAA, in the case of each of clause (a) and (b) above, without any other Party's consent. No assignment or delegation of any

obligations hereunder will relieve the Parties of any such obligations. Upon any such permitted assignment, the references in this Agreement to Sellers or Buyer will also apply to any such assignee unless the context otherwise requires.

Section 9.5 Expenses. Except as otherwise expressly provided in this Agreement, including as set forth in Section 8.3, whether or not the transactions contemplated hereby are consummated, each of Sellers, on the one hand, and Buyer, on the other hand, will bear its own expenses incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby and all proceedings incident thereto.

Section 9.6 Governing Law. This Agreement will be governed by and construed in accordance with the internal Laws of the State of Delaware without giving effect to any choice or conflict of Law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware, and the obligations, rights and remedies of the Parties shall be determined in accordance with such Laws.

Section 9.7 Specific Performance.

(a) The Parties agree that irreparable damages would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, and that damages at Law may be an inadequate remedy for the breach of any of the covenants, promises and agreements contained in this Agreement, and, accordingly, any Party will be entitled to injunctive relief to prevent any such breach, and to specifically enforce the terms and provisions of this Agreement without the necessity of posting bond or other security against it or proving damages, including without limitation specific performance of such covenants, promises or agreements (including to cause each Party to consummate the Closing and to make the payments and Transfer contemplated by this Agreement) or an Order enjoining a Party from any threatened, or from the continuation of any actual, breach of the covenants, promises or agreements contained in this Agreement. The rights set forth in this Section 9.7 will be in addition to any other rights which a Party may have at Law or in equity pursuant to this Agreement.

(b) The Parties hereby agree not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches of this Agreement by Buyer or Sellers, as applicable, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the respective covenants and obligations of Buyer or Sellers, as applicable, under this Agreement all in accordance with the terms of this Section 9.7.

Section 9.8 Submission to Jurisdiction; Consent to Service of Process; Waiver of Jury Trial.

(a) Without limiting any Party's right to appeal any Order of the U.S. Bankruptcy Court, (i) the U.S. Bankruptcy Court will retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, in

each case, relating to the U.S. Bankruptcy Proceedings, the U.S. Bankruptcy Court or the Bankruptcy Code, and (ii) any and all proceedings related to the foregoing will be filed and maintained only in the U.S. Bankruptcy Court, and the Parties hereby consent to and attorn to the jurisdiction and venue of the U.S. Bankruptcy Court for such purposes and will receive notices at such locations as indicated in Section 9.2. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such Action brought in such courts or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(b) Each of the Parties hereby consents to process being served by any other Party in any Action by delivery of a copy thereof in accordance with the provisions of Section 9.2; provided, however, that such service will not be effective until the actual receipt thereof by the Party being served.

(c) Each Party to this Agreement waives any right to trial by jury in any Action regarding this Agreement or any provision hereof.

Section 9.9 Interpretation; Construction.

(a) The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not in any way affect the meaning or interpretation of this Agreement.

(b) Unless otherwise specified in this Agreement or the context otherwise requires: (i) the words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; (ii) any reference to the masculine, feminine or neuter gender shall include all genders, the plural shall include the singular and the singular shall include the plural; (iii) all Preamble, Recital, Article, Section, clause, Schedule and Exhibit references used in this Agreement are to the preamble, recitals, articles, sections, clauses, schedules and exhibits to this Agreement; (iv) wherever the word "include," "includes" or "including" is used in this Agreement, it shall be deemed to be followed by the words "without limitation;" (v) the terms "date hereof" and "date of this Agreement" mean the date first written above; (vi) with respect to the determination of any period of time, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding"; (vii) (A) any reference to "days" means calendar days unless Business Days are expressly specified and (B) any reference to "months" or "years" shall mean calendar months or calendar years, respectively, in each case unless otherwise expressly specified; (viii) the word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends and such phrase shall not mean simply "if"; and (ix) each accounting term not otherwise defined in this Agreement has the meaning commonly applied to it in accordance with GAAP.

(c) Unless otherwise specified in this Agreement, any deadline or time period set forth in this Agreement that by its terms ends on a day that is not a Business Day shall be automatically extended to the next succeeding Business Day.

(d) Unless otherwise specified in this Agreement or the context otherwise requires, all references to any (i) statute in this Agreement include the rules and regulations promulgated thereunder and all applicable guidance, guidelines, bulletins or policies issued or made in connection therewith by a Governmental Entity, and (ii) Law in this Agreement shall be a reference to such Law as amended, re-enacted, consolidated or replaced as of the applicable date or during the applicable period of time.

(e) Unless otherwise specified in this Agreement, all references in this Agreement (i) to any Contract, other agreement, document or instrument (excluding this Agreement) mean such Contract, other agreement, document or instrument as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof and, unless otherwise specified therein, include all schedules, annexes, addendums, exhibits and any other documents attached thereto or incorporated therein by reference, and (ii) to this Agreement mean this Agreement (taking into account the provisions of Section 9.3) as amended, supplemented or otherwise modified from time to time in accordance with Section 9.3.

(f) With regard to each and every term and condition of this Agreement, the Parties understand and agree that the same have or has been mutually negotiated, prepared and drafted, and that if at any time the Parties desire or are required to interpret or construe any such term or condition or any agreement or instrument subject thereto, no consideration shall be given to the issue of which Party actually prepared, drafted or requested any term or condition of this Agreement.

(g) All capitalized terms in this Agreement (including the Exhibits and Schedules hereto) shall have the meaning set forth in Exhibit A, except as otherwise specifically provided herein. Each of the other capitalized terms used in this Agreement has the meaning set forth where such term is first used or, if no meaning is set forth, the meaning required by the context in which such term is used.

Section 9.10 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority of competent jurisdiction to be invalid, void or unenforceable, or the application of such provision, covenant or restriction to any Person or any circumstance, is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision, covenant or restriction to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application of such provision, in any other jurisdiction and the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 9.11 Counterparts and Electronic Execution. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same Agreement. Delivery of an executed signature page to this Agreement

by any Party by electronic transmission shall be as effective as delivery of a manually executed copy of this Agreement by such Party.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed as of the date first written above.

MERCER INTERNATIONAL INC.

By: 

Name: Juan Carlos Bueno

Title: Chief Executive Officer

DocuSign Envelope ID: EF6D1B3A-3F6D-4A4A-8544-63E32A8361CC

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed as of the date first written above.

SLP HOLDINGS LTD.

DocuSigned by:
By: Shawn Turkington
B8FE79DDC861448...
Name: Shawn Turkington
Title: Authorized Signatory

STRUCTURLAM MASS TIMBER CORPORATION

DocuSigned by:
By: Shawn Turkington
B8FE79DDC861448...
Name: Shawn Turkington
Title: Authorized Signatory

STRUCTURLAM MASS TIMBER U.S., INC.

DocuSigned by:
By: Shawn Turkington
B8FE79DDC861448...
Name: Shawn Turkington
Title: Authorized Signatory

NATURAL OUTCOMES, LLC

DocuSigned by:
By: Shawn Turkington
B8FE79DDC861448...
Name: Shawn Turkington
Title: Authorized Signatory

This is Exhibit " Q " referred to in the Affidavit of **SHAWN TURKINGTON**, sworn before me at Vancouver, BC, this 26th day of April, 2023.

A Commissioner for taking Affidavits in British Columbia

SLP Holdings Ltd.
Consolidated Financial Statements
For the Year ended December 31, 2021

SLP Holdings Ltd.
Consolidated Financial Statements
For the Year ended December 31, 2021

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BDO

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Toll-free: 1 800 928 3307
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BDO Canada LLP
1631 Dickson Avenue, Suite 400
Kelowna, BC. V1Y 0B5

Independent Auditor's Report

To the Board of Directors of SLP Holdings Ltd.

Opinion

We have audited the consolidated financial statements of SLP Holdings Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at December 31, 2021, the consolidated statement of operations and deficit, statement of cash flows, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Kelowna, British Columbia
April 29, 2022

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

SLP Holdings Ltd.
Consolidated Balance Sheet

December 31	2021	2020
Assets		
Current		
Cash	$ 5,643,121	$ 32,872,451
Accounts receivable (Note 2)	8,364,859	8,601,904
Inventories (Note 3)	17,792,369	6,831,503
Prepaid expenses	2,215,758	814,507
	34,016,107	49,120,365
Promissory notes receivable (Note 4)	917,282	913,773
Property, plant and equipment (Note 5)	97,025,734	84,086,865
Intangible assets (Note 6)	1,573,895	1,699,544
Goodwill (Note 11)	2,699,517	11,671,517
	$136,232,535	$147,492,064
Liabilities and Shareholder's Equity		
Current		
Accounts payable and accrued liabilities (Note 8)	$10,160,008	$ 12,754,247
Deferred revenue	15,724,858	3,466,890
Current portion of long-term debt (Note 9)	5,846,613	2,773,436
	31,731,479	18,994,573
Long-term debt (Note 9)	56,960,616	49,007,465
	88,692,095	68,002,038
Shareholder's Equity		
Share capital (Note 10)	93,941,299	93,940,409
Cumulative translation adjustment	(2,936,851)	(2,493,753)
Deficit	(43,464,008)	(11,956,630)
	47,540,440	79,490,026
	$136,232,535	$147,492,064

On behalf of the Board: _____ Director, _____ Director

SLP Holdings Ltd.
Consolidated Statement of Operations and Deficit

For the year ended December 31	2021	2020
Revenue	$ 45,343,110	$ 58,871,760
Manufacturing costs	42,663,337	47,178,358
Gross profit	2,679,773	11,693,402
Operating expenses (Schedule)	17,708,557	16,497,634
Loss from operations before other items	(15,028,784)	(4,804,232)
Other items		
Impairment loss (Note 11)	(8,972,000)	-
Interest and other	187,015	414,459
Loss on foreign exchange	(37,359)	(228,949)
Research and development	(7,656,250)	-
	(16,478,594)	185,510
Net loss for the year	(31,507,378)	(4,618,722)
Deficit, beginning of the year	(11,956,630)	(7,337,908)
Deficit, end of the year	$ (43,464,008)	$ (11,956,630)

The accompanying notes are an integral part of these consolidated financial statements.

SLP Holdings Ltd.
Consolidated Statement of Cash Flows

For the year ended December 31	2021	2020
Cash flows from operating activities		
Net loss for the year	$ (31,507,378)	$ (4,618,722)
Items not affecting cash:		
Accrued interest on promissory notes receivable	(3,509)	(13,773)
Amortization on property, plant and equipment	4,454,071	4,049,609
Amortization of intangible assets	125,649	181,643
Impairment loss	8,972,000	-
	(17,959,167)	(401,243)
Changes in non-cash working capital:		
Accounts receivable	237,045	4,435,425
Accounts payable and accrued liabilities	(2,594,239)	5,218,014
Deferred revenue	12,257,968	(1,800,648)
Inventories	(10,960,866)	4,190,884
Prepaid expenses	(1,401,251)	(273,815)
	(20,420,510)	11,368,617
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,392,940)	(41,141,611)
Cash flows from financing activities		
Issuance of share capital	890	2,126
Proceeds from long-term debt	12,510,648	33,103,200
Repayment of long-term debt	(1,484,320)	(1,533,889)
	11,027,218	31,571,437
Effect of exchange rate on cash	(443,098)	(1,200,442)
Net (decrease) increase in cash for the period	(27,229,330)	598,001
Cash, beginning of the year	32,872,451	32,274,450
Cash, end of the year	$ 5,643,121	$ 32,872,451

The accompanying notes are an integral part of these consolidated financial statements.

1. Significant Accounting Policies

Nature of Operations

SLP Holdings Ltd. (the "Group"), is a private company incorporated under the Business Corporations Act of British Columbia on December 1, 2017 and is headquartered in Penticton, British Columbia. The Group is a manufacturer of high quality cross laminated timber, glue laminated beams and a premium fabricator of complete, custom-made heavy timber packages.

Basis of Accounting

The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises ("ASPE") and are reported in Canadian dollars as the functional currency.

Basis of Consolidation

These consolidated financial statements include the accounts of the Group and its wholly owned subsidiaries, Structurlam Mass Timber Corporation, Structurlam Mass Timber US Inc and Natural Outcomes LLC. The subsidiaries' assets, liabilities and operations are included in these financial statements and all significant inter-company transactions and balances have been eliminated on consolidation.

Revenue Recognition

Revenue is recorded upon change of ownership, which normally occurs at the time of the shipment or transfer of the product. Revenue is recognized when performance is achieved and ultimate collection is reasonably assured. Performance is achieved as the work is accomplished using the completed contract method and when reasonable assurance exists regarding measurement of the consideration. Payments received in advance of contracted services being performed are recorded as deferred revenue.

Income Taxes

The Group accounts for income taxes using the taxes payable method. The taxes payable method of accounting under which the Group reports as an expense (income) of the year only the cost (benefit) of current income taxes for the year, determined in accordance with the rules established by taxation authorities.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

1. Significant Accounting Policies (continued)

Inventories

Raw materials (lumber, stock beams, rig mats, adhesives, parts and other materials), work in process and finished goods are stated at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

The cost of work in process and finished goods includes the cost of raw materials and the applicable share of the cost of labour and fixed and variable production overheads.

Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale.

Property, Plant and Equipment

Equipment and leasehold improvements are stated at cost less accumulated amortization. Amortization is based on the estimated useful life of the asset and is provided using the following annual rates:

Building	- 20 years straight line basis
Computer equipment	- 3 years straight line basis
Furniture and fixtures	- 5 years straight line basis
Leasehold improvements	- 10 years straight line basis
Manufacturing equipment	- 10-20 years straight line basis or 3-5 years straight line basis
Software	- 3 years straight line basis

Assets under construction are not amortized until the asset is substantially complete and ready for use. Land is stated at cost and is not amortized.

Equipment Under Lease

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is classified as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. All other leases are accounted for as operating leases; wherein, payments are expensed as incurred.

Impairment of Long-Lived Assets

In the event that facts and circumstances indicate that the Group's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required.

1. Significant Accounting Policies (continued)

Foreign Currency Translation

The Group utilizes the current rate method for foreign currency translation. Under this method foreign currency transactions are translated at the rate of exchange in effect at the dates of the transaction. Resulting foreign currency assets and liabilities are translated at the rate of exchange in effect at the balance sheet date. Gains and losses on translation of monetary assets are included in equity as a cumulative translation adjustment.

Foreign currency transactions are translated at the rates of exchange in effect at the dates of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the balance sheet date. Gains and losses on translation of monetary assets and liabilities are included in net income.

Intangible Assets

Intangible assets with an indefinite life are not amortized and are tested for impairment when events or circumstances indicate that their carrying amount exceeds their fair value. The impairment test consists of a comparison of the fair value of the unamortized assets with their carrying amount. When the carrying amount exceeds the fair value, an impairment loss is recognized in an amount equal to the excess. Intangible assets with a finite life such as customer relationships are amortized on a declining balance basis to the end of their useful life using the following rates:

Industrial customer relationships	35%
Distributor customer relationships	30%

Goodwill

Goodwill is an asset that represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is not amortized. Goodwill is tested for impairment whenever events or changes in circumstances indicate that the fair value of the reporting unit to which the goodwill is assigned may be less than its carrying amount.

1. Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in accordance with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods. Information about assumptions and estimation uncertainties that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses relate to accounts receivable valuation, inventory valuation and amortization policies and useful lives of tangible and intangible capital assets.

Share-Based Compensation

The Group makes periodic grants of share-based awards to selected members of senior management.

The fair value of the equity-settled awards is determined at the date of the grant by using the Black-Scholes option pricing model. Managements best estimate of the current year, and cumulative vesting cost, for all options granted, is not considered significant in value, therefore the Group has not recognized an expense in the statement of operations.

2. Accounts Receivable

	2021	2020
Trade receivables	$ 7,676,056	$ 8,206,869
Other receivables	1,079,200	759,926
Allowance for doubtful accounts	(390,397)	(364,891)
	$ 8,364,859	$ 8,601,904

3. Inventories

	2021	2020
Raw materials	$10,411,691	$ 4,616,395
Work in process	4,377,294	1,862,222
Finished goods	3,003,384	352,886
	$17,792,369	$ 6,831,503

Inventories of $42,663,337 (2020 - $47,178,358) are recognized as an expense and included in manufacturing costs.

4. Promissory Notes Receivable

Promissory notes receivable are due from employees in the amount of $917,282 (2020 - $913,773). These promissory notes are the result of a 2020 financial year issuance of preferred shares, are measured at fair market value, and bear interest at the prescribed rate per annum. In 2021, this rate was 1.0% (2020 - 1.5%). The balance is due at the earlier of the date the shareholder sells the shares, or a liquidity event occurs.

5. Property, Plant and Equipment

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	$ 2,017,499	$ -	$ 2,026,092	$ -
Assets under construction	1,597,101	-	60,979,845	$ -
Building	20,044,654	111,420	6,820,293	-
Computer equipment	800,581	441,655	443,805	266,946
Furniture and fixtures	196,896	133,943	194,268	94,901
Leasehold improvements	2,853,262	1,165,576	2,443,889	824,716
Manufacturing equipment	84,886,086	14,347,818	22,694,569	10,771,679
Software	1,451,295	621,228	851,692	409,346
	$113,847,374	$16,821,640	$ 96,454,453	$ 12,367,588
		$97,025,734		$ 84,086,865

Amortization expense relating to property, plant and equipment in the current year totaled $4,454,071. The amount of amortization recognized in manufacturing costs relating to the consumption of inventory is $3,664,527.

6. Intangible Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Finite-life intangible assets:				
Distributors	$ 1,058,000	$ 810,325	$ 1,058,000	$ 704,178
Industrial	209,000	172,780	209,000	153,278
Indefinite-life intangible assets:				
Brand	1,290,000	-	1,290,000	-
	$ 2,557,000	$ 983,105	$ 2,557,000	$ 857,456
		$ 1,573,895		$ 1,699,544

7. Credit Facility

The Group has a demand revolving loan to assist in the financing of the day to day operations that is available by way of an account overdraft (the "Revolving Facility") which can be drawn to a maximum of $3,000,000 (2020 - $3,000,000) (CDN). The Revolving Facility bears interest at a variable rate based on Group performance and market rates. The Revolving Facility is also available by way of Letters of Credit up to a maximum of $2,000,000 (CDN). No amounts have been drawn upon as at December 31, 2021 (2020 - $Nil). These credit facilities are secured by a general security agreement over all assets of the Group, first ranking security under Section 427 of the Bank Act, an assignment and postponement of claim by certain partners, companies under common control and management, and an assignment of risk insurance.

8. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of $173,427 (2020 - $197,444).

9. Long-term Debt

	2021	2020
Loan, repayable in escalating quarterly installments plus interest calculated at a rate of prime rate + 2%, which at December 31, 2021 was 4.45%, maturing on May 4, 2025, secured by first ranking security over the Group and related party's assets (i).	$ 17,193,381	$ 18,677,701
Loan, repayable in escalating quarterly installments plus interest calculated at a variable rate of either US prime or US Libor + a margin rate based on company performance, which at December 31, 2021 was 4.5%, estimated to mature on May 4, 2025, secured by first ranking security over the Group's assets.	45,613,848	33,103,200
	62,807,229	51,780,901
Less: Current portion	5,846,613	2,773,436
Long-term portion of debt	$ 56,960,616	$ 49,007,465

Principal repayments on long-term debt over the four years are as follows:

2022	$ 5,846,613
2023	9,676,431
2024	9,961,518
2025	37,322,667
	$ 62,807,229

(i) As at December 31, 2021, the above debt facility was subject to the following covenants:

- The Total Funded Debt to EBITDA Ratio must be less than 3:1
- The minimum Fixed Charge Coverage Ratio must be greater than 1.15:1

As at December 31, 2021 the Group was not in compliance with the required covenants of this facility. Subsequent to year-end these December 31, 2021 covenants were waived and amended, with a required cash injection from shareholders and an additional requirement to obtain written consent for capital expenditures in excess of $1,600,000.

10. Share Capital

Issued and outstanding shares:

	2021	2020
84,795,473 preferred shares, without par value, cumulative dividend at 8% of redemption value	$93,938,283	$ 93,938,283
301,630 (2020 - 212,630) common shares without par value	3,016	2,126
	$93,941,299	$ 93,940,409

In the 2021 fiscal year, employees exercised 89,000 stock options (Note 15) to purchase the same number of common shares at $0.01 per share.

11. Impairment Loss

During the year the Group observed indicators of goodwill impairment in the form of significant adverse changes in the business climate. These indicators include, but are not limited to construction project delays, supply chain interruptions, significant inflation of material and transportation costs, and transport disruptions. As a result, the Group performed an assessment of the impairment over goodwill presented, and recognized an impairment loss of $8,972,000.

12. Income Taxes

The Group accounts for income taxes using the taxes payable method. As a result, the Group's income tax expense varies from the amount that would otherwise result from the application of the statutory income tax rates as set out below:

	2021	2020
Income before income taxes	$ (31,507,378)	$ (4,618,722)
Combined jurisdictional tax rates	26.51 %	26.10 %
Expected income tax expense (recovery)	$ (8,352,606)	$ (1,205,486)
Increase (decrease) in income tax expense due to:		
Non-deductible expenses	9,851	50,153
Amortization in excess of capital cost allowance	(747,095)	34,951
Capitalized expenses	2,537,414	317,373
Net operating losses incurred	4,963,726	738,160
Non-capital losses incurred	1,602,648	54,875
Miscellaneous	(13,938)	9,974
Income tax expense (recovery)	$ -	$ -

As at December 31, 2021, the Group has $19,671,078 in Canadian non-capital losses and $17,612,161 US net operating losses that can be offset against taxable income in future years. The Canadian losses will begin to expire in 2037, whereas the US net operating losses will carryforward indefinitely.

13. Economic Dependence

Approximately 13% of the Group's sales are made to one customer (2020 - 24% to one customer). Approximately 43% of the Group's purchases are made from three suppliers. The loss of a significant amount of sales to this customer, or goods/services available from these suppliers could have a negative effect on operations.

14. Related Party Transactions

Included in related party transactions is a management fee arrangement whereby the Group pays an amount equal to the greater of $200,000 or 3% of EBITDA to Kingfish Group Inc. In the current year, the amount paid was $250,889 (2020 - $217,000).

15. Stock Options

The Group implemented a policy of granting common share stock options in the year ended December 31, 2017.

Summary of stock option activity during the year:

	Vested Time Based	Unvested Time Based	Unvested Performance Based	Total
Opening Balance	686,464	3,554,672	1,363,838	5,604,974
Issued	-	112,500	37,500	150,000
Vested	832,045	(832,045)	-	-
Exercised	(89,000)	-	-	(89,000)
Forfeit	(22,500)	(90,000)	(37,500)	(150,000)
Ending Balance	1,407,009	2,745,127	1,363,838	5,515,974

Time based options have an exercise price of $0.01, a 5 year vest period, a term of 10 years, and require the employee to be employed at the anniversary date. Performance based options have an exercise price of $0.01 and vest upon sale of the Group.

The weighted average remaining life of time vesting options outstanding as at December 31, 2021 is approximately 8.67 years (2020 - 9.53 years). The calculated vesting expense associated with these options is not significant and as such no expense has been recognized in the consolidated financial statements.

16. Global Pandemic

The impact of COVID-19 in Canada, the United States, and on the global economy continues to be significant. As COVID-19 continues, there could be impact on the Group relating to the timing and amounts realized on the Group's assets and future profitability.

At this time, the full potential impact of COVID-19 on the Group is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration, disruption and related financial impact cannot be reasonably estimated at this time. The Group will continue to focus on managing expenditures, and leveraging existing operations to ensure it is able to continue to provide it's products and services.

17. Commitments

City of Conway Agreement:

The Group has entered into an arrangement with the City of Conway, Arkansas ("the City"), where the manufacturing plant under construction is located. Under the arrangement, the title of the land and building has been deeded to the City, and the Group has agreed to lease the land and building back from the City. As the risk and rewards of the property, based on the terms of the arrangement, remains with the Group, the land and building of the manufacturing plant are presented in property, plant, and equipment on the consolidated balance sheet.

The Group has purchased a bond from the City with a balance of $98,431,079 as at December 31, 2021 (2020 - $69,343,106). The City has also provided the Group with financing for the construction of the manufacturing facilities with a balance of $98,431,079 as at December 31, 2021 (2021 - $69,343,106). The bond and the corresponding financing are secured by the property financed. The arrangement is a legal arrangement with receipts from the bond and the payment on financing completely offset each other as operating cashflows. The Group has recognized the above items on a net basis resulting in no balances recognized in these financial statements.

Based on the contractual arrangement, the Group has the ability to unwind the arrangement at any time. Neither party has the ability to call amounts due without simultaneously settling the equally amounts owed.

Rentals and Leases:

Yearly payments for obligations under various rental and operating leases for the next 4 years and thereafter include:

2022	$ 1,274,969
2023	1,092,422
2024	978,031
2025	656,194
Thereafter	1,256,307
Total	$ 5,257,923

18. Financial Instrument Risk

Liquidity risk
Liquidity risk is the risk that the Group encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Group will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities, amounts required to complete the construction of the manufacturing plant, and long-term debt.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group is exposed to credit risk in connection with its trade receivables and due to the entirety of the Group's cash being held with one financial institution.

As of December 31, 2021 there were three customers accounting for a total of 40% of trade receivables. Credit risk associated with trade receivables are limited by the Group's credit granting policies.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to this risk through its variable rate credit facility and long-term debt.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group undertakes sales and purchase transactions in foreign currencies, holds cash in foreign bank accounts and, consequently, certain of its financial instruments are exposed to foreign currency fluctuations. The following table shows the Group's net exposure to currency risk in US dollars:

	2021	2020
Cash	$ 5,009,302	$ 21,882,308
Accounts receivable	4,464,009	3,955,512
Accounts payable and accrued liabilities	(3,445,931)	(517,375)
	$ 8,455,233	$ 22,399,683

SLP Holdings Ltd.
Consolidated Schedule of Operating Expenses

For the year ended December 31	2021	2020
Advertising and promotion	$ 598,177	$ 702,984
Amortization	593,665	547,978
Computer	418,302	336,306
Insurance	2,902,503	1,308,104
Interest and bank charges	156,034	154,104
Interest on long-term debt	2,909,100	1,644,117
Licenses, dues and fees	149,842	67,989
Management and directors fees	444,116	397,347
Office and miscellaneous	657,242	684,205
Parallam and heavy timber commissions	344,751	1,434,697
Professional fees	1,075,945	1,059,322
Property taxes (recovery)	(338,533)	533,341
Rent and utilities	262,619	225,905
Repairs and maintenance	1,791	120,375
Salaries and benefits	6,775,191	6,804,772
Telephone	54,350	88,110
Travel and entertainment	703,462	387,978
	$17,708,557	$ 16,497,634

This is Exhibit " R " referred to in the Affidavit of **SHAWN TURKINGTON,** sworn before me at Vancouver, BC, this 26th day of April, 2023.

A Commissioner for taking Affidavits in British Columbia

Structurlam Mass Timber Corporation
Financial Statements
For the Year ended December 31, 2021

Structurlam Mass Timber Corporation
Financial Statements
For the Year ended December 31, 2021

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Independent Auditor's Report

To the Board of Directors of Structurlam Mass Timber Corporation

Opinion

We have audited the financial statements of Structurlam Mass Timber Corporation (the "Company"), which comprise the balance sheet as at December 31, 2021, the statement of operations and deficit, statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Kelowna, British Columbia
April 29, 2022

Structurlam Mass Timber Corporation
Balance Sheet

December 31	2021	2020
Assets		
Current		
Cash	$ 145,889	$ 5,009,126
Accounts receivable (Note 2)	6,766,931	8,593,732
Inventories (Note 3)	12,446,121	6,831,503
Prepaid expenses and deposits	1,765,161	768,584
	21,124,102	21,202,945
Due from related party (Note 4)	1,974,960	1,138,586
Promissory notes receivable (Note 5)	917,282	913,773
Equipment and leasehold improvements (Note 6)	12,026,131	14,799,520
Intangible assets (Note 7)	1,573,895	1,699,544
Goodwill (Note 12)	2,699,517	11,671,517
	$40,315,887	$ 51,425,885
Liabilities and Shareholder's Equity		
Current		
Accounts payable and accrued liabilities (Note 9)	$ 6,519,962	$ 5,954,948
Deferred revenue	8,920,540	3,466,890
Current portion of long-term debt (Note 10)	1,855,401	1,484,321
	17,295,903	10,906,159
Due to related party (Note 4)	819,488	852,998
Long-term debt (Note 10)	15,337,980	17,193,380
	33,453,371	28,952,537
Shareholder's Equity		
Share capital (Note 11)	27,652,954	27,652,954
Deficit	(20,790,438)	(5,179,606)
	6,862,516	22,473,348
	$40,315,887	$ 51,425,885

On behalf of the Board:

Director

Director

The accompanying notes are an integral part of these financial statements.

Structurlam Mass Timber Corporation
Statement of Operations and Deficit

For the year ended December 31	2021	2020
Revenue	$ 42,587,247	$ 58,871,760
Manufacturing costs	40,025,864	47,178,358
Gross profit	2,561,383	11,693,402
Operating expenses (Schedule)	9,287,417	12,482,739
Loss from operations before other items	(6,726,034)	(789,337)
Other items		
Impairment loss (Note 12)	(8,972,000)	-
Interest and other	187,015	414,459
Loss on foreign exchange	(99,813)	(196,717)
	(8,884,798)	217,742
Net loss for the year	(15,610,832)	(571,595)
Deficit, beginning of the year	(5,179,606)	(4,608,011)
Deficit, end of the year	$ (20,790,438)	$ (5,179,606)

The accompanying notes are an integral part of these financial statements.

Structurlam Mass Timber Corporation
Statement of Cash Flows

For the year ended December 31	2021	2020
Cash flows from operating activities		
Net Loss for the year	$ (15,610,832)	$ (571,595)
Items not affecting cash:		
Accrued interest on promissory notes receivable	(3,509)	(13,773)
Amortization of equipment and leasehold improvements	4,094,130	4,044,924
Amortization of intangible assets	125,649	181,643
Impairment loss	8,972,000	-
	(2,422,562)	3,641,199
Changes in non-cash working capital:		
Accounts receivable	1,826,801	4,418,713
Accounts payable and accrued liabilities	565,014	(1,025,052)
Deferred revenue	5,453,650	(1,800,648)
Inventories	(5,614,618)	4,190,884
Prepaid expenses	(996,577)	(227,893)
	(1,188,292)	9,197,203
Cash flows from investing activities		
Purchase of equipment and leasehold improvements	(1,320,741)	(1,749,590)
Advances to related parties	(869,884)	(266,633)
	(2,190,625)	(2,016,223)
Cash flows from financing activities		
Repayment of long-term debt	(1,484,320)	(1,533,889)
Advances to employees on promissory notes receivable	-	(900,000)
	(1,484,320)	(2,433,889)
Net (decrease) increase in cash for the period	(4,863,237)	4,747,091
Cash, beginning of the year	5,009,126	262,035
Cash, end of the year	$ 145,889	$ 5,009,126

The accompanying notes are an integral part of these financial statements.

December 31, 2021

1. Significant Accounting Policies

Nature of Operations

Structurlam Mass Timber Corporation (the "Company"), is a private company incorporated under the Business Corporations Act of British Columbia on December 1, 2017 and is headquartered in Penticton, British Columbia. The Company is a manufacturer of high quality cross laminated timber, glue laminated beams and a premium fabricator of complete, custom-made heavy timber packages.

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises ("ASPE").

Revenue Recognition

Revenue is recorded upon change of ownership, which normally occurs at the time of the shipment or transfer of the product. Revenue is recognized when performance is achieved and ultimate collection is reasonably assured. Performance is achieved as the work is accomplished using the completed contract method and when reasonable assurance exists regarding measurement of the consideration. Payments received in advance of contracted services being performed are recorded as deferred revenue.

Income Taxes

The Company accounts for income taxes using the taxes payable method. The taxes payable method of accounting under which the Company reports as an expense (income) of the year only the cost (benefit) of current income taxes for the year, determined in accordance with the rules established by taxation authorities.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

1. Significant Accounting Policies (continued)

Inventories

Raw materials (lumber, stock beams, rig mats, adhesives, parts and other materials), work in process and finished goods are stated at the lower of cost and net realizable value. Cost is determined on a moving average basis.

The cost of work in process and finished goods includes the cost of raw materials and the applicable share of the cost of labour and fixed and variable production overheads.

Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale.

Equipment and Leasehold Improvements

Equipment and leasehold improvements are stated at cost less accumulated amortization. Amortization is based on the estimated useful life of the asset and is provided using the following annual rates:

Computer equipment	- 3 years straight line basis
Furniture and fixtures	- 5 years straight line basis
Leasehold improvements	- 10 years straight line basis
Manufacturing equipment	- 10-20 years straight line basis or 3-5 years straight line basis
Software	- 3 years straight line basis

Assets under construction are not amortized until the asset is substantially complete and ready for use. Land is stated at cost and is not amortized.

Equipment Under Lease

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is classified as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. All other leases are accounted for as operating leases; wherein, payments are expensed as incurred.

Impairment of Long-Lived Assets

In the event that facts and circumstances indicate that the Company's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required.

1. Significant Accounting Policies (continued)

Foreign Currency Translation

Foreign currency transactions are translated at the rates of exchange in effect at the dates of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the balance sheet date. Gains and losses on translation of monetary assets and liabilities are included in net income.

Intangible Assets

Intangible assets with an indefinite life are not amortized and are tested for impairment when events or circumstances indicate that their carrying amount exceeds their fair value. The impairment test consists of a comparison of the fair value of the unamortized assets with their carrying amount. When the carrying amount exceeds the fair value, an impairment loss is recognized in an amount equal to the excess. Intangible assets with a finite life such as customer relationships are amortized on a declining balance basis to the end of their useful life using the following rates:

Industrial customer relationships	35%
Distributor customer relationships	30%

Goodwill

Goodwill is an asset that represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is not amortized. Goodwill is tested for impairment whenever events or changes in circumstances indicate that the fair value of the reporting unit to which the goodwill is assigned may be less than its carrying amount.

Use of Estimates

The preparation of financial statements in accordance with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods. Information about assumptions and estimation uncertainties that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses relate to accounts receivable valuation, inventory valuation and amortization policies and useful lives of tangible and intangible capital assets.

1. Significant Accounting Policies (continued)

Share-Based Compensation

The parent company makes periodic grants of downstream share-based awards to selected members of senior management.

The fair value of the equity-settled awards is determined at the date of the grant by using the Black-Scholes option pricing model. Managements best estimate of the current year, and cumulative vesting cost, for all options granted, is not considered significant in value, therefore the company has not recognized an expense in the statement of operations.

2. Accounts Receivable

	2021	2020
Trade receivables	$ 6,078,129	$ 8,198,697
Other receivables	1,079,200	759,926
Allowance for doubtful accounts	(390,398)	(364,891)
	$ 6,766,931	$ 8,593,732

3. Inventories

	2021	2020
Raw materials	$ 7,695,999	$ 4,616,395
Work in process	3,295,065	1,862,222
Finished goods	1,455,057	352,886
	$12,446,121	$ 6,831,503

Inventories of $40,025,864 (2020 - $47,178,358) are recognized as an expense and included in manufacturing costs.

4. Related Party Balances and Transactions

Amounts recorded as due from related party relates solely to Structurlam Mass Timber US Inc. This amount is unsecured, has no specific terms of repayment, and is without interest.

Amounts recorded as due to related party relates solely to SLP Holdings Ltd., the sole shareholder of the Company. This amount is unsecured, has no specific terms of repayment, and is without interest. SLP Holdings Ltd. has waived the right to demand repayment for the next fiscal year.

The following table summarizes the Company's related party transactions for the year:

	2021	2020
Revenues received from Structurlam Mass Timber US Inc., a company with a common shareholder	$ 2,739,959	$ -
Recovery of management and staff wages from Structurlam Mass Timber US Inc., a company with a common shareholder	$ 2,506,663	$ -
Management fees paid to Kingfish Group Inc., shareholder of parent company	$ 250,889	$ 217,000

These transactions are in the normal course of operations and measured at the exchange amount agreed upon by both parties.

5. Promissory Notes Receivable

Promissory notes receivable are due from employees in the amount of $917,282 (2020 - $913,773). These promissory notes are the result of a 2020 financial year issuance of preferred shares of the Company's sole shareholder SLP Holdings Ltd., are measured at fair market value, and bear interest at the prescribed rate per annum. In 2021, this rate was 1.0% (2020 - 1.5%). The balance is due at the earlier of the date the shareholder sells the shares, or a liquidity event occurs.

6. Equipment and Leasehold Improvements

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Assets under construction	$ 789,202	$ -	$ 1,214,180	$ -
Computer equipment	539,310	394,492	414,928	265,331
Furniture and fixtures	190,140	132,366	187,483	94,675
Leasehold improvements	2,853,262	1,165,576	2,443,889	824,716
Manufacturing equipment	23,236,047	14,144,004	22,050,490	10,769,074
Software	875,442	620,834	851,692	409,346
	$28,483,403	$16,457,272	$ 27,162,662	$ 12,363,142
		$12,026,131		$ 14,799,520

Amortization expense relating to equipment and leasehold improvements in the current year totaled $4,094,130. The amount of amortization recognized in manufacturing costs relating to the consumption of inventory is $3,664,527.

7. Intangible Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Finite-life intangible assets:				
Distributors	$ 1,058,000	$ 810,325	$ 1,058,000	$ 704,178
Industrial	209,000	172,780	209,000	153,278
Indefinite-life intangible assets:				
Brand	1,290,000	-	1,290,000	-
	$ 2,557,000	$ 983,105	$ 2,557,000	$ 857,456
		$ 1,573,895		$ 1,699,544

8. Credit Facility

The Company has a demand revolving loan to assist in the financing of the day to day operations that is available by way of an account overdraft (the "Revolving Facility") which can be drawn to a maximum of $3,000,000 (2020 - $3,000,000) (CDN). The Revolving Facility bears interest at a variable rate based on Company performance and market rates. The Revolving Facility is also available by way of Letters of Credit up to a maximum of $2,000,000 (CDN). No amounts have been drawn upon as at December 31, 2021 (2020 - $Nil). These credit facilities are secured by a general security agreement over all assets of the Company, first ranking security under Section 427 of the Bank Act, an assignment and postponement of claim by certain partners, companies under common control and management, and an assignment of risk insurance.

9. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of $173,005 (2020 - $197,444).

10. Long-term Debt

	2021	2020
Loan, repayable in escalating quarterly installments plus interest calculated at a rate of prime rate + 2%, which was 4.45% for the year ended December 31, 2021, maturing on May 4, 2025, secured by first ranking security over the Company and related party's assets.	$ 17,193,381	$ 18,677,701
Less: Current portion	1,855,401	1,682,591
Long-term portion of debt	$ 15,337,980	$ 16,995,110

Principal repayments on long-term debt over the next four years are as follows:

2022	$ 1,855,401
2023	1,979,094
2024	1,979,094
2025	11,379,792
	$ 17,193,381

10. Long-term Debt (continued)

As at December 31, 2021, the above debt facility was subject to the following covenants:

- The Total Funded Debt to EBITDA Ratio must be less than 3:1
- The minimum Fixed Charge Coverage Ratio must be greater than 1.15:1

As at December 31, 2021 the company was not in compliance with the required covenants. Subsequent to year-end the December 31, 2021 covenants were waived and amended, with a required cash injection from shareholders and an additional requirement to obtain written consent for capital expenditures in excess of $1,600,000.

11. Share Capital

Issued and outstanding shares:

	2021	2020
27,652,954 common shares without par value	$27,652,954	$ 27,652,954

12. Impairment Loss

During the year the company observed indicators of goodwill impairment in the form of significant adverse changes in the business climate. These indicators include, but are not limited to construction project delays, supply chain interruptions, significant inflation of material and transportation costs, and transport disruptions. As a result, the company performed an assessment of the impairment over goodwill presented, and recognized an impairment loss of $8,972,000.

13. Income Taxes

The Company accounts for income taxes using the taxes payable method. As a result, the Company's income tax expense varies from the amount that would otherwise result from the application of the statutory income tax rates as set out below:

	2021	2020
Income before income taxes	$ (15,610,832)	$ (571,595)
Combined basic federal and provincial tax rates	27.00 %	27.00 %
Expected income tax expense (recovery)	$ (4,214,925)	$ (154,331)
Increase (decrease) in income tax expense due to:		
Non-deductible expenses	4,612	49,909
Amortization in excess of capital cost allowance	2,607,387	49,547
Non-capital losses incurred	1,602,648	54,875
Other	278	-
Income tax expense (recovery)	$ -	$ -

As at December 31, 2021, the Company has $19,671,078 in non-capital losses that can be offset against taxable income in future years. These losses will begin to expire in 2037.

14. Economic Dependence

Approximately 14% of the Company's sales are made to one customer (2020 - 24% to one customer). Approximately 44% of the Company's purchases are made from two suppliers (2020 - 10% from one supplier). The loss of a significant amount of sales to these customers, or goods/services available from this supplier could have a negative effect on operations.

15. Commitments

Yearly payments for obligations under various rental and operating leases for the next 4 years and thereafter include:

2022	$ 1,274,969
2023	1,092,422
2024	978,031
2025	656,194
Thereafter	1,256,307
Total	$ 5,257,923

16. Stock Options

The Company in conjunction with its parent company, SLP Holdings Ltd, implemented a policy of granting common share stock options in the year ended December 31, 2017.

Summary of stock option activity during the year:

	Vested Time Based	Unvested Time Based	Unvested Performance Based	Total
Opening Balance	686,464	3,554,672	1,363,838	5,604,974
Issued	-	112,500	37,500	150,000
Vested	832,045	(832,045)	-	-
Exercised	(89,000)	-	-	(89,000)
Forfeit	(22,500)	(90,000)	(37,500)	(150,000)
Ending Balance	1,407,009	2,745,127	1,363,838	5,515,974

Time based options have an exercise price of $0.01, a 5 year vest period, a term of 10 years, and require the employee to be employed at the anniversary date. Performance based options have an exercise price of $0.01 and vest upon sale of the Group.

16. Stock Options (continued)

The weighted average remaining life of time vesting options outstanding as at December 31, 2021 is approximately 8.67 years (2020 - 9.53 years). The calculated vesting expense associated with these options is not significant and as such no expense has been recognized in the financial statements.

17. Global Pandemic

The impact of COVID-19 in Canada and on the global economy continues to be significant. As COVID-19 continues, there could be impact on the Company relating to the timing and amounts realized on the Company's assets and future profitability.

At this time, the full potential impact of COVID-19 on the Company is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration, disruption and related financial impact cannot be reasonably estimated at this time. The Company will continue to focus on managing expenditures, and leveraging existing operations to ensure it is able to continue to provide it's products and services.

18. Financial Instrument Risk

Liquidity risk
Liquidity risk is the risk that the Company encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Company will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities, and long-term debt.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk in connection with its trade receivables. The Company provides credit to its customers in the normal course of its operations.

As of December 31, 2021 there were three customers accounting for a total of 49% of trade receivables. Credit risk associated with trade receivables are limited by the Company's credit granting policies.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to this risk through its credit facility and long-term debt.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company undertakes sales and purchase transactions in foreign currencies and, consequently, certain of its financial instruments are exposed to foreign currency fluctuations. Exposure to currency risk in USD:

	2021	2020
Cash	$ 676,094	2,417,832
Accounts receivable	3,203,614	3,955,512
Accounts payable and accrued liabilities	(574,814)	(434,042)
	$ 4,454,522	$ 6,807,386

Structurlam Mass Timber Corporation
Schedule of Operating Expenses

For the year ended December 31	2021	2020
Advertising and promotion	$ 306,074	$ 233,012
Amortization	555,252	543,293
Bank charges	153,494	149,524
Computer	418,302	336,306
Insurance	1,293,108	1,083,944
Interest on long-term debt	908,619	777,388
Licenses, dues and fees	129,664	67,989
Management fees	444,116	397,347
Office and miscellaneous	505,279	588,663
Parallam and heavy timber commissions	344,751	1,434,697
Professional fees	716,519	642,050
Rent and utilities	262,085	140,916
Salaries and benefits	2,957,904	5,648,318
Telephone	54,350	88,110
Travel and entertainment	237,900	351,182
	$ 9,287,417	$ 12,482,739

This is Exhibit " S " referred to in the Affidavit of **SHAWN TURKINGTON,** sworn before me at Vancouver, BC, this 26th day of April, 2023.

A Commissioner for taking Affidavits in British Columbia

Structurlam Mass Timber US Inc.
Consolidated Financial Statements
For the Year Ended December 31, 2021

Structurlam Mass Timber US Inc.
Consolidated Financial Statements
For the Year Ended December 31, 2021

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Independent Auditor's Report

To the Board of Directors of Structurlam Mass Timber US Inc.

Opinion

We have audited the consolidated financial statements of Structurlam Mass Timber US Inc. (the "Company"), which comprise the consolidated balance sheet as at December 31, 2021, the consolidated statements of operations and deficit and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021, and its consolidated financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and, to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Kelowna, British Columbia
April 29, 2022

Structurlam Mass Timber US Inc.
Consolidated Balance Sheet
Amounts reported in United States Dollars

December 31	2021	2020
Assets		
Current		
Cash	$ 4,333,208	$ 21,882,308
Accounts receivable (Note 2)	1,260,395	6,418
Inventory (Note 3)	4,280,398	-
Prepaid expenses	355,418	36,069
	10,229,419	21,924,795
Property, plant and equipment (Note 4)	67,053,590	54,419,844
	$77,283,009	$ 76,344,639
Liabilities and Shareholder's Equity		
Current		
Accounts payable and accrued liabilities (Note 5)	$ 2,815,545	$ 809,460
Accounts payable on assets under construction	55,574	4,531,110
Deferred revenue	5,367,028	-
Current portion of long-term debt (Note 7)	3,148,140	1,012,500
	11,386,287	6,353,070
Due to related party (Note 6)	1,555,921	888,872
Long-term debt (Note 7)	32,830,601	24,987,500
	45,772,809	32,229,442
Shareholder's Equity		
Share capital (Note 8)	49,210,001	49,210,001
Deficit	(17,699,801)	(5,094,804)
	31,510,200	44,115,197
	$77,283,009	$ 76,344,639

On behalf of the Board:

Director

Director

The accompanying notes are an integral part of these consolidated financial statements.

Structurlam Mass Timber US Inc.
Consolidated Statement of Operations and Deficit
Amounts reported in United States Dollars

For the period ended December 31	2021	2020
Revenue	$ 2,722,472	$ -
Manufacturing costs	2,508,954	-
Gross profit	213,518	-
Operating expenses (Schedule)	6,752,414	3,001,859
Loss from operations before other items	(6,538,896)	(3,001,859)
Other items		
Gain (loss) on foreign exchange	47,210	(23,967)
Research and development	(6,113,311)	-
	(6,066,101)	(23,967)
Net loss for the year	(12,604,997)	(3,025,826)
Deficit, beginning of the year	(5,094,804)	(2,068,978)
Deficit, end of the year	$ (17,699,801)	$ (5,094,804)

The accompanying notes are an integral part of these consolidated financial statements.

Structurlam Mass Timber US Inc.
Consolidated Statement of Cash Flows
Amounts reported in United States Dollars

For the period December 31	2021	2020
Cash flows from operating activities		
Net loss for the year	$ (12,604,997)	$ (3,025,826)
Items not affecting cash:		
Amortization	283,910	3,492
	(12,321,087)	(3,022,334)
Changes in non-cash working capital:		
Accounts receivable	(1,253,976)	12,742
Accounts payable and accrued liabilities	2,006,085	380,950
Accounts payable on assets under construction	(4,475,536)	4,531,110
Deferred revenue	5,367,028	-
Inventories	(4,280,398)	-
Prepaid expenses	(319,349)	(36,069)
	(15,277,233)	1,866,399
Cash flows from investing activities		
Purchase of equipment	(12,917,657)	(31,402,079)
	(12,917,657)	(31,402,079)
Cash flows from financing activities		
Proceeds from long-term debt	9,978,741	26,000,000
Advances from related parties	667,049	770,645
	10,645,790	26,770,645
Net decrease in cash	(17,549,100)	(2,765,035)
Cash, beginning of the year	21,882,308	24,647,343
Cash, end of the year	$ 4,333,208	$ 21,882,308

The accompanying notes are an integral part of these consolidated financial statements.

1. Significant Accounting Policies

Nature of Operations Structurlam Mass Timber US Inc. (the "Company") is a private group incorporated under the State of Delaware on August 28, 2019 and is headquartered in Penticton, British Columbia. The Company is a manufacturer of high quality cross laminated timber, glue laminated beams and a premium fabricator of complete, custom-made heavy timber packages.

Basis of Accounting The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises ("ASPE") and the financial statements are reported in USD as the functional currency.

Basis of Consolidation These consolidated financial statements include the accounts of Structurlam Mass Timber US Inc. and it's wholly owned subsidiary Natural Outcomes LLC. The subsidiaries' assets, liabilities and operations are included in these financial statements and all significant inter-company transactions and balances have been eliminated on consolidation.

Revenue Recognition Revenue is recorded upon change of ownership, which normally occurs at the time of the shipment or transfer of the product. Revenue is recognized when performance is achieved and ultimate collection is reasonably assured. Performance is achieved as the work is accomplished using the completed contract method and when reasonable assurance exists regarding measurement of the consideration. Payments received in advance of contracted services being performed are recorded as deferred revenue.

Income Taxes The Company accounts for income taxes using the taxes payable method. The taxes payable method of accounting under which the Company reports as an expense (income) of the year only the cost (benefit) of current income taxes for the year, determined in accordance with the rules established by taxation authorities.

Financial Instruments Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

1. Significant Accounting Policies (continued)

Inventories

Raw materials (lumber, stock beams, rig mats, adhesives, parts and other materials), work in process and finished goods are stated at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

The cost of work in process and finished goods includes the cost of raw materials and the applicable share of the cost of labour and fixed and variable production overheads.

Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale.

Property, Plant and Equipment

Equipment is stated at cost less accumulated amortization. Amortization is based on the estimated useful life of the asset and is provided using the following annual rates:

Building	- 20 years straight line basis
Computer equipment	- 3 years straight line basis
Furniture and fixtures	- 5 years straight line basis
Manufacturing equipment	- 10-20 years straight line basis or 3-5 years straight line basis
Software	- 3 years straight line basis

Assets under construction are not amortized until the asset is substantially complete and ready for use. Land is stated at cost and is not amortized.

Equipment Under Lease

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is classified as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. All other leases are accounted for as operating leases; wherein, payments are expensed as incurred.

Impairment of Long-Lived Assets

In the event that facts and circumstances indicate that the Company's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required.

1. Significant Accounting Policies (continued)

Foreign Currency Translation

Foreign currency transactions are translated at the rates of exchange in effect at the dates of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the balance sheet date. Gains and losses on translation of monetary assets and liabilities are included in net income.

Use of Estimates

The preparation of financial statements in accordance with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods. Information about assumptions and estimation uncertainties that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses relate to amortization policies and useful lives of tangible and intangible capital assets.

Share-Based Compensation

The parent company makes periodic grants of downstream share-based awards to selected members of senior management.

The fair value of the equity-settled awards is determined at the date of the grant by using the Black-Scholes option pricing model. Managements best estimate of the current year, and cumulative vesting cost, for all options granted, is not considered significant in value, therefore the Company has not recognized an expense in the statement of operations.

2. Accounts Receivable

	2021	2020
Trade receivables	$ 1,260,395	$ 6,418

3. Inventory

	2021	2020
Raw materials	$ 2,142,051	$ -
Work in process	912,685	-
Finished goods	1,225,662	-
	$ 4,280,398	$ -

Inventories of $2,508,954 (2020 - $Nil) are recognized as an expense and included in manufacturing costs.

4. Property, Plant and Equipment

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	$ 1,591,338	$ -	$ 1,591,338	$ -
Assets under construction	637,245	-	46,941,302	-
Building	15,819,210	87,885	5,356,812	-
Computer equipment	206,082	37,201	22,681	1,268
Furniture and fixtures	5,329	1,243	5,329	178
Manufacturing equipment	48,627,575	160,762	505,874	2,046
Software	454,214	312	-	-
	$67,340,993	$ 287,403	$ 54,423,336	$ 3,492
		$67,053,590		$ 54,419,844

Amortization expense relating to property, plant, and equipment in the current year totaled $283,910. The amount of amortization recognized in manufacturing costs relating to the consumption of inventory is $253,323.

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of $333 (2020 - $Nil).

6. Related Party Balances and Transactions

Amounts recorded as due to related party relates solely to Structurlam Mass Timber Corporation, a company with a common shareholder. This amount is unsecured, has no specific terms of repayment, and is without interest. Structurlam Mass Timber Corporation has waived the right to demand repayment for the next fiscal year.

The following table summarizes the Company's related party transactions for the year:

	2021	2020
Goods and services purchased from Structurlam Mass Timber Corp., a company with a common shareholder	$ 2,185,324	$ -
Allocation of management and staff wages from Structurlam Mass Timber Corp., a company with a common shareholder	2,003,730	-
	$ 4,189,054	$ -

These transactions are in the normal course of operations and measured at the exchange amount agreed upon by both parties.

7. Long-term Debt

	2021	2020
Loan, repayable in escalating quarterly installments plus interest calculated at a variable rate of either US prime or US Libor + a margin rate based on company performance, which at December 31, 2021 was 4.5%, estimated to mature on May 4, 2025, secured by first ranking security over the Company's assets.	$35,978,741	$ 26,000,000
Less: Current portion	3,148,140	1,012,500
Long-term portion of debt	$32,830,601	$ 24,987,500

The timing of principal repayments on the above facility are contingent on the completion date of the manufacturing plant which is estimated to be finished during the 2022 fiscal year. The facility is secured by general security agreement over all the assets of the Company, first ranking security under Section 427 of the Bank Act, an assignment and postponement of claim by certain partners, companies under common control and management, and an assignment of risk insurance.

Principal repayments on long-term debt over the next four years are estimated as follows:

2022	$ 3,148,140
2023	6,071,413
2024	6,296,280
2025	20,462,908
	$ 35,978,741

8. Share Capital

Issued and outstanding shares:

	2021	2020
49,210,001 common shares without par value	$ 49,210,001	$ 49,210,001

9. Income Taxes

The Company accounts for income taxes using the taxes payable method. As a result, the Company's income tax expense varies from the amount that would otherwise result from the application of the statutory income tax rates as set out below:

	2021	2020
Income before income taxes	$ (12,604,997)	$ (3,025,826)
Combined basic federal and state tax rates	25.90 %	25.90 %
Expected income tax expense (recovery)	$ (3,264,694)	$ (783,628)
Increase (decrease) in income tax expense due to:		
Non-deductible expenses	3,919	183
Net operating loss incurred	3,915,228	550,249
Capitalized expenses	2,001,431	236,580
Capital cost allowance in excess of amortization	(2,645,908)	(10,880)
Miscellaneous	(9,976)	7,496
Income tax expense (recovery)	$ -	$ -

As at December 31, 2021, the Company has $17,612,161 in net operating losses that can be offset against taxable income in future years. These losses will carryforward indefinitely.

10. Economic Dependence

Approximately 74% of the Company's sales were made to one customer (2020 - Nil). The loss of a significant amount of sales to this customer could have a negative effect on operations.

11. Stock Options

The Company in conjunction with its parent company, SLP Holdings Ltd, implemented a policy of granting common share stock options in the year ended December 31, 2017.

Summary of stock option activity during the year:

	Vested Time Based	Unvested Time Based	Unvested Performance Based	Total
Opening Balance	686,464	3,554,672	1,363,838	5,604,974
Issued	-	112,500	37,500	150,000
Vested	832,045	(832,045)	-	-
Exercised	(89,000)	-	-	(89,000)
Forfeit	(22,500)	(90,000)	(37,500)	(150,000)
Ending Balance	1,407,009	2,745,127	1,363,838	5,515,974

Time based options have an exercise price of $0.01, a 5 year vest period, a term of 10 years, and require the employee to be employed at the anniversary date. Performance based options have an exercise price of $0.01 and vest upon sale of the Group.

The weighted average remaining life of time vesting options outstanding as at December 31, 2021 is approximately 8.67 years (2020 - 9.53 years). The calculated vesting expense associated with these options is not significant and as such no expense has been recognized in the financial statements.

12. Global Pandemic

The impact of COVID-19 in the United States and on the global economy continues to be significant. As COVID-19 continues, there could be impact on the Company relating to the timing and amounts realized on the Company's assets and future profitability.

At this time, the full potential impact of COVID-19 on the Company is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration, disruption and related financial impact cannot be reasonably estimated at this time. The Company will continue to focus on managing expenditures, and leveraging existing operations to ensure it is able to continue to provide it's products and services.

13. Commitments

City of Conway Agreement:

The Company has entered into an arrangement with the City of Conway, Arkansas ("the City"), where the manufacturing plant under construction is located. Under the arrangement, the title of the land and building has been deeded to the City, and the Company has agreed to lease the land and building back from the City. As the risk and rewards of the property, based on the terms of the arrangement, remains with the Company, the land and building of the manufacturing plant are presented in property, plant, and equipment on the consolidated balance sheet.

The Company has purchased a bond from the City with a balance of $77,639,280 as at December 31, 2021 (2020 - $54,463,640). The City has also provided the Company with financing for the construction of the manufacturing facilities with a balance of $77,639,280 as at December 31, 2021 (2020 - $54,463,640). The bond and the corresponding financing are secured by the property financed. The arrangement is a legal arrangement with receipts from the bond and the payment on financing completely offset each other as operating cashflows. The Company has recognized the above items on a net basis resulting in no balances recognized in these financial statements.

Based on the contractual arrangement, the Company has the ability to unwind the arrangement at any time. Neither party has the ability to call amounts due without simultaneously settling the equally amounts owed.

14. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

15. Financial Instrument Risk

Liquidity risk
Liquidity risk is the risk that the Company encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Company will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities, amounts required to complete the construction of manufacturing plant, and long-term debt.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk due to the entirety of the Company's cash being held with one financial institution.

As of December 31, 2021 there were two customers accounting for a total of 81.83% of trade receivables. Credit risk associated with trade receivables are limited by the Company's credit granting policies.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to this risk through its credit facility and long-term debt.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company undertakes sales and purchase transactions in foreign currencies and, consequently, certain of its financial instruments are exposed to foreign currency fluctuations. As at year-end the company does not have significant exposure to currency risk.

Structurlam Mass Timber US Inc.
Consolidated Schedule of Operating Expenses
Amounts reported in United States Dollars

For the year ended December 31	2021	2020
Advertising and promotion	$ 267,157	$ 350,333
Amortization	30,587	3,492
Insurance	1,279,663	167,097
Interest and bank charges	1,943	3,332
Interest on long-term debt	1,598,867	646,089
Licenses, dues and fees	16,045	-
Office and miscellaneous	121,166	71,221
Professional fees	275,339	320,151
Property taxes (recovery)	(262,086)	397,570
Repairs and maintenance	1,312	89,731
Travel and entertainment	371,451	27,429
Utilities	266	63,353
Salaries and benefits	3,050,704	862,061
	$ 6,752,414	$ 3,001,859

This is Exhibit "T" referred to in the Affidavit of **SHAWN TURKINGTON,** sworn before me at Vancouver, BC, this 26th day of April, 2023.

A Commissioner for taking Affidavits in British Columbia

Execution version

BMO Bank of Montreal

December 3, 2019

Private and Confidential

Structurlam Mass Timber Corporation
- and -
Structurlam Mass Timber U.S., Inc.
2176 Government Street
Penticton, BC V2A 8B5 Canada

Attention: Michael Darby, CFO

Dear Sirs/Mesdames:

Senior Secured Credit Facilities

The Lender is pleased to offer the Credit Facilities described below, subject to the following terms and conditions. Capitalized terms used and not otherwise defined in this Agreement shall have the meanings set out in Schedule A annexed hereto.

This Agreement amends and restates the existing letter agreement (as amended and supplemented to the Effective Date, the "**Existing Agreement**") dated December 21, 2017 between Structurlam Mass Timber Corporation (formerly named SLP Operations Ltd.), as borrower, and Bank of Montreal, as lender, with respect to the Loans made available to such Borrower under the Existing Agreement, and replaces and supersedes the Existing Agreement subject to and in accordance with Section 2.1. Without limiting the generality of the foregoing, to the extent Loans were outstanding under the credit facilities established pursuant to the Existing Agreement, such Loans will be deemed to be outstanding under the corresponding amended Credit Facilities continued under this Agreement, in each case, from and after the date (the "**Effective Date**") upon which each of the conditions precedent to effectiveness set forth in Section 2.1 have been satisfied or waived in writing by the Lender.

Notwithstanding the foregoing or any other term hereof, all of the covenants, representations and warranties on the part of the Cdn. Borrower under the Existing Agreement, and all of the claims and causes of actions arising against the Cdn. Borrower in connection therewith, in respect of all matters, events, circumstances and obligations arising or existing prior to the Effective Date shall continue, survive and shall not be merged in the execution of this Letter Agreement or any other Documents or any advance or provision of any Loan hereunder.

References herein to the "date hereof" or similar expressions shall be and shall be deemed to be the date of execution and delivery of this Letter Agreement, being December 3, 2019.

1. THE CREDIT FACILITIES

1.1 The Credit Facilities

Subject to the terms and conditions hereof, (a) the Lender shall make available to the Cdn. Borrower the Cdn. Credit Facilities, and (b) the Lender shall make available to the U.S. Borrower the U.S. Term Facility. At any date, the Outstanding Principal under each Credit Facility shall not exceed the maximum principal amount of such Credit Facility.

1.2 Types of Availments

(1) Under the Revolving Facility, the Cdn. Borrower may, in Canadian Dollars, make Drawdowns and Rollovers of and Conversions into Cdn. Prime Rate Loans and B/As and may, in United States Dollars, make Drawdowns and Rollovers of and Conversions into U.S. Base Rate Loans and Libor Loans.

(2) Under the Cdn. Term Facility, the Cdn. Borrower may, in Canadian Dollars, make Drawdowns and Rollovers of and Conversions into Cdn. Prime Rate Loans and B/As and may, in United States Dollars, make Drawdowns and Rollovers of and Conversions into U.S. Base Rate Loans and Libor Loans.

(3) Under the L/C Facility, the Cdn. Borrower may, in Canadian Dollars, United States Dollars or other widely traded currencies acceptable to the Lender, make Drawdowns and Rollovers of L/Cs.

(4) Under the U.S. Term Facility, the U.S. Borrower may, in United States Dollars, make Drawdowns and Rollovers of and Conversions into U.S. Prime Rate Loans and Libor Loans.

(5) The applicable Borrower shall have the option, subject to the terms and conditions hereof, to determine which types of Loans shall be drawn down under a given Credit Facility and in which combinations or proportions.

1.3 Purpose

(1) Except as expressly contemplated in Section 9.3(3), the Revolving Facility is being made available to the Cdn. Borrower solely for working capital and general corporate purposes of the Cdn. Borrower and its Subsidiaries.

(2) The Cdn. Term Facility was made available to the Cdn. Borrower to (a) finance a portion of the Acquisition, and (b) finance fees and expenses incurred in connection with the consummation of the Acquisition and the establishment of the Credit Facilities.

(3) The L/C Facility is being made available to the Cdn. Borrower and its Subsidiaries in connection with the guaranteeing of performance obligations related to its ordinary course business operations.

(4) The U.S. Term Facility is being made available to the U.S. Borrower to finance acquisition of real property (including the Arkansas Property), leasehold improvements, machinery, equipment and associated costs, initial working capital and operating expenses in relation to the development, construction, start-up and commencement of operations of the U.S. Plant.

1.4 Availability and Nature of the Credit Facilities

Subject to the terms and conditions hereof and, in particular, those relating to Conversions and Rollovers:

(a) the Cdn. Borrower may make Drawdowns under the Revolving Facility after the Closing Date and prior to the Maturity Date for the purposes described in Section 1.3(1) above. Prior to the Maturity Date, the Revolving Facility shall be a revolving credit facility: that is, the Cdn. Borrower may increase or decrease Loans under the Revolving Facility by making Drawdowns, repayments and further Drawdowns;

(b) the Cdn. Term Facility was fully drawn on the original "Closing Date" under and as defined in the Existing Agreement for the purposes described in Section 1.3(2) above, and no further Drawdowns are available thereunder. The Cdn. Term Facility shall be a non-revolving credit facility: that is, the amounts of any Loans under the Cdn. Term Facility which are thereafter repaid may not be re-borrowed or utilized again and the Cdn. Borrower shall not be entitled to make further Drawdowns in respect of such amounts;

(c) the Cdn. Borrower may make Drawdowns under the L/C Facility prior to the Maturity Date for the purposes described in Section 1.3(3) above. Prior to the Maturity Date, the L/C Facility shall be a revolving Credit Facility: that is, the Cdn. Borrower may increase or decrease Loans under the L/C Facility by making Drawdowns, repayments and further Drawdowns;

(d) the U.S. Borrower may make Drawdowns under the U.S. Term Facility upon and following the commencement of and prior to the end of the U.S. Term Facility Availability Period for the purposes described in Section 1.3(4) above. Any unutilized commitment under the U.S. Term Facility at 4:00 p.m. (Local Time) on the last day of the U.S. Term Facility Availability Period shall be permanently cancelled. The U.S. Term Facility shall be a non-revolving Credit Facility: that is, the amounts of any Loans under the U.S. Term Facility which are thereafter repaid may not be re-borrowed or utilized again and the U.S. Borrower shall not be entitled to make further Drawdowns in respect of such amounts.

1.5 Minimum Drawdowns

Except (1) as provided in Section 1.12 in respect of the Revolving Facility, or (2) as provided in Section 2.4(f) in respect of the U.S. Term Facility, each Drawdown under a given Credit Facility of the following types of Loans shall be in the following amounts indicated:

(a) Cdn. Prime Rate Loans in minimum principal amounts of $50,000;

(b) U.S. Base Rate Loans and U.S. Prime Rate Loans in minimum principal amounts of U.S.$50,000;

(c) B/As in minimum aggregate amounts of $1,000,000 at maturity and Drawdowns in excess thereof in integral multiples of $100,000; and

(d) Libor Loans in minimum principal amounts of U.S.$1,000,000 and Drawdowns in excess thereof in integral multiples of U.S.$100,000.

1.6 Notice Periods for Drawdowns, Conversions and Rollovers

Subject to the provisions hereof, a Borrower may make a Drawdown, Conversion or Rollover under a given Credit Facility by delivering a Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be (executed in accordance with the definition of Officer's Certificate), with respect to a specified type of Loan to the Lender not later than:

(a) 11:00 a.m. (Local Time) three Banking Days prior to the proposed Drawdown Date, Conversion Date or Rollover Date, as the case may be, for the Drawdown of, Conversion into or Rollover of B/As or Libor Loans, or the Drawdown or Rollover of L/Cs; and

(b) 11:00 a.m. (Local Time) one Banking Day prior to the proposed Drawdown Date or Conversion Date, as the case may be, for Drawdowns of or Conversions into Cdn. Prime Rate Loans or U.S. Base Rate Loans.

1.7 Conversion Option

Subject to the provisions of this Agreement, a Borrower may convert the whole or any part of any type of Loan into any other type of Loan under the same Credit Facility by giving the Lender a Conversion Notice in accordance herewith; provided that:

(a) conversions of Libor Loans and B/As may only be made on the last day of the Interest Period applicable thereto;

(b) a Borrower may not convert a portion only or the whole of an outstanding Loan unless both the unconverted portion and converted portion of such Loan are equal to or exceed, in the relevant currency of each such portion, the minimum amounts required for Drawdowns of Loans of the same type as that portion (as set forth in Section 1.5);

(c) in respect of Conversions of a Loan denominated in one currency to a Loan denominated in another currency, the relevant Borrower shall at the time of the Conversion repay the Loan or portion thereof being converted in the currency in which it was denominated; and

(d) a Conversion shall not result in an increase in Outstanding Principal; increases in Outstanding Principal may only be effected by Drawdowns made in accordance herewith.

1.8 Libor Loan Rollovers; Selection of Libor Interest Periods

At or before 9:00 a.m. (Local Time) three Banking Days prior to the expiration of each Interest Period of each Libor Loan under a given Credit Facility, the relevant Borrower shall, unless it has delivered a Conversion Notice pursuant to Section 1.7 and/or a Repayment Notice pursuant to Section 1.13 (together with a Rollover Notice if a portion only is to be converted or repaid; provided that a portion of a Libor Loan may be continued only if the portion which is to remain outstanding is equal to or exceeds the minimum amount required hereunder for Drawdowns of Libor Loans) with respect to the aggregate amount of such Loan, deliver a Rollover Notice to the Lender selecting the next Interest Period applicable to the Libor Loan, which new Interest Period shall commence on and include the last day of such prior Interest Period. If a Borrower fails to deliver a Rollover Notice to the Lender as provided in this Section, such Borrower shall be deemed to have given a Conversion Notice to the Lender electing to convert the entire amount of the maturing Libor Loan into, in the case of the Cdn. Borrower, a U.S. Base Rate Loan and, in the case of the U.S. Borrower, a U.S. Prime Rate Loan.

1.9 Rollovers and Conversions not Repayments

Any amount converted under a given Credit Facility shall be a Loan of the type converted into upon such Conversion taking place, and any amount rolled over shall continue to be the same type of Loan under such Credit Facility as before the Rollover, but such Conversion or Rollover (to the extent of the amount converted or rolled over) shall not of itself constitute a repayment or a fresh utilization of any part of the amount available under such Credit Facility.

1.10 Lender's Obligations with Respect to Cdn. Prime Rate Loans, U.S. Base Rate Loans, U.S. Prime Rate Loans and Libor Loans

The Lender shall, for same day value on the Drawdown Date specified by a Borrower in a Drawdown Notice with respect to a Cdn. Prime Rate Loan, U.S. Base Rate Loan, U.S. Prime Rate Loan or Libor Loan, make an advance to such Borrower of the full amount of the requested Loan in the relevant currency in accordance with any payment instructions set forth in the applicable Drawdown Notice.

1.11 Irrevocability

A Drawdown Notice, Rollover Notice, Conversion Notice or Repayment Notice given by a Borrower hereunder shall be irrevocable and, subject to any options the Lender may have hereunder in regard thereto and such Borrower's rights hereunder in regard thereto, shall oblige such Borrower to take the action contemplated on the date specified therein.

1.12 Overdrafts under the Revolving Facility

(1) Subject to the following provisions of this Section, overdrafts arising from the withdrawal, transfer or debit of funds from, or the clearance of cheques or drafts drawn on, the Canadian Dollar accounts and United States Dollar accounts of the Cdn. Borrower maintained with the Lender, and designated by the Lender for such purpose, shall be deemed to be outstanding as Cdn. Prime Rate Loans and U.S. Base Rate Loans, respectively, under the Revolving Facility. Except as set forth in this Section 1.12 or otherwise agreed in writing between the Cdn. Borrower and the Lender, the provisions of this Agreement relating to Cdn. Prime Rate Loans and U.S. Base Rate Loans, respectively, will apply, *mutatis mutandis*, to overdrafts arising under the Revolving Facility.

(2) For certainty, and notwithstanding Section 1.6 or 1.13(1)(a), no Drawdown Notice or Repayment Notice need be delivered by the Cdn. Borrower in respect of overdrafts described in Section 1.12(1), nor shall the requirements of Sections 1.5 or 1.13(1)(f) with respect to the amounts of Drawdowns or repayments apply thereto. The Cdn. Borrower may make repayments of such overdrafts (together with accrued interest thereon which, if such repayment is not made on an Interest Payment Date, shall be paid on the next Interest Payment Date applicable to Cdn. Prime Rate Loans and

U.S. Base Rate Loans, as applicable, or as otherwise agreed in writing between the Cdn. Borrower and the Lender) from time to time without penalty.

1.13 Optional Repayment of the Credit Facilities

(1) A Borrower may at any time and from time to time repay, without penalty, to the Lender the whole or any part of any Loan owing by it under any Credit Facility, together with accrued interest thereon to the date of such repayment provided that:

(a) except as otherwise provided in Section 1.14, such Borrower shall give a Repayment Notice (executed in accordance with the definition of Officer's Certificate) to the Lender not later than:

(i) 9:00 a.m. (Local Time) one Banking Day prior to the date of the proposed repayment for Cdn. Prime Rate Loans, U.S. Base Rate Loans or U.S. Prime Rate Loans; and

(ii) 9:00 a.m. (Local Time) three Banking Days prior to the date of the proposed repayment, for Libor Loans;

(b) repayments pursuant to this Section may only be made on a Banking Day;

(c) subject to Section 1.13(2), each such repayment may only be made on the last day of the applicable Interest Period with regard to a Libor Loan that is being repaid;

(d) unexpired L/Cs may only be cancelled by the return thereof to the Lender for cancellation or providing funding therefor in accordance with Section 1.13(3);

(e) a B/A may only be repaid on its maturity unless collateralized in accordance with Section 1.13(4);

(f) except in the case of L/Cs or as provided in Section 1.12, each such repayment shall be in a minimum amount of the lesser of: (i) the minimum amount required pursuant to Section 1.5 for Drawdowns of the type of Loan proposed to be repaid, and any repayment in excess of such amount shall be in integral multiples of $100,000 or U.S.$100,000, as the case may be, and (ii) the Outstanding Principal of all Loans outstanding under the relevant Credit Facility immediately prior to such repayment; and

(g) except in the case of L/Cs or as provided in Section 1.12, the Cdn. Borrower may not repay a portion only of an outstanding Loan unless the unpaid portion is equal to or exceeds, in the relevant currency, the minimum amount required pursuant to Section 1.5 for Drawdowns of the type of Loan proposed to be repaid.

(2) If any Libor Loan is repaid on other than the last day of the applicable Interest Period, the Borrower making such repayment shall, within three Banking Days after notice is given by the Lender, pay to the Lender all costs, losses, premiums and expenses incurred by the Lender by reason of the liquidation or re-deployment of deposits or other funds or for any other reason whatsoever resulting from the repayment of such Loan or any part thereof on other than the last day of the applicable Interest Period. The Lender, upon becoming entitled to be paid such costs, losses, premiums and expenses, shall deliver to the relevant Borrower a certificate of the Lender certifying as to such amounts and, in the absence of manifest error, such certificate shall be conclusive and binding for all purposes.

(3) With respect to the funding of the repayment of unexpired L/Cs pursuant to Section 1.13(1)(d) or otherwise hereunder, it is agreed that the Cdn. Borrower shall provide for the funding in full of the repayment of unexpired L/Cs by paying to and depositing with the Lender cash collateral for each such unexpired L/C equal to the sum of (a) the maximum amount thereof which is available to be drawn, plus (b) any accrued Issuance Fees and Issuance Fees accruing due up to the maturity date of the relevant L/C, and, in each case, in the respective currency in which the relevant L/C is denominated; such cash collateral deposited by the Cdn. Borrower shall be held by the Lender in an interest-bearing cash collateral account with interest to be credited to the Cdn. Borrower at rates prevailing at the time of deposit for similar accounts with the Lender. Such cash collateral accounts shall be assigned to the Lender as security for the obligations of the Cdn. Borrower in relation to such L/Cs and the Security Interest of the Lender thereby created in such cash collateral

shall rank in priority to all other Security Interests and adverse claims against such cash collateral. Such cash collateral shall be applied to satisfy the obligations of the Cdn. Borrower for such L/Cs as payments are made thereunder and the Lender is hereby irrevocably directed by the Cdn. Borrower to so apply any such cash collateral. Amounts held in such cash collateral accounts may not be withdrawn by the Cdn. Borrower without the consent of the Lender; provided that, interest on such deposited amounts shall be for the account of the Cdn. Borrower and may be withdrawn by the Cdn. Borrower so long as no Default or Event of Default is then continuing. If after expiry of the L/Cs for which such funds are held and application by the Lender of the amounts in such cash collateral accounts to satisfy the obligations of the Cdn. Borrower hereunder with respect to the L/Cs being repaid, any excess remains, such excess shall be promptly paid by the Lender to the Cdn. Borrower so long as no Default or Event of Default is then continuing; provided that during the continuance of any such Default or Event of Default, the Lender shall continue to hold such excess as continuing collateral security for the Obligations.

In lieu of providing cash collateral as aforesaid, the Cdn. Borrower may provide to the Lender irrevocable standby letter or letters of credit in an aggregate amount equal to: (a) the aggregate maximum amount of all applicable unexpired L/Cs being repaid, plus (b) the aggregate amount of any accrued Issuance Fees and Issuance Fees accruing due up to the respective maturity dates in respect of all applicable L/Cs being repaid, and for a term which expires not sooner than 10 Banking Days after the expiry of the L/Cs in respect of which such letter(s) of credit are provided; such letters of credit shall be denominated and payable in the currency of the relevant unexpired L/Cs and shall be issued by a financial institution and on terms and conditions acceptable to the Lender, in its sole discretion, acting reasonably. The Lender is hereby irrevocably authorized and directed to draw upon such letters of credit and apply the proceeds of the same to satisfy the obligations of the Cdn. Borrower for such unexpired L/Cs as payments are made thereunder.

(4) With respect to the repayment of unmatured B/As pursuant to Section 1.13(1)(e) or otherwise hereunder, it is agreed that the Cdn. Borrower shall provide for the funding in full of the unmatured B/As to be repaid by paying to and depositing with the Lender cash collateral (the "**Cash Collateral**") for each such unmatured B/As equal to the face amount payable at maturity thereof; such Cash Collateral deposited by the Cdn. Borrower shall be invested by the Lender in Approved Securities as may be directed in writing by the Cdn. Borrower from time to time (the "**Collateral Investments**"); provided that the Cdn. Borrower shall direct said investments so that they mature in amounts sufficient to permit payment of the Obligations for maturing B/As on the maturity dates thereof, with interest thereon to be credited to the Cdn. Borrower. In the event that the Lender is not provided with instructions from the Cdn. Borrower to make Collateral Investments as provided herein, the Lender shall hold such Cash Collateral in an interest-bearing cash collateral account (the "**Cash Collateral Account**") at rates prevailing at the time of deposit for similar accounts with the Lender. The (a) Cash Collateral, (b) Cash Collateral Accounts, (c) Collateral Investments, (d) any accounts receivable, claims, instruments or securities evidencing or relating to the foregoing, and (e) any proceeds of any of the foregoing (collectively, the "**Outstanding BAs Collateral**") shall be assigned to the Lender (by instrument satisfactory to the Lender) as security for the obligations of the Cdn. Borrower in relation to such B/As and the Security Interest of the Lender thereby created in such Outstanding BAs Collateral shall rank in priority to all other Security Interests and adverse claims against such Outstanding BAs Collateral. Such Outstanding BAs Collateral shall be applied to satisfy the obligations of the Cdn. Borrower for such B/As as they mature, and the Lender is hereby irrevocably directed by the Cdn. Borrower to apply any such Outstanding BAs Collateral to such maturing B/As. The Outstanding BAs Collateral created herein shall not be released to the Cdn. Borrower without the consent of the Lender; however, interest on such deposited amounts shall be for the account of the Cdn. Borrower and may be withdrawn by the Cdn. Borrower so long as no Default or Event of Default is then continuing. If, after maturity of the B/As for which such Outstanding BAs Collateral is held and application by the Lender of the Outstanding BAs Collateral to satisfy the obligations of the Cdn. Borrower hereunder with respect to the B/As being repaid, any interest or other proceeds of the Outstanding BAs Collateral remains, such interest or other proceeds shall be promptly paid and transferred by the Lender to the Cdn. Borrower so long as no Event of Default is then continuing.

1.14 Mandatory Repayment of Credit Facilities

(1) Subject to Section 11.2 and Article 7, each Borrower shall repay or pay, as the case may be, to the Lender all Loans and other Obligations of such Borrower outstanding under the Credit Facilities on or before the Maturity Date.

(2) In addition to and without limiting the foregoing, on the last Banking Day of each fiscal quarter in each fiscal year of the Cdn. Borrower, the Cdn. Borrower shall repay to the Lender the following amounts (collectively, the "**Cdn. Term Facility Instalments**"):

(a) on each such Banking Day commencing with the last Banking Day of the first full fiscal quarter following the Closing Date and during the period to and including the second anniversary of the Closing Date, an amount of Loans outstanding under the Cdn. Term Facility equal to 1.875% of the Funded Amount of the Cdn. Term Facility; and

(b) on each such Banking Day during the period from the second anniversary of the Closing Date to and including the Maturity Date, an amount of Loans outstanding under the Cdn. Term Facility equal to 2.50% of the Funded Amount of the Cdn. Term Facility.

(3) In addition to and without limiting the foregoing, on the last Banking Day of each fiscal quarter in each fiscal year of the U.S. Borrower, the U.S. Borrower shall repay to the Lender the following amounts (collectively, the "**U.S. Term Facility Instalments**"):

(a) on each such Banking Day commencing with the last Banking Day of the first full fiscal quarter following substantial completion of construction of the U.S. Plant (the "**Initial U.S. Term Facility Instalment Date**") and during the period to, but not including the first anniversary of the Initial U.S. Term Facility Instalment Date, an amount of Loans outstanding under the U.S. Term Facility equal to 1.25% of the Funded Amount of the U.S. Term Facility;

(b) on each such Banking Day commencing with the first anniversary of the Initial U.S. Term Facility Instalment Date (and if such day is not a Banking Day, on the first Banking Day following such day) and during the period to, but not including the second anniversary of the Initial U.S. Term Facility Instalment Date, an amount of Loans outstanding under the U.S. Term Facility equal to 3.75% of the Funded Amount of the U.S. Term Facility; and

(c) on each such Banking Day commencing with the second anniversary of the Initial U.S. Term Facility Instalment Date (and if such day is not a Banking Day, on the first Banking Day following such day) and during the period to and including the Maturity Date, an amount of Loans outstanding under the U.S. Term Facility equal to 4.375% of the Funded Amount of the U.S. Term Facility.

(4) In addition to and without limiting the foregoing, the Borrowers shall repay or shall cause to be repaid to the Lender each of the following amounts as a mandatory repayment:

(a) no later than 150 days after each fiscal year-end, commencing with the Cdn. Borrower's December 31, 2022 fiscal year-end and for each fiscal year-end thereafter, if the Total Funded Debt to EBITDA Ratio of the Cdn. Borrower on an unconsolidated basis is greater than 3.00 to 1.00 for the trailing twelve-month period ending at such fiscal year-end, by an amount equal to 50% of the Cdn. Borrower's Excess Cash Flow for the fiscal year most recently ended (or portion thereof since the Closing Date), such percentage to be reduced to 0% for any fiscal year-end if the Total Funded Debt to EBITDA Ratio of the Cdn. Borrower on an unconsolidated basis as at such fiscal year-end is less than or equal to 3.00:1.00;

(b) no later than 150 days after each fiscal year-end, commencing with the U.S. Borrower's December 31, 2022 fiscal year-end and for each fiscal year-end thereafter, if the Total Funded Debt to EBITDA Ratio of the U.S. Borrower on an unconsolidated basis is greater than 3.00 to 1.00 for the trailing twelve-month period ending at such fiscal year-end, by an amount equal to 50% of the U.S. Borrower's Excess Cash Flow for the fiscal year most recently ended (or portion thereof since the Closing Date), such percentage to be reduced to 0% for any fiscal year-end if the Total Funded Debt to EBITDA Ratio of the U.S. Borrower on an unconsolidated basis as at such fiscal year-end is less than or equal to 3.00:1.00;

(c) the net proceeds of (i) any issuance of Equity Interests of any Obligor, other than Excluded Equity Issues, and (ii) any Debt incurred by any Obligor which does not constitute Permitted Debt (other than

Subordinated Debt, unless the Lender has agreed that the proceeds of such Subordinated Debt are not subject to this Section 1.14(4)(c)(ii);

(d) the net proceeds of any sale, transfer, exchange, lease, release, or other disposition of any property or assets (other than the sale, lease or disposition of inventory in the ordinary course of business for cash consideration not less than the fair market value of the inventory being sold, leased or otherwise disposed of and dispositions of old or obsolete equipment that is being replaced in the ordinary course of business) of any Obligor, to the extent the net proceeds of any such sale, transfer, exchange, lease, release or other disposition (whether in a single transaction or a series of related transactions) exceed $250,000 (or the Equivalent Amount thereof or the equivalent in any other currency). Notwithstanding the foregoing, such net proceeds shall not be required to be applied to the repayment of Loans to the extent that such net proceeds are used or intended for use in a Net Proceeds Reinvestment; provided that if all or any portion of such net proceeds not so applied to the repayment of Loans are not so used in a Net Proceeds Reinvestment, such remaining portion shall be applied within 180 days after such sale, transfer, exchange, lease, release or other disposition as a mandatory prepayment of principal of outstanding Loans as provided in this Section; and

(e) the net proceeds of any insurance claim or condemnation award received by any Obligor in respect of any of its property or assets (including any improvements thereon). Notwithstanding the foregoing, such net proceeds shall not be required to be applied to the repayment of Loans to the extent that such net proceeds are used or intended for use in a Net Proceeds Reinvestment; provided that if all or any portion of such net proceeds not so applied to the repayment of Loans are not so used in a Net Proceeds Reinvestment, such remaining portion shall be applied within 180 days after such insurance claim or condemnation award as a mandatory prepayment of principal of outstanding Loans as provided in this Section.

(5) Additionally, (a) any mandatory repayment pursuant to Section 1.14(4)(a) shall be applied to all remaining Cdn. Term Facility Instalments and the balance due under the Cdn. Term Facility on the Maturity Date (assuming all Cdn. Term Facility Instalments are paid as and when they fall due) in inverse order of maturity and thereafter, to amounts then outstanding under the Revolving Facility (but without any corresponding reduction of the maximum authorized amount of the Revolving Facility), (b) any mandatory repayment pursuant to Section 1.14(4)(b) shall be applied to all remaining U.S. Term Facility Instalments and the balance due under the U.S. Term Facility on the Maturity Date (assuming all U.S. Term Facility Instalments are paid as and when they fall due) in inverse order of maturity, (c) any other mandatory repayment pursuant to Section 1.14(4) shall, except as set forth therein, be applied (i) firstly, to all remaining Cdn. Term Facility Instalments and U.S. Term Facility Instalments and the balance due under the Cdn. Term Facility and U.S. Term Facility on the Maturity Date (assuming, for this purpose, that the U.S. Term Facility will be fully drawn and that each Cdn. Term Facility Instalment and each U.S. Term Facility Instalment will be paid by the relevant Borrower to the Maturity Date in accordance with Sections 1.14(2) and 1.14(3)) on a *pro rata* basis as between the Cdn. Term Facility and the U.S. Term Facility and in inverse order of maturity with respect to each such Credit Facility, (ii) secondly, to amounts outstanding under the Revolving Facility (but without any corresponding reduction of the maximum authorized amount of the Revolving Facility), and (iii) thirdly, to cash collateralize on a dollar-for-dollar basis in the relevant currency or currencies in which such L/Cs are denominated, L/Cs issued and outstanding under the L/C Facility, and (d) any optional repayment pursuant to Section 1.13 shall be applied to the repayment of Loans outstanding under any of the Credit Facilities in the order and manner as directed by the Borrowers in their discretion.

1.15 Currency Excess

(1) If the Lender shall determine that the aggregate Outstanding Principal of the outstanding Loans under the Revolving Facility exceeds the maximum authorized principal amount of the Revolving Facility (the amount of such excess is herein called the "**Revolving Facility Currency Excess**"), then, upon written request by the Lender (which request shall detail the applicable Revolving Facility Currency Excess), the Cdn. Borrower shall repay an amount of Cdn. Prime Rate Loans or U.S. Base Rate Loans under the Revolving Facility within 5 Banking Days after receipt of such request, such that, except as otherwise contemplated in Section 1.15(2), the amount (or the Equivalent Amount thereof) of such repayments is, in the aggregate, at least equal to the Revolving Facility Currency Excess.

(2) If, in respect of any Revolving Facility Currency Excess, the repayments made by the Cdn. Borrower have not completely removed such Revolving Facility Currency Excess (the remainder thereof being herein called the "**Revolving Facility Currency Excess Deficiency**"), the Cdn. Borrower shall within the aforementioned 5 Banking Days after receipt of the aforementioned request of the Lender, place an amount in Canadian Dollars, or the Equivalent Amount in United States Dollars, equal to the Revolving Facility Currency Excess Deficiency on deposit with the Lender in an interest-bearing account with interest at rates prevailing at the time of deposit for the account of the Cdn. Borrower, to be assigned to the Lender by instrument satisfactory to the Lender and to be applied to maturing B/As or Libor Loans (converted if necessary, at the exchange rate for determining the Equivalent Amount on the date of such application). The Lender is hereby irrevocably directed by the Cdn. Borrower to apply any such sums on deposit to maturing Loans as provided in the preceding sentence. In lieu of providing funds for the Revolving Facility Currency Excess Deficiency, as provided in the preceding provisions of this Section, the Cdn. Borrower may within the said period of 5 Banking Days, provide to the Lender an irrevocable standby letter of credit denominated in Canadian Dollars in an amount equal to the Revolving Facility Currency Excess Deficiency and for a term which expires not sooner than 10 Banking Days after the date of maturity of the relevant B/As or Libor Loans, as the case may be; such letter of credit shall be issued by a financial institution, and shall be on terms and conditions, acceptable to the Lender in its sole discretion. The Lender is hereby authorized and directed to draw upon such letter of credit and apply the proceeds of the same to B/As or Libor Loans as they mature. Upon the Revolving Facility Currency Excess being eliminated as aforesaid or by virtue of subsequent changes in the exchange rate for determining the Equivalent Amount, then, provided no Default or Event of Default is then continuing, such funds on deposit, together with interest accrued thereon, or such letters of credit shall be returned to the Cdn. Borrower, in the case of funds on deposit, or shall be cancelled or reduced in amount, in the case of letters of credit.

(3) If the Lender shall determine that the aggregate Outstanding Principal of the outstanding Loans under the L/C Facility exceeds the maximum authorized principal amount of the L/C Facility (the amount of such excess is herein called the "**L/C Facility Currency Excess**"), then, upon written request by the Lender (which request shall detail the applicable L/C Facility Currency Excess), the Cdn. Borrower shall within 5 Banking Days after receipt of the aforementioned request of the Lender, place an amount in Canadian Dollars, or the Equivalent Amount in United States Dollars, equal to the L/C Facility Currency Excess on deposit with the Lender in an interest-bearing account with interest at rates prevailing at the time of deposit for the account of the Cdn. Borrower, to be assigned to the Lender by instrument satisfactory to the Lender and to be held to provide for the funding of unexpired L/Cs in accordance with Section 1.13(3), which shall apply, *mutatis mutandis*. Upon the L/C Facility Currency Excess being eliminated by virtue of subsequent changes in the exchange rate for determining the Equivalent Amount, then, provided no Default or Event of Default is then continuing, such funds on deposit, together with interest accrued thereon, shall be returned to the Cdn. Borrower.

1.16 Hedging with the Lender

If the Lender or a Hedging Affiliate enters into a Financial Instrument with an Obligor then each such Lender Financial Instrument and the Lender Financial Instrument Obligations thereunder shall be secured by the Security equally and rateably with the Obligations, regardless of whether the Obligors have complied herewith (but, for certainty, without in any manner lessening or relieving the Obligors from their obligations to comply herewith).

2. CONDITIONS PRECEDENT TO DRAWDOWNS

2.1 Conditions Precedent to Amendment and Restatement

This Agreement shall be effective, and the Existing Agreement shall be amended and restated in the form of this Agreement as herein provided upon the following conditions being satisfied or waived in writing by the Lender:

(a) (i) this Agreement, all Security and other Documents not previously granted in favour of the Lender or otherwise entered into shall have been fully executed and delivered, each in form and substance satisfactory to the Lender (acting reasonably), together with (x) share, partnership unit or other certificates and blank stock, partnership or other powers of attorney for the Equity Interests in the Obligors (that are not already held by the Lender) and (y) promissory notes, other negotiable instruments or chattel paper held by any Obligor (that are not already held by the Lender) evidencing any

intercompany Debt owed to such Obligor, duly endorsed for transfer to the Lender, (ii) all registrations, filings and recordings necessary or desirable (as determined by Lender's Counsel, acting reasonably) in connection with the Security shall have been made and completed, and (iii) the Lender shall have received a binding commitment to insure with respect to a lender's policy of title insurance relating to the Security over the Arkansas Property, all in form and substance satisfactory to the Lender, acting reasonably;

(b) each Obligor that granted a guarantee and/or Security in connection with the Existing Agreement shall have delivered to the Lender an amendment and confirmation of guarantee and security, in form and substance as may be required by the Lender;

(c) a subordination agreement, priority agreement and/or inter-creditor agreement, in form and substance satisfactory to the Lender, acting reasonably, shall have been entered into between the Lender and any other senior or subordinate creditor of the Obligors (or any of them);

(d) each Obligor which is a corporation shall have delivered to the Lender a current certificate of status, compliance, good standing or any other similar such certificate, as applicable, in respect of its jurisdiction of incorporation, organization or formation and each jurisdiction in which it is extra-provincially registered and certified copies of its constating documents, by-laws, the resolutions authorizing the Documents and transactions thereunder, and any shareholders' agreement and an Officer's Certificate as to the incumbency of the officers of such Obligor signing the Documents to which it is a party;

(e) each Obligor which is not a corporation shall have delivered, or cause to be delivered, to the Lender certificates as to the matters set forth in Section 2.1(d) with respect to the trustee, manager, general partner or managing partner thereof or other separate legal person executing and delivering the Documents on its behalf, and, in addition, shall have delivered to the Lender satisfactory evidence of its formation and existence and certified copies of the partnership agreement, declaration of trust or other agreements or instruments creating or governing the same;

(f) the Lender shall have received (i) a legal opinion from legal counsel to the Obligors for each applicable jurisdiction and (ii) a legal opinion from Lender's Counsel, each in form and substance as may be required by the Lender;

(g) the Lender shall be satisfied with its due diligence completed with respect to the Obligors, including without limitation, due diligence with respect to the assets, financial position, corporate structure, organizational documents, material contracts, claims and lawsuits, key management contracts and EBITDA and cash-flow trends and cyclicality (including an assessment of applicable fibre supply) of the Obligors' business, and with respect to all necessary environmental and insurance due diligence, including completion of the Lender's standard form environmental checklist and indemnity and copies of all existing environmental reports or reviews, in form and scope, and with results satisfactory to the Lender, with respect to all material owned or leased real property of the Obligors, and including the real property comprising the site of the U.S. Plant Project (whether or not then owned or leased); *(satisfied)*

(h) the Lender shall have received an Officer's Certificate of the Cdn. Borrower, in form and substance satisfactory to the Lender, and confirming that, as at the Closing Date:

(i) no event, circumstance, or development shall have occurred or be continuing which has had or would reasonably be expected to have a Material Adverse Effect;

(ii) the representations and warranties set forth in Section 8.1 shall be true and accurate in all respects on and as of the Closing Date, except to the extent that such representations and warranties refer specifically to an earlier date, in which case such representations and warranties shall be true and accurate in all material respects as of such earlier date;

(iii) no Default or Event of Default shall have occurred and be continuing;

(iv) all material Governmental Authorizations and material third party consents, authorizations and approvals necessary for the amendment and restatement and utilization of the Credit Facilities or the effectiveness of other transaction relating thereto shall have been unconditionally obtained and shall be in full force and effect; and

(v) (A) there shall be no material action, suit, investigation or proceeding pending in any court or before any arbitrator or Governmental Authority that would prohibit the continuation of either Credit Facility on the Closing Date, (B) other than as disclosed in Schedule 8.1(r), each Borrower, each Guarantor, and their respective property, businesses, and operations shall be in compliance in all material respects with all Applicable Laws (including, without limitation, all applicable Environmental Laws), and all applicable directives, judgments, decrees, injunctions and orders rendered by any Governmental Authority or court of competent jurisdiction, and (C) both before and after giving effect to the amendment and restatement of the Credit Facilities, no default (howsoever described) shall have occurred or be continuing under any indenture, instrument, undertaking or other agreement to which any Borrower or any Guarantor is a party or by which any of them or their properties or assets are bound;

(i) the Cdn. Borrower shall have delivered to the Lender an Officer's Certificate detailing the legal structure and ownership of Holdco, the Borrowers and their Subsidiaries (if any) on the Closing Date, which certificate shall be in form and substance satisfactory to the Lender (acting reasonably);

(j) the Lender shall have received all information requested by it, including without limitation, copies of all Material Agreements, including but not limited to a supply agreement between the Borrowers (or the U.S. Borrower) and Walmart Inc., and shall be satisfied, acting reasonably, with respect to such information, the Material Agreements, the post-closing management structure of the Obligors, management compensation and the post-closing ownership group, including satisfactory levels of management equity and personnel; *(satisfied)*

(k) the Lender shall have received a copy of a five-year financial model (the "**Financial Model**") incorporating assumptions with respect to the new capital structure of the Obligors after giving effect to the new equity injections, the amendment and restatement of the Credit Facilities and the acquisition, development, construction, start-up and operation of the U.S. Plant, and including quarterly forecasts for the fiscal years of 2020 and 2021 showing the balance sheet, income statement and statement of cash flows for each Borrower on an unconsolidated basis, including a calculation of the financial covenants applicable to each Borrower contained herein showing compliance therewith; *(satisfied)*

(l) receipt of the Obligors' internal analysis, in form and substance satisfactory to the Lender, acting reasonably, validating the anticipated operating costs for the U.S. Plant, including supporting documentation and information satisfactory to the Lender, acting reasonably, for the gross margins presented in the above-noted financial model; *(satisfied)*

(m) the Borrowers shall have delivered to the Lender (i) evidence of receipt of the Additional Equity, and (ii) a true and complete copy of any shareholders agreements among the shareholders of the Cdn. Borrower and/or Holdco, which shall be in form and substance satisfactory to the Lender, acting reasonably;

(n) the Cdn. Borrower shall have delivered to the Lender a Compliance Certificate demonstrating *pro forma* compliance with the financial covenants set forth in Section 9.4 as at September 30, 2019, after giving effect to the amendment and restatement of the Credit Facilities and the other transactions contemplated hereby; *(satisfied)*

(o) the Lender shall have received (i) a copy of the fully executed and binding purchase and sale agreement pursuant to which the U.S. Borrower is purchasing all of the Equity Interests in the capital of Natural Outcomes LLC, and (ii) evidence satisfactory to the Lender, acting reasonably, that at the time Natural Outcomes LLC is acquired by the U.S. Borrower, Natural Outcomes LLC is the registered and

beneficial owner of the real property located in Conway, Arkansas (the "**Arkansas Property**") comprising the site of the U.S. Plant Project;

(p) the Lender shall have received an independent appraisal of the Arkansas real property with an appraised value not materially less than the purchase price of U.S. $6,800,000; *(satisfied)*

(q) the Lender shall have received copies, in final form, of (i) approved detailed construction drawings and specifications for the U.S. Plant Project, (ii) a detailed construction budget for the U.S. Plant Project along with a timeline for construction, commissioning and start-up of the U.S. Plant, and (iii) fixed price contracts or fixed price bids with all equipment providers and all other contractors in relation to the U.S. Plant Project, which fixed price contracts or fixed price bids comprise not less than 70% of total budgeted costs of the U.S. Plant Project as set out in the construction budget; *(satisfied)*

(r) all fees and expenses payable to the Lender previously agreed in writing between the Borrowers and the Lender shall be paid by the Borrowers to the Lender, including, for certainty, the Arrangement Fees and the reasonable legal fees and expenses of Lender's Counsel;

(s) the Lender shall have received all applicable "know-your-client" and anti-money laundering rules and regulations information reasonably requested by the Lender; and *(satisfied)*

(t) the Lender shall have received such other documents and instruments as are customary for transactions of this type or as the Lender may reasonably request.

2.2 Conditions Precedent for all Drawdowns

On or before each Drawdown under a given Credit Facility the following conditions shall be satisfied:

(a) the Lender shall have received a proper and timely Drawdown Notice from the relevant Borrower requesting the Drawdown;

(b) the representations and warranties set forth in Section 8.1 shall be true and accurate in all material respects on and as of the date of the requested Drawdown, except to the extent that such representations and warranties refer specifically to an earlier date, in which case such representations and warranties shall be true and accurate in all material respects as of such earlier date; provided that any representation or warranty that is qualified as to "in all material respects", "materiality", "Material Adverse Effect" or similar language shall be true and accurate in all respects, as so qualified, on and as of the date of the requested Drawdown or as of such earlier date, as the case may be;

(c) no Default or Event of Default shall have occurred and be continuing on and as of the date of the requested Drawdown nor shall the Drawdown result in the occurrence of a Default or Event of Default; and

(d) after giving effect to the proposed Drawdown, the Outstanding Principal of all Loans outstanding under each Credit Facility shall not exceed the maximum principal amount of such Credit Facility.

2.3 Additional Conditions Precedent for the First Drawdown under the U.S. Term Facility

In addition to the conditions set forth in Sections 2.1, 2.2 and 2.4, prior to or contemporaneously with the first Drawdown under the U.S. Term Facility, the following further conditions shall be satisfied or waived in writing by the Lender:

(a) the Lender shall have received true and complete copies of all Material Project Agreements entered into prior to the date of such first Drawdown that have not yet been fulfilled or completed at the time of such Drawdown, together with copies of all credit support and bonding provided with respect thereto, as applicable, which Material Project Agreements shall (i) be consistent, in all material respects, with the approved plans and specifications and the then-current construction budget (considered as a whole and

including any remaining contingency and any equity investments received to cover cost overruns pursuant to Section 2.4(d)), as applicable, for the U.S. Plant Project, (ii) not restrict in any material respect the incurrence of Debt under the Credit Facilities or the granting of Security Interests to the Lender pursuant to this Agreement and the other Documents, and (iii) not hinder or restrict in any material respect the Borrowers' compliance with their covenants and other obligations under this Agreement and the other Documents;

(b) the Lender shall have received evidence (including, as applicable, copies thereof) satisfactory to the Lender, acting reasonably, that all relevant approvals, permits, licences and authorizations for the construction and operation of the Project have been obtained and are held by the Obligors, except for those that can be obtained at a future date when required;

(c) the Lender shall have received an Officer's Certificate of the U.S. Borrower, in form and substance satisfactory to the Lender, and confirming that, as at the date of the requested Drawdown, no event, circumstance, or development shall have occurred or be continuing since the date of the latest financial statements provided to the Lender which has had or would reasonably be expected to have a Material Adverse Effect;

(d) to the extent the same have not been previously provided, (i) any Security and other Documents contemplated by this Agreement shall have been fully executed and delivered by the relevant Obligors, each in form and substance satisfactory to the Lender (acting reasonably), together with delivery of all shares being pledged in favour of the Lender, and (ii) all registrations, filings and recordings necessary or desirable (as determined by Lender's Counsel, acting reasonably) in connection with such Security shall have been made and completed;

(e) all fees and expenses previously agreed in writing between the Borrowers and the Lender shall be paid by the Borrowers to the Lender, including, for certainty, those fees described in Section 13.1 (including reasonable legal fees and expenses of Lender's Counsel) or arrangements satisfactory to the Lender, acting reasonably, have been made in respect of the same; and

(f) the conditions precedent to all Drawdowns under the U.S. Term Facility set forth in Section 2.4 below shall have been satisfied with respect to such first Drawdown.

2.4 Additional Conditions for all Drawdowns under the U.S. Term Facility

In addition to the conditions set forth in Sections 2.2 and 2.3, prior to or contemporaneously with all Drawdowns under the U.S. Term Facility, the following further conditions shall be satisfied or waived in writing by the Lender:

(a) the Lender shall have received a report addressed to the Lender from the Technical Advisor and/or a quantity surveyor satisfactory to the Lender confirming: (i) satisfactory visual site inspection of the Project and the Arkansas Property has been completed, which site inspection shall occur not more frequently than once within four (4) months of each Drawdown under the U.S. Term Facility (provided that the Technical Advisor and/or quantity surveyor shall provide not less than 5 Banking Days' prior written notice that it wishes to complete such a site inspection and shall conduct such site inspection in accordance with Applicable Laws, prudent industry practice and the U.S. Borrower's reasonable site safety requirements), (ii) costs incurred to date to be paid with the proceeds of such Drawdown are supported by applicable invoices, (iii) a determination of the costs to complete the Project, as at the date of such Drawdown, (iv) confirmation that work completed to date conforms to the approved plans and specifications for the Project, and the workmanship and materials in respect thereof are satisfactory, and (v) the remaining budgeted expenditures are sufficient to complete the Project;

(b) costs and expenses yet to be incurred which are to be paid with the proceeds of such Drawdown are within the purposes permitted under Section 1.3(4);

(c) the costs to complete the Project, as at the date of such Drawdown, as reasonably determined by the Technical Advisor and/or a quantity surveyor satisfactory to the Lender, are covered by the remaining availability of the U.S. Term Facility and the U.S. Borrower's cash-on-hand;

(d) to the extent there are cost overruns over and above the original budget of U.S. $69,000,000 plus the original contingency of U.S. $6,600,000, the Obligors shall have received equity investments from the Sponsor or the New Investor (or from other sources of funds satisfactory to the Lender, acting reasonably) sufficient to cover such cost overruns;

(e) if the Lender has provided not less than 5 Banking Days' prior written notice that it wishes to complete a site visit to the Project site, the Lender shall have been given a reasonable opportunity to complete such site visit; provided that the Lender (and its officers and employees) conducts such site visit in accordance with Applicable Laws, prudent industry practice and the U.S. Borrower's reasonable site safety requirements;

(f) the first Drawdown under the U.S. Term Facility shall be in a minimum principal amount of U.S. $25,000,000 and each subsequent Drawdown shall be in a minimum principal amount of U.S. $5,000,000;

(g) Advances under the U.S. Term Facility shall, for greater certainty, be limited to 60% of invoiced costs incurred for the Project, including the cost of the land, building, improvements, renovations and equipment (including installation and other equipment-related costs) (the "**Project Capital Expenditures**");

(h) the Lender shall have received an Officer's Certificate certifying the following:

(i) that all accounts payable related to the Project are up to date and that there are no liens, supported by a current title search prior to each such Drawdown; and

(ii) that all amounts payable to contractors, subcontractors and suppliers prior to the date of such Drawdown have been paid in full, except for amounts to be paid from the proceeds of such Drawdown;

(i) to the extent new Material Project Agreements have been entered into since the previous Drawdown, true and complete copies of all such Material Project Agreements shall have been delivered to the Lender, together with all credit support and bonding provided with respect thereto, as applicable, which new Material Project Agreements shall (i) be consistent, in all material respects, with the approved plans and specifications and the then-current construction budget (considered as a whole and including any remaining contingency and any equity investments received to cover cost overruns pursuant to Section 2.4(d)), as applicable, for the U.S. Plant Project, (ii) not restrict in any material respect the incurrence of Debt under the Credit Facilities or the granting of Security Interests to the Lender pursuant to this Agreement and the other Documents, and (iii) not hinder or restrict in any material respect the Borrowers' compliance with their covenants and other obligations under this Agreement and the other Documents;

(j) to the extent new permits, licences and/or authorizations have been obtained, the Lender shall have received true and complete copies thereof, which new permits, licences and/or authorizations shall (i) be consistent, in all material respects, with the approved plans and specifications and the then-current construction budget (considered as a whole and including any remaining contingency and any equity investments received to cover cost overruns pursuant to Section 2.4(d)), as applicable, for the U.S. Plant Project, (ii) not restrict in any material respect the incurrence of Debt under the Credit Facilities or the granting of Security Interests to the Lender pursuant to this Agreement and the other Documents, and (iii) not hinder or restrict in any material respect the Borrowers' compliance with their covenants and other obligations under this Agreement and the other Documents; and

(k) no injunction, stop work order or other similar proceeding has been initiated in respect of the Project at the time of such Drawdown.

Subject to the Borrowers' obligations under Section 13.1, the Lender confirms that it will use commercially reasonable efforts to cause the report referred to in Section 2.4(a) is completed and delivered in a timely manner.

2.5 Waiver

The conditions set forth in Sections 2.1, 2.2, 2.3 and 2.4 are inserted for the sole benefit of the Lender and may be waived by the Lender, in whole or in part (with or without terms or conditions).

3. EVIDENCE OF DRAWDOWNS

3.1 Accounts of Record

The Lender shall open and maintain books of account evidencing all Loans and all other amounts owing by the Borrowers to the Lender hereunder. The Lender shall enter in the foregoing accounts details of all amounts from time to time owing, paid or repaid by the Borrowers hereunder. The information entered in the foregoing accounts shall, absent manifest error, constitute *prima facie* evidence of the obligations of the Borrowers to the Lender hereunder with respect to all Loans and all other amounts owing by the Borrowers to the Lender hereunder. After a request by a Borrower, the Lender shall promptly advise the Borrowers of such entries made in the Lender's books of account.

4. PAYMENTS OF INTEREST AND FEES

4.1 Interest on Cdn. Prime Rate Loans

The Cdn. Borrower shall pay interest on each Cdn. Prime Rate Loan owing by it during each Interest Period applicable thereto in Canadian Dollars at a rate per annum equal to the Cdn. Prime Rate in effect from time to time during such Interest Period plus the Applicable Pricing Margin. Each determination by the Lender of the Cdn. Prime Rate applicable from time to time during an Interest Period shall, in the absence of manifest error, be *prima facie* evidence thereof. Such interest shall accrue daily and shall be payable in arrears on each Interest Payment Date for such Loan for the period from and including the Drawdown Date or the preceding Interest Payment Date, as the case may be, for such Loan to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the Cdn. Prime Rate Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable. Changes in the Cdn. Prime Rate shall cause an immediate adjustment of the interest rate applicable to such Loans without the necessity of any notice to the Borrowers.

4.2 Interest on U.S. Base Rate Loans

The Cdn. Borrower shall pay interest on each U.S. Base Rate Loan owing by it during each Interest Period applicable thereto in United States Dollars at a rate per annum equal to the U.S. Base Rate in effect from time to time during such Interest Period plus the Applicable Pricing Margin. Each determination by the Lender of the U.S. Base Rate applicable from time to time during an Interest Period shall, in the absence of manifest error, be *prima facie* evidence thereof. Such interest shall accrue daily and be payable in arrears on each Interest Payment Date for such Loan for the period from and including the Drawdown Date or the preceding Conversion Date or Interest Payment Date, as the case may be, for such Loan to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the U.S. Base Rate Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable. Changes in the U.S. Base Rate shall cause an immediate adjustment of the interest rate applicable to such Loans without the necessity of any notice to the Borrowers.

4.3 Interest on U.S. Prime Rate Loans

The U.S. Borrower shall pay interest on each U.S. Prime Rate Loan owing by it during each Interest Period applicable thereto in United States Dollars at a rate per annum equal to the U.S. Prime Rate in effect from time to time during such Interest Period plus the Applicable Pricing Margin. Each determination by the Lender of the U.S. Prime Rate

applicable from time to time during an Interest Period shall, in the absence of manifest error, be *prima facie* evidence thereof. Such interest shall accrue daily and be payable in arrears on each Interest Payment Date for such Loan for the period from and including the Drawdown Date or the preceding Conversion Date or Interest Payment Date, as the case may be, for such Loan to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the U.S. Prime Rate Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable. Changes in the U.S. Prime Rate shall cause an immediate adjustment of the interest rate applicable to such Loans without the necessity of any notice to the Borrowers.

4.4 Interest on Libor Loans

Each Borrower shall pay interest on each Libor Loan owing by it during each Interest Period applicable thereto in United States Dollars at a rate per annum, calculated on the basis of a 365 or 366 day year, as applicable, equal to the Libor Rate with respect to such Interest Period plus the Applicable Pricing Margin. Each determination by the Lender of the Libor Rate applicable to an Interest Period shall, in the absence of manifest error, be *prima facie* evidence thereof. Such interest shall accrue daily and shall be payable in arrears on each Interest Payment Date for such Loan for the period from and including the Drawdown Date or the preceding Rollover Date, Conversion Date or Interest Payment Date, as the case may be, for such Loan to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the Libor Loan outstanding during such period and on the basis of the actual number of days elapsed divided by 360.

4.5 *Interest Act* (Canada)

(1) Whenever a rate of interest or other rate per annum hereunder is calculated on the basis of a year (the "**deemed year**") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or other rate shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest or other rate by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

(2) Whenever a rate of interest or other rate per annum hereunder is expressed or calculated on the basis of a year of 360 days, such rate of interest or other rate shall be expressed as a rate per annum, calculated on the basis of a 365 day year, by multiplying such rate of interest or other rate by 365 and dividing it by 360.

4.6 Nominal Rates; No Deemed Reinvestment

The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement; all interest payments to be made hereunder shall be paid without allowance or deduction for deemed reinvestment or otherwise, before and after maturity, default and judgment. The rates of interest specified in this Agreement are intended to be nominal rates and not effective rates. Interest calculated hereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

4.7 Standby Fees on Revolving Facility and L/C Facility

(a) The Cdn. Borrower shall pay to the Lender a standby fee in Canadian Dollars in respect of each of the Revolving Facility and the L/C Facility calculated at a rate per annum equal to the Applicable Pricing Margin on the amount, if any, by which the amount of the Outstanding Principal under each such Credit Facility for each day in the period of determination is less than the maximum amount for each such day of such Credit Facility. Fees determined in accordance with this Section 4.7(a) shall accrue daily from and after the Closing Date and be payable by the Cdn. Borrower quarterly in arrears, on cancellation in full of the Revolving Facility and/or the L/C Facility and on the Maturity Date.

(b) As of: (i) the last Banking Day of March, June, September and December in each year, (ii) the date of the cancellation in full of the Revolving Facility, and (iii) the Maturity Date, the Lender shall determine the standby fees under this Section 4.7(a) for the period from and including the Closing Date or the date of the immediately preceding determination, as the case may be, to but excluding that date of

determination and is hereby authorized to debit the current accounts of the Cdn. Borrower for payment of the standby fees so determined for the account of the Lender.

4.8 Standby Fees on U.S. Term Facility

(a) The U.S. Borrower shall pay to the Lender a standby fee in United States Dollars in respect of the U.S. Term Facility calculated at an annual rate equal to 0.75% per annum on the amount, if any, by which the amount of the Outstanding Principal under the U.S. Term Facility for each day in the period of determination is less than the maximum amount for each such day of the U.S. Term Facility. Fees determined in accordance with this Section 4.8(a) shall accrue daily from and after the Closing Date during the U.S. Term Facility Availability Period and be payable by the U.S. Borrower quarterly in arrears, on the earlier of (i) cancellation in full of the U.S. Term Facility and (ii) the Banking Day immediately following the last day of the U.S. Term Facility Availability Period.

(b) As of: (i) the last Banking Day of March, June, September and December in each year during the U.S. Term Facility Availability Period, (ii) the date of the cancellation in full of the U.S. Term Facility, the Lender shall determine the standby fees under this Section 4.8(a) for the period from and including the Closing Date or the date of the immediately preceding determination, as the case may be, to but excluding that date of determination and is hereby authorized to debit the current accounts of the U.S. Borrower for payment of the standby fees so determined for the account of the Lender.

4.9 Arrangement Fees

The Borrowers shall pay to the Lender arrangement fees (collectively, the "**Arrangement Fees**") on or prior to the Closing Date in amounts equal to the following:

(a) in Canadian Dollars, equal to 0.25% of the maximum principal amount of each of the Revolving Facility, the L/C Facility and the Cdn. Term Facility; and

(b) in United States Dollars, equal to 0.65% of the maximum principal amount of the U.S. Term Facility,

in each case, after giving effect to the amendment and restatement of the Existing Agreement on the Closing Date in the form of this Agreement.

4.10 Default Interest

Notwithstanding any other provision hereof, upon the occurrence of and during the continuation of any Event of Default, the Borrowers shall, at the option of the Lender by written notice to the Borrowers, pay interest on the Outstanding Principal of all outstanding Loans and any other Obligations payable hereunder (including, without limitation, interest on interest), if and to the fullest extent permitted by applicable law, from the date of such Event of Default until such Event of Default shall have been cured or waived, and such interest shall accrue daily, be calculated and compounded monthly and be payable on demand, after as well as before maturity, default and judgment, at a rate per annum that is equal to (a) in respect of amounts due in Canadian Dollars, the rate of interest then payable on Cdn. Prime Rate Loans (including the Applicable Pricing Margin) plus 2.00% per annum or (b) in respect of amounts due in United States Dollars, in the case of Loans and other Obligations payable by the Cdn. Borrower, the rate of interest then payable on U.S. Base Rate Loans (including the Applicable Pricing Margin, as applicable) plus 2.00% per annum, or in the case of Loans and other Obligations payable by the U.S. Borrower, the rate of interest then payable on U.S. Prime Rate Loans (including the Applicable Pricing Margin, as applicable) plus 2.00% per annum.

4.11 Waiver

To the extent permitted by applicable law, the covenants of the Borrowers to pay interest at the rates provided herein shall not merge in any judgment relating to any obligation of the Borrowers (or either of them) to the Lender and any provision of the *Interest Act* (Canada) or *Court Order Interest Act* (British Columbia) which restricts any rate of

interest set forth herein shall be inapplicable to this Agreement and is hereby waived by the Borrowers (and each of them).

4.12 Maximum Rate Permitted by Law

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

5. BANKERS' ACCEPTANCES

5.1 B/As

The Cdn. Borrower may give the Lender notice that B/As will be required under a given Credit Facility pursuant to a Drawdown, Rollover or Conversion.

5.2 Fees

Upon the acceptance by the Lender of a B/A, the Cdn. Borrower shall pay to the Lender a fee in Canadian Dollars equal to the Applicable Pricing Margin calculated on the principal amount at maturity of such B/A and for the period of time from and including the date of acceptance to but excluding the maturity date of such B/A and calculated on the basis of the number of days elapsed in a year of 365 or 366 days, as applicable.

5.3 Form and Execution of B/As

The following provisions shall apply to each B/A hereunder:

(a) the face amount at maturity of each draft drawn by the Cdn. Borrower to be accepted as a B/A shall be $100,000 and integral multiples thereof;

(b) the term to maturity of each draft drawn by the Cdn. Borrower to be accepted as a B/A shall, subject to market availability as determined by the Lender, be 1, 2, 3 or 6 months (or such other term as agreed by the Lender, and subject to market availability), as selected by the Cdn. Borrower in the relevant Drawdown, Rollover or Conversion Notice, and each B/A shall be payable and mature on the last day of the Interest Period selected by the Cdn. Borrower for such B/A (which, for certainty, pursuant to the definition of "Interest Period" shall be on or prior to the Maturity Date);

(c) each draft drawn by the Cdn. Borrower and presented for acceptance by the Lender shall be drawn on the standard form of the Lender in effect at the time;

(d) subject to Section 5.3(e) below, B/As shall be signed by duly authorized officers of the Cdn. Borrower or, in the alternative, the signatures of such officers may be mechanically reproduced in facsimile thereon and B/As bearing such facsimile signatures shall be binding on the Cdn. Borrower as if they had been manually executed and delivered by such officers on behalf of the Cdn. Borrower; notwithstanding that any Person whose manual or facsimile signature appears on any B/A may no longer be an authorized signatory for the Cdn. Borrower on the date of issuance of a B/A, such signature shall nevertheless be valid and sufficient for all purposes as if such authority had remained in force at the time of such issuance and any such B/A shall be binding on the Cdn. Borrower; and

(e) in lieu of signing B/As in accordance with Section 5.3(d) above, the Cdn. Borrower may provide a Power of Attorney to the Lender; for so long as a Power of Attorney is in force with respect to the Lender, the Lender shall execute and deliver B/As on behalf of the Cdn. Borrower in accordance with the provisions thereof and, for certainty, all references herein to drafts drawn by the Cdn. Borrower, B/As executed by the Cdn. Borrower or similar expressions shall be deemed to include B/As executed in accordance with a Power of Attorney, unless the context otherwise requires.

5.4 Power of Attorney; Provision of B/As to Lender

(1) Unless revoked with respect to the Lender in accordance herewith, the Cdn. Borrower hereby appoints the Lender, acting by any authorized signatory of the Lender, the attorney of the Cdn. Borrower:

(a) to sign for and on behalf and in the name of the Cdn. Borrower as drawer, drafts in the Lender's standard form which are depository bills as defined in the *Depository Bills and Notes Act* (Canada) (the "**DBNA**"), payable to a "clearing house" (as defined in the DBNA) including, without limitation, CDS Clearing and Depository Services Inc., or its nominee, CDS & Co. (the "**clearing house**");

(b) for drafts which are not depository bills, to sign for and on behalf and in the name of the Cdn. Borrower as drawer and to endorse on its behalf, B/As drawn on the Lender payable to the order of the undersigned or payable to the order of the Lender;

(c) to fill in the amount, date and maturity date of such B/As; and

(d) to deposit and/or deliver such B/As which have been accepted by the Lender,

provided that such acts in each case are to be undertaken by the Lender strictly in accordance with instructions given to the Lender by the Cdn. Borrower as provided in this Section. For certainty, signatures of any authorized signatory of the Lender may be mechanically reproduced in facsimile on B/As in accordance herewith and such facsimile signatures shall be binding and effective as if they had been manually executed by such authorized signatory of the Lender.

Instructions from the Cdn. Borrower to the Lender relating to the execution, completion, endorsement, deposit and/or delivery by the Lender on behalf of the Cdn. Borrower of B/As which the Cdn. Borrower wishes to submit to the Lender for acceptance by the Lender shall be communicated by the Cdn. Borrower in writing to the Lender by delivery to the Lender of Drawdown Notices, Conversion Notices and Rollover Notices, as the case may be, in accordance with this Agreement.

The communication in writing by the Cdn. Borrower to the Lender of the instructions set out in the Drawdown Notices, Conversion Notices and Rollover Notices referred to above shall constitute (a) the authorization and instruction of the Cdn. Borrower to the Lender to sign for and on behalf and in the name of the Cdn. Borrower as drawer the requested B/As and to complete and/or endorse B/As in accordance with such information as set out above and (b) the request of the Cdn. Borrower to the Lender to accept such B/As and deposit the same with the clearing house or deliver the same, as the case may be, in each case in accordance with this Agreement and such instructions. The Cdn. Borrower acknowledges that the Lender shall not be obligated to accept any such B/As except in accordance with the provisions of this Agreement.

The Lender shall be, and it is hereby authorized to act on behalf of the Cdn. Borrower upon and in compliance with instructions communicated to the Lender as provided herein if the Lender reasonably believes such instructions to be genuine. The Lender's actions in compliance with such instructions shall be conclusively deemed to have been in accordance with the instructions of the Cdn. Borrower.

This power of attorney may be revoked by the Cdn. Borrower at any time upon not less than 5 Banking Days' prior written notice served upon the Lender, provided that no such revocation shall reduce, limit or otherwise affect the obligations of the Cdn. Borrower in respect of any B/A executed, completed, endorsed, deposited and/or delivered in accordance herewith prior to the time at which such revocation becomes effective.

(2) Unless the Cdn. Borrower has provided a Power of Attorney to the Lender, to facilitate Drawdowns, Rollovers or Conversions of B/As, the Cdn. Borrower shall, upon execution of this Agreement and thereafter from time to time as required by the Lender, provide to the Lender drafts drawn in blank by the Cdn. Borrower (pre-endorsed and otherwise in fully negotiable form, if applicable) in quantities sufficient for the Lender to fulfil its obligations hereunder. Any such pre-signed drafts which are delivered by the Cdn. Borrower to the Lender shall be held in safekeeping by the Lender with the same degree of care as if they were the Lender's property and shall only be dealt with by the Lender in accordance herewith. The Lender shall not be responsible or liable for its failure to make any Drawdown, Rollover or

Conversion of B/As required hereunder if the cause of such failure is, in whole or in part, due to the failure of the Cdn. Borrower to provide such pre-signed drafts to the Lender on a timely basis.

(3) By 9:00 a.m. (Local Time) on the applicable Drawdown Date, Conversion Date or Rollover Date, the Cdn. Borrower shall (a) either deliver to the Lender in Toronto, Ontario, or, if previously delivered, be deemed to have authorized the Lender to complete and accept, or (b) where the Cdn. Borrower has previously executed and delivered a Power of Attorney to the Lender, be deemed to have authorized the Lender to sign on behalf of the Cdn. Borrower, complete and accept, drafts drawn by the Cdn. Borrower on the Lender in a principal amount at maturity equal to the B/As specified by the Cdn. Borrower in the relevant Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be.

5.5 Mechanics of Issuance; Purchase by Lender

(1) With respect to the issuance of B/As hereunder from time to time, the Lender shall purchase such B/As for its own account. On each Drawdown Date, Rollover Date or Conversion Date involving the issuance of B/As being so purchased by the Lender:

(a) before 8:00 a.m. (Local Time) on such date, the Lender shall determine the BA Discount Rate then applicable to bankers' acceptances accepted by the Lender;

(b) the Lender shall complete and accept, in accordance with the Drawdown Notice, Conversion Notice or Rollover Notice delivered by the Cdn. Borrower in connection with such issue, the B/As to be issued on such date and shall purchase such B/As for its own account at a purchase price which reflects such BA Discount Rate; and

(c) in the case of a Drawdown, the Lender shall, for same day value on the Drawdown Date, remit the Discount Proceeds (net of the acceptance fee payable to the Lender pursuant to Section 5.2) to the Cdn. Borrower.

(2) The Lender may at any time and from time to time hold, sell, rediscount or otherwise dispose of any or all B/As accepted and purchased by it for its own account.

5.6 Rollover, Conversion or Payment on Maturity

In anticipation of the maturity of B/As, the Cdn. Borrower shall, subject to and in accordance with the requirements hereof, do one or a combination of the following with respect to the aggregate face amount at maturity of all such B/As issued for the account of the Cdn. Borrower:

(a) (i) deliver to the Lender a Rollover Notice that the Cdn. Borrower intends to draw and present for acceptance on the maturity date new B/As in an aggregate face amount up to the aggregate amount of the maturing B/As and (ii) on the maturity date pay to the Lender an additional amount equal to the difference between the aggregate face amount of the maturing B/As and the Discount Proceeds of such new B/As;

(b) (i) deliver to the Lender a Conversion Notice requesting a Conversion of the maturing B/As to a Cdn. Prime Rate Loan under the relevant Credit Facility and (ii) on the maturity date pay to the Lender an amount equal to the difference, if any, between the aggregate face amount of the maturing B/As and the amount of the Cdn. Prime Rate Loan into which Conversion is requested; or

(c) on the maturity date of the maturing B/As, pay to the Lender an amount equal to the aggregate face amount of such B/As.

If the Cdn. Borrower fails to so notify the Lender or make such payments on maturity, the Lender shall effect a Conversion into a Cdn. Prime Rate Loan of the entire amount of such maturing B/As as if a Conversion Notice had been given by the Cdn. Borrower to the Lender to that effect.

5.7 Restriction on Rollovers and Conversions

Subject to the other provisions hereof, Conversions and Rollovers of B/As may only occur on the maturity date thereof.

5.8 Rollovers

In order to satisfy the continuing liability of the Cdn. Borrower to the Lender for the face amount of maturing B/As accepted by the Lender, the Lender shall receive and retain for its own account the Discount Proceeds of new B/As issued on a Rollover, and the Cdn. Borrower shall on the maturity date of the B/As being rolled over pay to the Lender an amount equal to the difference between the face amount of the maturing B/As and the Discount Proceeds from the new B/As, together with the acceptance fees to which the Lender is entitled pursuant to Section 5.2.

5.9 Conversion into B/As

In respect of Conversions into B/As, in order to satisfy the continuing liability of the Cdn. Borrower to the Lender for the amount of the converted Loan, the Lender shall receive and retain for its own account the Discount Proceeds of the B/As issued upon such Conversion, and the Cdn. Borrower shall on the Conversion Date pay to the Lender an amount equal to the difference between the principal amount of the converted Loan and the aggregate Discount Proceeds from the B/As issued on such Conversion, together with the acceptance fees to which the Lender is entitled pursuant to Section 5.2.

5.10 Conversion from B/As

In order to satisfy the continuing liability of the Cdn. Borrower to the Lender for an amount equal to the aggregate face amount of the maturing B/As converted to another type of Loan, the Lender shall record the obligation of the Cdn. Borrower to the Lender as a Loan of the type into which such continuing liability has been converted.

5.11 Waiver; No Days of Grace

To the maximum extent permitted by law, the Cdn. Borrower waives presentment for payment and any defence to payment which might otherwise exist if for any reason a B/A is, at the maturity thereof, held by the Lender as holder in its own right and the Cdn. Borrower shall not claim any days of grace for the payment at maturity of any B/A.

6. LETTERS OF CREDIT

6.1 Availability

Subject to the provisions hereof, the Cdn. Borrower may require that L/Cs expiring within one year of issuance, or within such longer period as the Lender may agree, be issued under the L/C Facility in accordance with the Drawdown Notices and Rollover Notices of the Cdn. Borrower; provided that the aggregate Outstanding Principal of all L/Cs shall not exceed the maximum principal amount of the L/C Facility at any time. The issuance of L/Cs shall constitute Drawdowns or Rollovers (as applicable) hereunder and shall reduce the availability of the L/C Facility by the aggregate Outstanding Principal of L/Cs under the L/C Facility.

6.2 Currency, Type, Form and Expiry

L/Cs issued pursuant hereto shall be denominated in Canadian Dollars, United States Dollars or in other widely traded currencies acceptable to the Lender in its sole discretion and amounts payable under an L/C shall be paid in the currency in which such L/C is denominated. L/Cs shall be in a form satisfactory to the Lender and shall have an expiration date not in excess of one year from the date of issue and, in any event, not later than the Maturity Date without the Lender's prior written consent. On the Maturity Date or on such earlier date as the Lender may make demand for repayment of the Outstanding Principal under the L/C Facility in accordance with the terms hereof, the Cdn. Borrower shall provide or cause to be provided to the Lender cash collateral, in the relevant currency or currencies, in accordance with the provisions of Section 1.13(3) in an amount equal to or greater than the aggregate undrawn amount of all

unexpired L/Cs outstanding under the L/C Facility; such cash collateral shall be held by the Lender and shall be applied in accordance with said Section 1.13(3) in satisfaction of and security for the Obligations of the Cdn. Borrower for such unexpired L/Cs.

6.3 No Conversion

The Cdn. Borrower may not effect a conversion of an L/C.

6.4 Records

The Lender shall maintain records showing the undrawn and unexpired amount of each L/C outstanding under the L/C Facility and showing for each L/C issued hereunder (a) the dates of issuance and expiration thereof, (b) the amount and currency of denomination thereof and (c) the date and amount of all payments made thereunder. The Lender shall make copies of such records available to the Cdn. Borrower upon its request.

6.5 Reimbursement on Presentation

On presentation of an L/C and payment thereunder by the Lender, the Cdn. Borrower shall forthwith pay to and reimburse the Lender for all amounts paid pursuant to such L/C, failing such payment and reimbursement, all such amounts paid by the Lender shall bear interest, from and after the date so paid by the Lender, at the rate set forth in Section 4.10.

6.6 Fees and Expenses

(1) The Cdn. Borrower shall pay to Lender in respect of L/Cs issued hereunder an issuance fee (the "**Issuance Fee**"), payable by the Cdn. Borrower quarterly in advance on the first day of each Interest Period in which each L/C is issued and remains outstanding, calculated at a rate per annum equal to the Applicable Pricing Margin and on the amount of each such L/C for the number of days such L/C will be outstanding during such Interest Period; provided that the minimum issuance fee for each such L/C shall be Cdn. $250 or U.S.$250, per annum, depending on the currency in which the same is denominated.

(2) In addition, with respect to all L/Cs, the Cdn. Borrower shall from time to time pay to the Lender its usual and customary fees and charges (at the then prevailing rates) for the amendment, delivery and administration of letters of credit such as the L/Cs and shall pay and reimburse the Lender for any reasonable out-of-pocket costs and expenses incurred in connection with any L/C, including in connection with any payment thereunder.

6.7 Additional Provisions

(1) Indemnity and No Lender Liability

The Cdn. Borrower shall indemnify and save harmless the Lender against all claims, losses, costs, expenses or damages to the Lender arising out of or in connection with any L/C, the issuance thereof, any payment thereunder or any action taken by the Lender or any other Person in connection therewith, including all costs relating to any legal process or proceeding instituted by any party restraining or seeking to restrain the Lender from accepting or paying any Draft or any amount under any such L/C, except as a result of the Lender's gross negligence or wilful misconduct. The Cdn. Borrower also agrees that the Lender shall have no liability to it for any reason in respect of or in connection with any L/C, the issuance thereof, any payment thereunder or any other action taken by the Lender or any other Person in connection therewith, except as a result of the Lender's gross negligence or wilful misconduct.

(2) No Obligation to Inquire

The Cdn. Borrower hereby acknowledges and confirms to the Lender that the Lender shall not be obliged to make any inquiry or investigation as to the right of any beneficiary to make any claim or Draft or request any payment under an L/C and payment pursuant to an L/C shall not be withheld by reason of any matters in dispute between the beneficiary thereof and the Cdn. Borrower. The sole obligation of the Lender with respect to L/Cs is to cause to be paid

a Draft drawn or purporting to be drawn in accordance with the terms of the applicable L/C and for such purpose the Lender is only obliged to determine that the Draft purports to comply with the terms and conditions of the relevant L/C.

The Lender shall not have any responsibility or liability for or any duty to inquire into the form, sufficiency (other than to the extent provided in the last sentence of the immediately preceding paragraph and except with respect to its gross negligence or wilful misconduct or payment under an L/C other than in substantial compliance herewith), authorization, execution, signature, endorsement, correctness (other than to the extent provided in the last sentence of the immediately preceding paragraph and except with respect to its gross negligence or wilful misconduct or payment under an L/C other than in substantial compliance herewith), genuineness or legal effect of any Draft, certificate or other document presented to it pursuant to an L/C and the Cdn. Borrower unconditionally assumes all risks with respect to the same. The Cdn. Borrower agrees that it assumes all risks of the acts or omissions of the beneficiary of any L/C with respect to the use by such beneficiary of the relevant L/C. The Cdn. Borrower further agrees (other than to the extent provided in the last sentence of the immediately preceding paragraph and except with respect to its gross negligence or wilful misconduct or payment under an L/C other than in substantial compliance herewith) that the Lender and any of its officers, directors or correspondents will not assume liability for, or be responsible for:

(a) the validity, correctness, genuineness or legal effect of any document or instrument relating to any L/C, even if such document or instrument should in fact prove to be in any respect invalid, insufficient, inaccurate, fraudulent or forged;

(b) the failure of any document or instrument to bear any reference or adequate reference to any L/C;

(c) any failure to note the amount of any Draft on any L/C or on any related document or instrument;

(d) any failure of the beneficiary of any L/C to meet the obligations of such beneficiary to the Cdn. Borrower or any other Person;

(e) any errors, inaccuracies, omissions, interruptions or delays in transmission or delivery of any messages, directions or correspondence by mail, facsimile or otherwise, whether or not they are in cipher;

(f) any inaccuracies in the translation of any messages, directions or correspondence or for errors in the interpretation of any technical terms; or

(g) any failure by the Lender to make payment under any L/C as a result of any law, control or restriction rightfully or wrongfully exercised or imposed by any domestic or foreign court or government or Governmental Authority or as a result of any other cause beyond the control of the Lender, or its officers, directors or correspondents.

(3) Obligations Unconditional

The obligations of the Cdn. Borrower hereunder with respect to all L/Cs shall be absolute, unconditional and irrevocable and shall not be reduced by any event, circumstance or occurrence, including any lack of validity or enforceability of an L/C, or any Draft paid or acted upon by the Lender or any of its correspondents being fraudulent, forged, invalid or insufficient in any respect (except with respect to their gross negligence or wilful misconduct), or any set-off, defenses, rights or claims which the Cdn. Borrower may have against any beneficiary or transferee of any L/C. The obligations of the Cdn. Borrower hereunder shall remain in full force and effect and shall apply to any alteration to or extension of the expiration date of any L/C or any L/C issued to replace, extend or alter any L/C.

(4) Other Actions

Any action, inaction or omission taken or suffered by the Lender or by any of its correspondents under or in connection with an L/C or any Draft made thereunder, if in good faith and in conformity with foreign or domestic laws, regulations or customs applicable thereto shall be binding upon the Cdn. Borrower and shall not place the Lender or any of its correspondents under any resulting liability to the Cdn. Borrower (except with respect to their gross negligence or wilful misconduct). Without limiting the generality of the foregoing, the Lender and its correspondents may receive,

accept or pay as complying with the terms of an L/C, any Draft thereunder, otherwise in order which may be signed by, or issued to, the administrator or any executor of, or the trustee in bankruptcy of, or the receiver for any property of, or any Person acting as a representative or in the place of, such beneficiary or its successors and assigns. The Cdn. Borrower covenants that it will not take any steps, issue any instructions to the Lender or any of its correspondents or institute any proceedings intended to derogate from the right or ability of the Lender or its correspondents to honour and pay any L/C or any Drafts.

(5) Payment of Contingent Liabilities

The Cdn. Borrower shall pay to the Lender an amount equal to the maximum amount available to be drawn under any unexpired L/C which becomes the subject of any order, judgment, injunction or other such determination (an "**Order**"), or any petition, proceeding or other application for any Order by the Cdn. Borrower or any other party, restricting payment under and in accordance with such L/C or extending the Lender's liability under such L/C beyond the expiration date stated therein; payment in respect of each such L/C shall be due forthwith upon demand in the currency in which such L/C is denominated.

Any amount paid to the Lender pursuant to the preceding paragraph shall be held by the Lender in interest bearing cash collateral accounts (with interest payable for the account of the Cdn. Borrower at the rates and in accordance with the then prevailing practices of the Lender for accounts of such type) as continuing security for the Obligations under the Credit Facilities and shall, prior to an Event of Default be applied by the Lender against the Obligations for, or (at the option of the Lender) be applied in payment of, such L/C if payment is required thereunder; after the occurrence and during the continuance of an Event of Default the Lender may apply such amounts, firstly, against any Obligations in respect of the relevant L/C, and, after satisfaction of such Obligations or expiry of such L/C, against any other Obligations as it sees fit.

The Lender shall release to the Cdn. Borrower any amount remaining in the cash collateral accounts after applying the amounts necessary to discharge the Obligations relating to such L/C, upon the later of:

(a) the date on which any final and non-appealable order, judgment or other determination has been rendered or issued either terminating any applicable Order or permanently enjoining the Lender, from paying under such L/C;

(b) the earlier of:

(i) the date on which either the original counterpart of such L/C is returned to the Lender for cancellation or the Lender is released by the beneficiary thereof from any other obligation in respect of such L/C; and

(ii) the expiry of such L/C; and

(c) if a Default or an Event of Default has occurred and is continuing, the payment and satisfaction of all Obligations and the cancellation or termination of the Credit Facilities.

(6) No Consequential Damages

Notwithstanding any other provision of the Documents to the contrary, the Lender shall not be liable to the Cdn. Borrower for any consequential, indirect, punitive or exemplary damages with respect to action taken or omitted to be taken by it under or in respect of any L/C.

(7) Uniform Customs and Practice

The Uniform Customs and Practice for Documentary Credits or the International Standby Practices, as determined by the Lender to be applicable, in each case, as most recently published by the International Chamber of Commerce (the "**Uniform Customs**") shall in all respects apply to each L/C unless expressly provided to the contrary therein and shall be deemed for such purpose to be a part of this Agreement as if fully incorporated herein. In the event

of any conflict or inconsistency between the Uniform Customs and the governing law of this Agreement, the Uniform Customs shall, to the extent permitted by applicable law, prevail to the extent necessary to remove the conflict or inconsistency.

7. PLACE AND APPLICATION OF PAYMENTS

7.1 Place of Payment of Principal, Interest and Fees; Payments to Lender

All payments of principal, interest, fees and other amounts to be made by a Borrower to the Lender pursuant to this Agreement shall be made to the Lender for value on the day such amount is due, and if such day is not a Banking Day on the Banking Day next following, by deposit or transfer thereof to the accounts of the Lender maintained at the Lender's Branch and designated by the Lender for such purpose or at such other place as the Borrowers and the Lender may from time to time agree.

7.2 Funds

Each amount advanced, disbursed or paid hereunder shall be advanced, disbursed or paid, as the case may be, in such form of funds as may from time to time be customarily used in Vancouver, British Columbia, Toronto, Ontario and Chicago, Illinois in the settlement of banking transactions similar to the banking transactions required to give effect to the provisions of this Agreement on the day such advance, disbursement or payment is to be made (for certainty, each such amount advanced, disbursed or paid hereunder shall be advanced, disbursed or paid, as the case may be, in immediately available funds to the extent possible in the relevant jurisdiction).

7.3 Application of Payments

Except as otherwise agreed in writing by the Lender, if any Event of Default shall occur and be continuing, all payments made by the Borrowers to the Lender shall be applied in the following order:

(a) to amounts due hereunder as fees other than acceptance fees for B/As;

(b) to amounts due hereunder as costs and expenses;

(c) to amounts due hereunder as default interest;

(d) to amounts due hereunder as interest, as acceptance fees for B/As or as issuance fees for L/Cs; and

(e) to amounts due hereunder as principal (including reimbursement obligations in respect of B/As and L/Cs), Lender Financial Instrument Obligations and Other Secured Obligations.

7.4 Payments Clear of Taxes

(1) Any and all payments by the Obligors to the Lender hereunder shall be made free and clear of, and without deduction or withholding for or on account of, any and all present or future Taxes and all liabilities with respect thereto imposed, levied, collected, withheld or assessed by any Governmental Authority or under the laws of any international tax authority imposed on the Lender, or by or on behalf of the foregoing (and, for greater certainty, nothing in this Section 7.4(1) shall make a Borrower liable for any taxes imposed on or measured by the Lender's overall net income, capital taxes or franchise taxes imposed on it (in lieu of net income taxes) by the jurisdiction (or any political subdivision thereof) under the laws of which the Lender is organized, in which its applicable lending office is maintained or in which its principal office is located or as a result of a present or former connection between the Lender and the jurisdiction imposing such tax (other than any such connection arising solely from the Lender having executed, delivered or performed its obligations or received a payment under this Agreement)). In addition, each Obligor agrees to pay any present or future stamp, transfer, registration, excise, issues, documentary or other taxes, charges or similar levies which arise from any payment made under this Agreement or the Loans or in respect of the execution, delivery or registration or the compliance with this Agreement or the other Documents contemplated hereunder other than taxes imposed on or measured by the Lender's overall net income and franchise taxes imposed on it (in lieu of net income taxes) by the jurisdiction (or any political subdivision thereof) under the laws of which the Lender is organized, in which its applicable

lending office is maintained or in which its principal office is located or as a result of a present or former connection between the Lender and the jurisdiction imposing such tax (other than any such connection arising solely from the Lender having executed, delivered or performed its obligations or received a payment under this Agreement). Each Obligor shall indemnify and hold harmless the Lender for the full amount of any Taxes or other amounts paid or payable by the Lender and any liability (including penalties, interest, additions to tax and reasonable out-of-pocket expenses) resulting therefrom or with respect thereto which arise from any payment made under or pursuant to this Agreement or the Loans or in respect of the execution, delivery or registration of, or compliance with, this Agreement or the other Documents other than taxes imposed on or measured by the Lender's overall net income, capital taxes and franchise taxes imposed on it (in lieu of net income taxes) by the jurisdiction (or any political subdivision thereof) under the laws of which the Lender is organized, in which its applicable lending office is maintained or in which its principal office is located or as a result of a present or former connection between the Lender and the jurisdiction imposing such tax (other than any such connection arising solely from the Lender having executed, delivered or performed its obligations or received a payment under this Agreement); provided, however, that notwithstanding anything to the contrary in this Section 7.4(1), the Obligors do not indemnify or hold the Lender harmless for any amount of U.S. federal withholding Taxes imposed due to the Lender's failure to comply with FATCA.

(2) If any Obligor shall be required by law to deduct or withhold any amount for which it is liable under Section 7.4(1) from any payment or other amount required to be paid to the Lender hereunder, or if any liability therefor shall be imposed or shall arise from or in respect of any sum payable hereunder, then the sum payable to the Lender hereunder shall be increased as may be necessary so that after making all required deductions, withholdings, and additional income tax payments attributable thereto (including deductions, withholdings or income tax payable for additional sums payable under this provision) the Lender receives an amount equal to the amount it would have received had no such deductions or withholdings been made or if such additional taxes had not been imposed; in addition, such Obligor shall pay the full amount deducted or withheld for such liabilities to the relevant taxation authority or other authority in accordance with applicable law, such payment to be made (if the liability is imposed on such Obligor) for its own account or (if the liability is imposed on the Lender) on behalf of and in the name of the Lender, as the case may be. If the liability is imposed on the Lender, such Obligor shall deliver to the Lender evidence satisfactory to the Lender, acting reasonably, of the payment to the relevant taxation authority or other authority of the full amount deducted or withheld.

(3) The Lender shall provide any documentation reasonably requested by any Obligor sufficient for such Obligor to comply with its obligations, if any, under FATCA and to determine whether the Lender has complied with any applicable reporting requirements under FATCA.

7.5 Set-Off

(1) In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence of an Event of Default which remains unremedied (whether or not the Loans have been accelerated hereunder), the Lender shall have the right (and is hereby authorized by each of the Obligors) at any time and from time to time to combine all or any of the Obligors' accounts with the Lender and to set-off and to appropriate and to apply any and all deposits (general or special, term or demand) including indebtedness evidenced by certificates of deposit whether matured or unmatured, and any other indebtedness at any time held by any of the Obligors or owing by the Lender to or for the credit or account of any of the Obligors against and towards the satisfaction of any Obligations owing by any of the Obligors, and may do so notwithstanding that the balances of such accounts and the liabilities are expressed in different currencies, and the Lender is hereby authorized to effect any necessary currency conversions at the spot rate of exchange announced by the Bank of Canada for the Banking Day before the day of conversion.

(2) The Lender shall notify the Borrowers of any such set-off from the Obligors' accounts within a reasonable period of time thereafter, although the Lender shall not be liable to the Obligors or any of them for its failure to so notify.

7.6 Margin Changes; Adjustments for Margin Changes

(1) Changes in the Applicable Pricing Margin shall be effective:

(a) from and as of the first day of the month following delivery of the required Compliance Certificate pursuant to Section 9.1(e)(iv) in respect of which a change in the Total Funded Debt to EBITDA Ratio of the Borrowers on a combined consolidated basis as at such Quarter End results in a change in the Applicable Pricing Margin, as applicable, in accordance with the provisions of such definition; and

(b) without the necessity of notice to the Borrowers,

provided that with respect to B/As or Libor Loans outstanding on the effective date of any such change in the Applicable Pricing Margin, changes in the Applicable Pricing Margin shall become applicable thereto upon the next Rollover or Conversion thereof following such change.

(2) Except as provided in Section 7.6(1) above with respect to B/As and Libor Loans, for any Loans outstanding as of the effective date of a change in the Applicable Pricing Margin:

(a) in the case of increases in such rates per annum, each Borrower shall pay to the Lender such additional interest or fees, as the case may be, as may be required to give effect to the relevant increases in the interest or fees payable on or in respect of such Loans that are outstanding to such Borrower from and as of the effective date of the relevant increase in rates; and

(b) in the case of decreases in such rates per annum, each Borrower shall receive a credit against subsequent interest payable on Loans outstanding to such Borrower or fees payable pursuant to Section 5.2, to the extent necessary to give effect to the relevant decreases in the interest or fees payable on or in respect of such Loans from and as of the effective date of the relevant decrease in rates.

(3) The additional payments required by Section 7.6(2)(a) shall be made on the first Banking Day of the calendar month immediately following the calendar month in which the changes in the Applicable Pricing Margin are effective. The adjustments required by Section 7.6(2)(b) shall be accounted for in successive interest and fee payments by the relevant Borrower until the amount of the credit therein contemplated has been fully applied; provided that upon satisfaction in full of all Obligations and cancellation of all Credit Facilities in accordance herewith, the Lender shall pay to the relevant Borrower an amount equal to any such credit which remains outstanding.

(4) Notwithstanding the foregoing provisions of this Section 7.6, if the Borrowers have failed to deliver a Compliance Certificate for the immediately preceding fiscal quarter in accordance with the provisions hereof, then the Total Funded Debt to EBITDA Ratio of the Borrowers on a combined consolidated basis shall be deemed to be greater than 4.00 to 1.00 for the purposes of determining the Applicable Pricing Margin until the Borrowers have remedied such failure and delivered such Compliance Certificate (and, from and after such delivery, the Applicable Pricing Margin shall be based upon the Total Funded Debt to EBITDA Ratio of the Borrowers on a combined consolidated basis set forth in such Compliance Certificate for the remainder of the period until the next such Compliance Certificate is required to be delivered hereunder).

8. REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties

Each of the Obligors represents and warrants as follows to the Lender and acknowledges and confirms that the Lender is relying upon such representations and warranties:

(a) Existence and Good Standing

Each of the Obligors and Holdco is a corporation validly existing and in good standing under the laws of its jurisdiction of incorporation, or is a partnership or trust validly existing under the laws of its jurisdiction of organization or formation; each Obligor and Holdco is duly registered in all other jurisdictions where the nature of its property or character of its business requires registration, except for jurisdictions where the failure to be so registered or qualified would not have a Material Adverse Effect, and has all necessary power and authority to own its properties and carry on its business as presently carried on or as contemplated by the Documents.

(b) Authority

Each Obligor and Holdco has full power, legal right and authority to enter into the Documents and do all such acts and things as are required by such Documents to be done, observed or performed, in accordance with the terms thereof.

(c) Valid Authorization and Execution

Each Obligor and Holdco has taken all necessary corporate, partnership and other action (as applicable) of its directors, shareholders, partners, members, trustees and other Persons (as applicable) to authorize the execution, delivery and performance of the Documents and to observe and perform the provisions thereof in accordance with the terms therein contained.

(d) Validity of Agreement; Non-Conflict

None of the authorization, execution or delivery of this Agreement or the other Documents or performance of any obligation pursuant hereto or thereto requires or will require, pursuant to applicable law now in effect, any approval or consent of any Governmental Authority having jurisdiction (except such as has already been obtained and are in full force and effect) nor is in conflict with or contravention of (i) any Obligor's or Holdco's articles, by-laws or other constating documents or any resolutions of directors or shareholders or (ii) the provisions of any Material Agreement, the contravention of which, in the case of clause (ii) above, has had or would reasonably be expected to have a Material Adverse Effect. The Documents, when executed and delivered, will constitute valid and legally binding obligations of each Obligor and Holdco which is a party thereto enforceable against each such party in accordance with their respective terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights and to the fact that equitable remedies are only available in the discretion of the court.

(e) Ownership and Location of Property

Each Obligor and Holdco has good and marketable title to its material property, subject to Permitted Encumbrances which, individually and in the aggregate, do not materially affect the rights of ownership of such Obligor and Holdco to such property, the value thereof or its right or ability to utilize the same in the conduct of its business and affairs. Each location where tangible material property of any Obligor is kept is set forth in Schedule 8.1(e) hereto.

(f) Debt

None of the Obligors, has created, incurred, assumed, suffered to exist, or entered into any contract, instrument or undertaking pursuant to which any such Obligor is now or may hereafter become liable for any Debt other than Permitted Debt.

(g) Encumbrances

None of the Obligors has created, incurred, assumed, suffered to exist, or entered into any contract, instrument or undertaking pursuant to which, any Person may have or be entitled to any Security Interest on or in respect of its property and assets or any part thereof except for Permitted Encumbrances. Holdco has not created, incurred, assumed, suffered to exist, or entered into any contract, instrument or undertaking pursuant to which, any Person may have or be entitled to any Security Interest on or in respect of its shares in the Cdn. Borrower or any part thereof except for Permitted Encumbrances.

(h) No Material Adverse Effect

No event or circumstance has occurred or is continuing which has had or would reasonably be expected to have a Material Adverse Effect.

(i) No Omissions

The Obligors have made available to the Lender all material information necessary to make any representations, warranties and statements contained in this Agreement not misleading in any material respect in light of the circumstances in which they are given.

(j) Non-Default

(i) No Default or Event of Default has occurred or is continuing or is, immediately after giving effect thereto, reasonably expected to occur following any Drawdown hereunder.

(ii) No event or circumstance has occurred and is continuing which constitutes, or which with the giving of notice, the lapse of time, a relevant determination or any combination thereof would constitute, a contravention of or default under any Material Agreement which could reasonably be expected to have a Material Adverse Effect.

(k) Financial Condition

The audited and unaudited combined consolidated and unconsolidated financial statements of the Borrowers delivered to the Lender pursuant hereto present fairly, in all material respects, the combined consolidated or unconsolidated financial condition of such Persons or Person as at the date thereof and the results of the combined consolidated or unconsolidated operations thereof for the fiscal year or fiscal quarter (as applicable) then ending, all in accordance with GAAP consistently applied.

(l) Information Provided

All information, materials and documents, including all cash flow projections, economic models, capital and operating budgets and other information and data:

(i) prepared and provided to the Lender by the Obligors in respect of the transactions contemplated by this Agreement, or as required by the terms of this Agreement, were, in the case of financial projections, prepared in good faith based upon reasonable assumptions at the date of preparation, and, in all other cases, true, complete and correct in all material respects as of the respective dates thereof; and

(ii) to the extent prepared by Persons other than the Obligors and provided to the Lender by or on behalf of the Obligors in respect of the transactions contemplated by this Agreement, or as required by the terms of this Agreement, were, to the best of the knowledge of the Obligors, after due inquiry, in the case of financial projections, prepared in good faith based upon reasonable assumptions at the date of preparation, and, in all other cases, true, complete and correct in all material respects as of the respective dates thereof.

(m) Absence of Undisclosed Liabilities

None of the Obligors has any material liabilities, losses or obligations of any nature (whether absolute, known or unknown, accrued, fixed, contingent, liquidated, unliquidated, due or to become due, or otherwise), except for (i) liabilities included or reflected in the financial statements delivered to the Lender and adequately reserved against therein in accordance with GAAP consistently applied, (ii) liabilities or performance obligations arising subsequent to the date of the balance sheets delivered to the Lender in the ordinary course of business (and not as a result of a breach or default by any Obligor) out of or under agreements, contracts, leases, arrangements or commitments to which such Obligor is a party or (iii) otherwise constituting Permitted Debt.

(n) Absence of Litigation

There are no actions, suits or proceedings pending or, to the knowledge of the Obligors, threatened against or affecting any of the Obligors or their respective property, undertakings and assets, at law, in equity or before any arbitrator or before or by any Governmental Authority having jurisdiction in the premises in respect of which there is a reasonable possibility of a determination adverse to such Person and which, if determined adversely, would have or would reasonably be expected to have a Material Adverse Effect.

(o) Compliance with Applicable Laws, Court Orders and Material Agreements

Each of the Obligors and their respective property, businesses and operations are in compliance with all Applicable Laws (including, without limitation, all applicable Environmental Laws), all applicable directives, judgments, decrees, injunctions and orders rendered by any Governmental Authority or court of competent jurisdiction, its articles, by-laws, other constating documents, partnership agreements and other organizational documents, all Material Agreements, as applicable, and any employee benefit plans, except to the extent that any such non-compliance would not reasonably be expected to have a Material Adverse Effect.

(p) Governmental Approvals; Required Permits in Effect

(i) No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the transactions contemplated by this Agreement or any of the Documents, in each case, except for (i) the filing of PPSA financing statements and similar security or collateral filings and registrations under applicable laws in other jurisdictions, and (ii) such actions, consents, approvals, registrations and filings as have been made or obtained and are in full force and effect.

(ii) Other than as disclosed in Schedule 8.1(p), all Required Permits are in full force and effect, except to the extent that the failure to have or maintain the same in full force and effect would not, when taken in the aggregate, have or reasonably be expected to have a Material Adverse Effect.

(q) Remittances Up to Date

All of the material remittances required to be made by the Obligors to Governmental Authorities which are due and payable have been made, are currently up to date and there are no outstanding arrears, other than those which are being contested by Permitted Contest.

(r) Environmental

(i) Other than as disclosed in Schedule 8.1(r), to the best of the knowledge and belief of the Obligors, after due inquiry, the Obligors and their properties, assets and undertakings taken as a whole comply in all material respects and the businesses, activities and operations of same and the use of such properties, assets and undertakings and the processes and undertakings performed thereon comply in all material respects with all Environmental Laws; further, no Obligor knows, or has reasonable grounds to know, of any facts which result in or constitute or are likely to give rise to material non-compliance with any Environmental Laws.

(ii) Other than as disclosed in Schedule 8.1(r), no Obligor has received written notice and, except as previously disclosed to the Lender in writing, has no knowledge, after due inquiry, of any facts which could give rise to any notice of material non-compliance with any Environmental Laws and has not received any notice that any Obligor is a potentially responsible party for a federal, provincial, regional, municipal or local clean up or corrective action in connection with its properties, assets and undertakings.

(s) Taxes

Each Obligor has duly filed on a timely basis all tax returns required to be filed by it and have paid all material Taxes which are due and payable, and has paid all material assessments and reassessments, and all other material Taxes, governmental charges, governmental royalties, penalties, interest and fines claimed against it, other than those which (i) are being contested by it by Permitted Contest or (ii) those arising from a voluntary disclosure which have an aggregate liability of $100,000 or less; it has made adequate provision for, and all required instalment payments have been made in respect of, Taxes payable for the current period for which returns are not yet required to be filed; there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by it or the payment of any Taxes; there are no actions or proceedings being taken by any taxation authority in any jurisdictions where any Obligor carries on business to enforce the payment of any Taxes by it other than those which are being contested by it by Permitted Contest.

(t) Structure

Holdco is the sole shareholder of each of the Cdn. Borrower and the U.S. Borrower, and no Person (other than Holdco or an Obligor) has any right or option to purchase any of the issued and outstanding Equity Interests of any Obligor.

(u) Subsidiaries

The only Subsidiaries of each of Holdco, the Cdn. Borrower and the U.S. Borrower are as disclosed in Schedule 8.1(u) annexed hereto, as supplemented from time to time by the Borrowers within 10 Banking Days of the acquisition, creation or existence, or disposition, of each Subsidiary created, acquired or disposed of after the Closing Date. Each supplemented Schedule 8.1(u) sets forth a list of all of the Subsidiaries of each of Holdco, the Cdn. Borrower and the U.S. Borrower and identifies (A) the jurisdiction of incorporation, existence, organization or formation of each such Subsidiary and (B) each jurisdiction in which each such Person has assets or carries on a material part of its business. As at the Closing Date, the only Subsidiaries of Holdco are the Cdn. Borrower and the U.S. Borrower.

(v) Insurance

Each Obligor is insured with financially sound and reputable insurance companies that are not Affiliates of the Borrowers, in such minimum amounts, with such maximum deductibles and covering such risks as are consistent with the insurance carried by companies engaged in similar businesses and owning similar properties in localities where such Obligor operates.

(w) Intellectual Property

Each Obligor has or has the legal right to use all Intellectual Property necessary for the operation and conduct of its business, affairs, operations and processes and, to the best of the Obligors' knowledge and belief, no Person has asserted any claim or taken any step or proceedings to prohibit or limit the use of such Intellectual Property by the Obligors or any of them.

(x) Material Agreements

Except for the Documents, and those agreements described in Schedule 8.1(x) annexed hereto, as supplemented from time to time by the Obligors within 10 Banking Days of executing a new Material Agreement after the Closing Date, the Obligors have no Material Agreements. Each Material Agreement of the Obligors is in full force and effect and no material breach, default or event of default or similar event or condition (howsoever described) by any Obligor is subsisting thereunder.

(y) Brokers' Fees; Transaction Fees

Except for fees payable to the Lender and fees referenced in Schedule 8.1(y), no Obligor has any obligation to any Person in respect of any finder's, broker's or investment banker's fee in connection with the transactions contemplated hereby.

(z) Transactions with Related Parties

Except for the transactions referenced in Schedule 8.1(z), no Obligor is engaged in any transaction with any Related Party (other than another Obligor) on terms less favourable to such Obligor than those that would be obtainable by it in a comparable arm's-length transaction with a Person that is not a Related Party.

(aa) Margin Stock

No Obligor, nor Holdco is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin, or extending credit for the purpose of purchasing or carrying margin stock (as defined in Regulation U of the Federal Reserve Board). No part of the proceeds of the Loans will be used, directly or indirectly, to purchase or carry any margin stock or to refinance any Debt originally incurred for such purpose. The value of all margin stock owned by any Obligor or Holdco does not constitute more than 25% of the value of the assets of any such Person. Neither the making of any Loan hereunder nor the use of the proceeds thereof will violate or be inconsistent with the provisions of Regulation T, Regulation U or Regulation X of the Federal Reserve Board.

(bb) ERISA

Except as disclosed in writing to the Lender, neither Holdco, nor any ERISA Affiliate maintains, sponsors, participates in or contributes to any Plan or any Multiemployer Plan. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect, and each Plan has complied in all material respects with the applicable provisions of ERISA and the Code. Neither Holdco, nor any Borrower sponsors a "welfare benefit plan", as defined in Section 3.1 of ERISA, that is subject to ERISA and which provides post-retirement medical benefits, other than liability for continuation coverage described in Part 6 of Subtitle B of Title I of ERISA.

(cc) Solvency

Both before and immediately after giving effect (i) to the transactions to occur on the Closing Date and (ii) the advance of any Loan hereunder, no Obligor nor Holdco is Insolvent.

(dd) Investment Company Status

No Obligor nor Holdco is an "investment company" or company "controlled" by an investment company with the meaning of, or subject to regulation under, the *Investment Company Act* of 1940.

(ee) Sanctions and AML Laws and Regulations

No Obligor nor Holdco is (i) in violation of any Sanctions Laws and Regulations, (ii) in violation of any Anti-Money Laundering Laws and Regulations, (iii) a Designated Person, (iv) subject to or in violation of any sanctions, prohibitions or requirements imposed by any Executive Order or by any sanctions program administered by OFAC, (v) acting as agent for any person or government covered by any of the foregoing or (vi) subject to any action or investigation in respect of any of the foregoing.

8.2 Deemed Repetition

On the date of delivery by a Borrower of a Drawdown Notice or Rollover Notice to the Lender, and again on the date of any Drawdown or Rollover made by a Borrower pursuant thereto:

(a) each of the representations and warranties contained in Section 8.1 shall be deemed to be repeated; and

(b) the Obligors shall be deemed to have represented to the Lender that no event has occurred and remains outstanding which would constitute a Default or an Event of Default nor will any such event occur as a result of the aforementioned Drawdown or Rollover.

8.3 Other Documents

All representations, warranties, certifications and statements of any Obligor contained in any other Document delivered pursuant hereto or thereto shall be deemed to constitute representations and warranties made by the Obligors to the Lender under Section 8.1 of this Agreement.

8.4 Effective Time of Repetition

All representations and warranties, when repeated or deemed to be repeated hereunder, shall be construed with reference to the facts and circumstances existing at the time of repetition, unless they are stated herein to be made as at the date hereof or as at another date.

8.5 Nature of Representations and Warranties

The representations and warranties set out in this Agreement or deemed to be made pursuant hereto shall survive the execution and delivery of this Agreement and the making of each Drawdown, notwithstanding any investigations or examinations which may be made by the Lender or Lender's Counsel. Such representations and warranties shall survive until this Agreement has been terminated, provided that the representations and warranties relating to environmental matters shall survive the termination of this Agreement.

9. GENERAL COVENANTS

9.1 Affirmative Covenants of the Obligors

So long as any Obligation is outstanding or any Credit Facility is available hereunder, each Obligor covenants and agrees with the Lender that, unless the Lender otherwise consents in writing:

(a) Punctual Payment and Performance

Each Borrower shall duly and punctually pay the principal of all Loans, all interest thereon and all fees and other amounts required to be paid by such Borrower hereunder in the manner specified hereunder and each Obligor shall maintain, perform and observe all of its respective obligations under this Agreement and under any other Document to which it is a party.

(b) Books and Records

It shall keep proper books of record and account in which complete and correct entries will be made of its transactions in accordance with GAAP.

(c) Maintenance and Operation

It shall do or cause to be done all things necessary or required to have all its properties, assets and operations owned, operated and maintained, in all material respects, in accordance with diligent and prudent industry practice and Applicable Laws, and at all times cause the same to be owned, operated,

maintained and used in compliance with all terms of any applicable insurance policy to the extent necessary to ensure that coverage under any such policy cannot be denied by the insurers thereunder.

(d) Maintain Existence; Compliance with Legislation Generally; Required Permits

Except as otherwise expressly permitted by Section 9.2(d) or (n), each Obligor and Holdco shall preserve and maintain its existence as a corporation, partnership or trust under the laws of its jurisdiction of incorporation, organization or formation. Each Obligor and Holdco shall do or cause to be done all acts necessary or desirable to comply with all Applicable Laws, except where such failure to comply does not and would not reasonably be expected to have a Material Adverse Effect, and to preserve and keep in full force and effect all Required Permits and all other franchises, licences, rights, privileges, permits and Governmental Authorizations necessary to enable such Obligor and Holdco to operate and conduct its business and own its properties and assets (including, without limitation, its material owned and leased real property) in all material respects, in accordance with Applicable Laws and prudent industry practice.

(e) Budgets, Financial Statements and Other Information

The Obligors shall deliver to the Lender:

(i) Annual Business and Capital Expenditures Plans / Forecast - as soon as available and, in any event, no later than 60 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2019, forecasts prepared by management of the Borrowers, on a combined consolidated basis, and for each Borrower, on an unconsolidated basis, in form reasonably satisfactory to the Lender, consisting of quarterly balance sheets, statements of income, statements of cash flows, a capital expenditures budget, and *pro forma* calculations demonstrating forecast compliance with the relevant financial covenants set forth in Section 9.4, for the following fiscal year of the Borrowers;

(ii) Annual Financials - as soon as available and, in any event, within 120 days after the end of each fiscal year, commencing with the fiscal year ended December 31, 2019, copies of (i) the audited consolidated financial statements of the Borrowers and (ii) the audited unconsolidated financial statements of each Borrower, in each case, for such fiscal year and consisting of a balance sheet, statement of income, statement of cash flows, management discussion and analysis and statement of shareholders' equity for each such year, all prepared in accordance with GAAP consistently applied by an accounting firm acceptable to the Lender;

(iii) Quarterly Financials - as soon as available and, in any event within 45 days after each of the first three Quarter Ends of each fiscal year and within 90 days after the fourth Quarter End of each Fiscal Year, commencing with the September 30, 2019 Quarter End, (i) unaudited consolidated financial statements of the Borrowers, and (ii) unaudited unconsolidated financial statements of each Borrower, in each case, for such fiscal quarter and consisting of a balance sheet, statement of income, statement of cash flows and management discussion and analysis for such period in reasonable detail and stating in comparative form the figures for the corresponding date and period in previous fiscal year, all prepared in accordance with GAAP consistently applied;

(iv) Monthly Financials - as soon as available and, in any event within 30 days after the end of each month, commencing with the January 31, 2020 month-end, (i) unaudited consolidated financial statements of the Borrowers, and (ii) unaudited unconsolidated financial statements of each Borrower, in each case, for such month and consisting of a balance sheet, statement of income and statement of cash flows, all prepared in accordance with GAAP consistently applied;

(v) Compliance Certificates - concurrently with furnishing the financial statements pursuant to Sections 9.1(e)(ii) and (iii), a Compliance Certificate that, *inter alia*, (w) states that the

representations and warranties in Section 8.1 are true and accurate in all respects (or, if applicable, specifying those representations and warranties that are not, with particulars thereof), (x) states that no Default or Event of Default has occurred and is continuing (or, if applicable, specifying those defaults or events notified in accordance with Section 9.1(h) below), and (y) sets forth the calculation of the financial covenants set out in Section 9.4; and

(vi) Other - such other information, reports, certificates, projections of income and cash flow or other matters affecting the business, affairs, financial condition, property or assets of the Obligors as the Lender may reasonably request.

(f) Rights of Inspection

At any reasonable time and from time to time upon reasonable prior notice, each Obligor shall permit the Lender or any representative thereof (at the expense of the Borrowers during the continuance of a Default or Event of Default and, otherwise, at the expense of the Lender) to (i) examine and make copies of and abstracts from the records and books of account of such Obligor, (ii) visit and inspect the premises and properties of such Obligor (in each case at the risk of the Borrowers, except for the gross negligence or wilful misconduct of the inspecting party or the failure of any such inspecting party) and provided that the Lender (and its officers and employees) conducts such visit and inspection in accordance with Applicable Laws, prudent industry practice and the Borrowers' reasonable site safety requirements, and (iii) discuss the affairs, operations, finances and accounts of the Obligors with any of the officers or directors of the Obligors.

(g) Notice of Material Litigation

The Borrowers shall promptly give written notice to the Lender of any litigation, proceeding or dispute affecting any Obligor in respect of a demand or claim in respect of which there is a reasonable possibility of an adverse determination and which (i) involves potential liability on the part of any Obligor in excess of $100,000, or (ii) if adversely determined would otherwise reasonably be expected to have a Material Adverse Effect, and shall, in each case, from time to time furnish to the Lender all reasonable information requested by the Lender concerning the status of any such litigation, proceeding or dispute.

(h) Notice of Default or Event of Default

The Borrowers shall deliver to the Lender, as soon as reasonably practicable and in any event no later than 3 Banking Days after becoming aware of a Default or an Event of Default, an Officer's Certificate describing in detail such Default or such Event of Default and specifying the steps, if any, being taken to cure or remedy the same.

(i) Notice of Management Letters; Material Adverse Effect

The Borrowers shall, as soon as reasonably practicable, promptly notify the Lender of (i) receipt of any accountant's or auditor's letters relating to the preparation of financial statements of any Obligor, or (ii) any event, circumstance or condition that has had or is reasonably likely to have a Material Adverse Effect.

(j) Notice of Change of Ownership

The Borrowers shall promptly give written notice to the Lender of any change in ownership of the equity capital of any Obligor after the date hereof.

(k) Notice of ERISA Events

The Borrowers shall, as soon as reasonably practicable, give written notice to the Lender of the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred,

could reasonably be expected to result in liability of the Borrowers and Subsidiaries in an aggregate amount exceeding $500,000 (or the Equivalent Amount thereof).

(l) Confirmation of Substantial Completion of the U.S. Plant Project

Within 90 days of the U.S. Plant Project achieving substantial completion, the Borrowers shall provide a written confirmation to the Lender, accompanied by a detailed construction report, each in form and substance satisfactory to the Lender, acting reasonably, confirming that substantial completion of the Project has been achieved and that there is no reason to believe that the Project has not been constructed, in all material respects, in accordance with the previously approved construction plans and specifications, and prudent engineering and operating practices, including satisfactory confirmation that all amounts payable to contractors, subcontractors and suppliers have been paid in full, except in respect of minor works remaining to be performed or corrected following substantial completion of the Project.

(m) New Subsidiaries

The Borrowers (i) shall, as soon as reasonably practicable, give written notice to the Lender of the acquisition, creation or existence of each Subsidiary of any Obligor created or acquired after the date hereof, and such other information as the Lender may reasonably require, and (ii) shall cause each such new Subsidiary to sign an accession agreement agreeing to be bound by this Agreement as a Guarantor hereunder and to promptly deliver the Security contemplated hereby (together with a certified copy of its constating documents and a legal opinion in form and substance satisfactory to the Lender, acting reasonably).

(n) Payment of Taxes, Withholdings, etc.

Each Obligor shall, from time to time, pay or cause to be paid all material Taxes, rents, rates, levies or assessments, ordinary or extraordinary, governmental fees or dues, and to make and remit all withholdings, lawfully levied, assessed or imposed upon such Obligor or any of its assets as and when the same become due and payable, except when and so long as the validity of any such material Taxes, rents, rates, levies, assessments, fees, dues or withholdings is being contested by such Obligor by a Permitted Contest.

(o) Payment of Preferred Claims

Each Obligor shall, from time to time, pay when due or cause to be paid when due all material amounts related to wages, workers' compensation obligations, government royalties or pension fund obligations and any other amount which may result in a lien, charge, Security Interest or similar encumbrance against the assets of such Obligor arising under statute or regulation, except when and so long as the validity of any such material amounts or other obligations is being contested by such Obligor by a Permitted Contest.

(p) Environmental Covenants

(i) Without limiting the generality of Section 9.1(d) above, each Obligor shall, and shall use commercially reasonable efforts to cause any other party acting under its direction to, conduct its business and operations and maintain their properties and assets so as to comply at all times with all Environmental Laws in all material respects.

(ii) If any Obligor shall:

(A) receive or give any notice that a material violation of any Environmental Law has or may have been committed or is about to be committed by the same;

(B) receive any notice that a complaint, proceeding or order has been filed or is about to be filed against the same alleging a material violation of any Environmental Law; or

(C) receive any notice requiring any Obligor to take any action in connection with the Release of Hazardous Materials into the environment or alleging that any Obligor may be liable or responsible for costs associated with a response to or to clean up a Release of Hazardous Materials into the environment or any damages caused thereby,

the Borrowers shall promptly provide the Lender with a copy of such notice and shall furnish to the Lender from time to time all reasonable information requested by the Lender relating to the same.

(q) Use of Loans

The Borrowers shall use all Loans and the proceeds thereof solely for the purposes set forth in Section 1.3 hereof.

(r) Required Insurance

Each Obligor shall maintain, with financially sound and reputable insurers, insurance with respect to its properties and business and against such casualties and contingencies and in such types and such amounts as shall be required by the Lender (acting reasonably) and, in any event, as shall be in accordance with prudent business practices for Persons of the size and type of business and operations as such Obligor and in the case of the Cdn. Borrower or the U.S. Borrower, shall include business interruption insurance and third-party liability insurance. Each Obligor shall cause the Lender to be named loss payee or additional insured on each of its insurance policies required hereunder. In addition, the Borrowers shall provide to the Lender, promptly upon the Lender's request, (i) evidence of compliance with this Section 9.1(r), and (ii) a certified copy of each applicable policy of insurance.

(s) Compliance with Material Agreements; Notices

(i) Each Obligor shall comply in all material respects with their respective Material Agreements.

(ii) The Borrowers shall provide to, or cause to be provided to, the Lender reasonable (and, in any event, not less than 5 Banking Days) prior written notice of any Obligor's intention to execute and deliver any new Material Agreement proposed to be entered into after the date hereof, and shall promptly provide to the Lender a true and complete copy of the form of each such Material Agreement and a fully executed copy thereof once the same has been entered into.

(iii) The Borrowers shall provide to, or cause to be provided to, the Lender reasonable (and, in any event, not less than 5 Banking Days) prior written notice of any proposed material amendment, modification or restatement of (for certainty, including any renewal or extension), or any proposed material waiver or consent under, any Material Agreement and shall promptly provide to the Lender a true and complete copy of the form of each of the same and a fully executed copy thereof once the same has been made or given.

(iv) The Borrowers shall promptly notify the Lender upon becoming aware of (A) any material breach, default or event of default (howsoever described) under any Material Agreement, whether by or attributable to any Obligor or any other Person party thereto or (B) the termination, whether for convenience or otherwise, of any Material Agreement, except for the termination of any such agreement at its full maturity or end of term, as applicable.

(t) Intellectual Property

Each Obligor shall own, or have the legal right to use, all Intellectual Property necessary for the operation and conduct of its business, affairs, operations and processes.

(u) Cash Management; Accounts

Each of the Obligors shall cause all of its deposit accounts, securities accounts, and treasury accounts to be maintained with a branch of the Lender.

(v) Completion of the Project

The Obligors shall pursue the completion of the U.S. Plant Project and endeavour to achieve substantial completion thereof by June 30, 2021 (the "**Scheduled Substantial Completion Date**"), and in no event more than 60 days thereafter. Should the Technical Advisor determine that substantial completion is not expected to occur within 60 days after the Scheduled Substantial Completion Date, the Obligors shall promptly, and in any event within 30 days from receipt of a written request therefor from the Lender, deliver to the Lender a satisfactory remedial plan and revised timeline for the Project. Where the Lender, based on advice from the Technical Advisor, and the Obligors agree on a revised timeline with a later target date for substantial completion of the Project, such target date shall become the Scheduled Substantial Completion Date for purposes of this Agreement.

9.2 Negative Covenants of the Obligors

So long as any Obligation is outstanding or any Credit Facility is available hereunder, each Obligor covenants and agrees with the Lender that, unless the Lender otherwise consents in writing:

(a) Change of Business/Holdco to remain a Passive Holding Company

(i) No Obligor change in any material respect the nature of its business or operations from the types of business and operations carried on by such Obligor on the date hereof.

(ii) Holdco shall not engage in any business or activities other than (A) its ownership of the Equity Interests of the Cdn. Borrower, (B) management of the Cdn. Borrower, (C) the issuance of Equity Interests and the investment of any proceeds therefrom in the Cdn. Borrower, and (D) entering into contracts and incurring other obligations in the ordinary course of business; provided that at no time shall Holdco own any property or assets other than the Equity Interests of the Cdn. Borrower.

(b) Negative Pledge

No Obligor, nor Holdco shall create, issue, incur, assume or permit to exist any Security Interests on any of its property, undertakings or assets other than Permitted Encumbrances.

(c) No Restrictions on Pledge

No Obligor, nor Holdco shall, directly or indirectly (except pursuant to the Documents):

(i) create or otherwise cause or suffer to exist or become effective any consensual restriction or encumbrance of any kind on the ability of such Obligor or Holdco to make Distributions on any of its Equity Interests or to pay fees, including management fees, or make other payments to any other Obligor; or

(ii) enter into, assume or become subject to any agreement prohibiting or otherwise restricting the existence of any Security Interest upon any of its property, assets, or undertaking in favor of the Lender, whether now owned or hereafter acquired, except pursuant to agreements in connection with Debt of the type permitted under clause (g) of the definition of Permitted Debt, so long as such prohibition or restriction is limited to the assets financed with such Debt.

(d) No Dissolution

No Obligor, nor Holdco shall liquidate, dissolve or wind up or take any steps or proceedings in connection therewith, except for an Obligor other than a Borrower, where the successor thereto or transferee thereof is a Borrower or a Guarantor.

(e) Limit on Sale of Assets

Except for Excluded Dispositions, no Obligor shall sell, transfer, exchange, lease, release or otherwise dispose of property or assets, whether in one or a series of transactions, unless the proceeds of any such sale, transfer, exchange, lease, release or other disposition are used or intended for use for a Net Proceeds Reinvestment; provided that, no Obligor shall sell, sell and leaseback, transfer, exchange, lease, release or otherwise dispose of any of its property or assets during the continuance of a Default or Event of Default except for Excluded Dispositions under subparagraph (a) of the definition thereof. Holdco shall not sell, transfer, exchange, release or otherwise dispose of its Equity Interests of the Cdn. Borrower. The Cdn. Borrower shall not sell, transfer, exchange, release or otherwise dispose of its Equity Interests of the U.S. Borrower.

(f) Limit on Sale-Leasebacks

No Obligor shall enter into any Sale-Leaseback, synthetic lease or similar transaction involving any of its assets.

(g) Limit on Debt

No Obligor, nor Holdco shall have or incur any Debt other than Permitted Debt.

(h) Limit on Investment

No Obligor shall make Investments other than:

(i) Investments consisting of Financial Assistance permitted under Section 9.2(j) below;

(ii) Investments in Approved Securities;

(iii) Investments in other Obligors;

(iv) Investments required to achieve substantial completion of the U.S. Plant Project, as contemplated in the detailed construction budget;

(v) the establishment and maintenance of the Debt Service Reserve Account; and

(vi) the maintenance of deposit accounts, securities accounts, and treasury accounts in the ordinary course of business of such Obligor, so long as Section 9.2(l) has been complied with in respect of such accounts.

(i) Limits on Distributions and Payments on account of Subordinated Debt

No Obligor shall make any Distribution or payment of principal or interest on account of subordinated debt other than (i) Distributions made by any Subsidiary of a Borrower to such Borrower or another Subsidiary of such Borrower; (ii) Management Fees; (iii) reimbursable costs and expenses (including without limitation out-of-pocket third-party fees, costs and expenses) paid by the Borrowers (or either of them) to Holdco, the Sponsor, the New Investor or the Manager, as applicable, including, but not limited to, partnership expenses of the Borrowers in an aggregate amount not exceeding Cdn. $100,000 annually (the "**Partnership Expenses**"); and (iv) other Distributions paid by a Borrower to Holdco or payments by an Obligor of principal or interest on account of subordinated debt; provided that, (A) in the case of clause (iv) above, both prior to and after giving effect to such Distribution or payment on

account of subordinated debt, the Borrowers have maintained a Total Funded Debt to EBITDA Ratio, determined on a combined consolidated basis for the Borrowers calculated on the basis of the trailing twelve-month period of the Borrowers ended as at the relevant Quarter Ends, of less than 2.50 to 1.00 for at least two (2) consecutive Quarter Ends immediately prior to such Distribution or payment, and (B) in the case of clause (ii), (iii) or (iv) above, no such Distributions or payment shall be made or permitted to be made during, or if the same would or would reasonably be expected to result in, the occurrence or continuance of a Default or Event of Default.

(j) Limit on Financial Assistance

No Obligor, nor Holdco shall provide any Financial Assistance to or in favour of any Person except (i) in favour of the Lender or any Hedging Affiliate for or in respect of the Obligations or Lender Financial Instrument Obligations, (ii) guarantees in respect of obligations not constituting Debt, which are incurred in the ordinary course of business, (iii) to the extent the same would constitute Financial Assistance, Permitted Debt, (iv) from time to time, in favour of a Borrower's management team for up to Cdn. $1,100,000 in the aggregate for purchase of preferred shares in Holdco, provided that the cash proceeds, if any, of any purchase of such shares are invested by Holdco in the Borrowers; (v) in favour of an employee of a Borrower for up to Cdn. $30,000 for a down-payment on a house in British Columbia (which amount shall not be re-advanced); and (vi) a contribution agreement in favour of Walmart Inc. in connection with the limited guarantee to be granted by Walmart Inc. pursuant to this Agreement.

(k) No Financial Instruments Other than Permitted Hedging

No Obligor, nor Holdco shall enter into, transact or have outstanding any Financial Instruments or Financial Instrument Obligations other than Permitted Hedging.

(l) Cash Management; Accounts

Except as provided in Section 9.1(u), no Obligor, nor Holdco shall (i) open or maintain any deposit account or treasury account or (ii) enter into any Other Secured Agreement, in each case, with any financial institution other than the Lender.

(m) Non-Arm's Length Transactions

No Obligor shall enter into any contract, agreement or transaction whatsoever, including for the sale, purchase, lease or other dealing in any property or the provision of any services, with any Related Party (other than another Obligor) except (i) contracts, agreements, or transactions upon fair and reasonable terms, which terms are not less favourable to such Obligor than it would obtain in an arm's length transaction and, if applicable, for consideration which equals the fair market value of such property or other than at a fair market rental as regards leased property and (ii) payment by the Borrowers of Management Fees to the extent permitted to be paid under Section 9.2(i).

(n) No Amalgamation, Merger, etc.

No Obligor, nor Holdco shall enter into, or agree to enter into, any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other Person whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise (and whether such transaction is consensual or hostile) except, in the case of any Obligor other than a Borrower, where the successor thereto or transferee thereof is a Borrower or a Guarantor.

(o) Material Agreements

No Obligor shall take any steps to:

(i) terminate (without replacement), forfeit, cancel or surrender any Material Agreement (or provide any waiver or consent to like effect), except a termination at its full maturity; or

(ii) amend, supplement or modify any Material Agreement (or provide any waiver or consent to like effect) or waive any failure of any counterparty thereto to perform its obligations thereunder, if any of the foregoing would have or reasonably be expected to have a Material Adverse Effect.

(p) Fiscal Periods

No Obligor shall cause any Quarter End to end on a date other than as set out in the definition of Quarter End without the prior written consent of the Lender.

(q) Sanctions and AML Laws and Regulations

(i) No Obligor, nor Holdco shall, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other person or entity (A) to fund any activities or business of or with any Designated Person, or in any country or territory, that at the time of such funding is the subject of any sanctions under any Sanctions Laws and Regulations or (B) in any other manner that would result in a violation of any Sanctions Laws and Regulations by any party to this Agreement.

(ii) Each Obligor and Holdco shall use commercially reasonable efforts to ensure that none of the funds or assets used to pay any amount due pursuant to this Agreement constitute funds derived from any unlawful activity, including without limitation (A) activities in violation of Anti-Money Laundering Laws and Regulations or (B) transactions with or relating to Designated Persons or countries which are the subject of sanctions under any Sanctions Laws and Regulations.

9.3 Debt Service Reserve Account

(1) Upon substantial completion of the U.S. Plant Project and until such time as the U.S. Borrower has maintained a Total Funded Debt to EBITDA Ratio of less than 3.50 to 1.00 for at least two (2) consecutive fiscal quarters, the U.S. Borrower shall, at its sole expense, establish with the Lender in the name of the U.S. Borrower a current U.S. $ account styled *Structurlam Mass Timber U.S., Inc. Debt Service Reserve Account* (the "**Debt Service Reserve Account**") and shall deposit therein and thereafter maintain on deposit therein in accordance with this Section 9.3 an amount not less than the Debt Service Reserve Requirement. The initial deposit to the Debt Service Reserve Account may be funded from the same sources used to replenish such account after withdrawals therefrom as referred to in Section 9.3(3) below.

(2) The U.S. Borrower shall be permitted to withdraw amounts from the Debt Service Reserve Account to pay fees, expenses and other amounts due to the Lender under the U.S. Term Facility and to pay any amount of Total Funded Debt of the U.S. Borrower (in respect of principal and/or interest) that is then due in the event and to the extent that revenues are insufficient to pay such amounts when due.

(3) When funds on deposit in the Debt Service Reserve Account are used to pay amounts in accordance with Section 9.3(2), the U.S. Borrower shall be required with 60 days of such utilization to replenish the amounts held on deposit in the Debt Service Reserve Account so that the balance standing to the credit of such account is not less than the Debt Service Reserve Requirement. The U.S. Borrower may replenish such amounts held on deposit from (a) the U.S. Borrower's cash on hand; (b) the U.S. Borrower's revenues, (c) amounts otherwise payable as a mandatory repayment pursuant to Section 1.14(4)(b) (if and when applicable); and/or (d) proceeds received from the Cdn. Borrower from an Advance under the Revolving Facility, provided that the Cdn. Borrower maintains sufficient availability under the

Revolving Facility for its working capital purposes after giving effect to such Advance, to the satisfaction of the Lender, acting reasonably.

(4) For certainty, upon the U.S. Borrower having maintained its Total Funded Debt to EBITDA Ratio of less than 3.50 to 1.00 for at least two (2) consecutive fiscal quarters, after substantial completion of the U.S. Plant Project, then the U.S. Borrower shall no longer be required to maintain the Debt Service Reserve Account.

9.4 Financial Covenants

(1) **Financial Covenants – Cdn. Borrower**: So long as any Obligation is outstanding or any Credit Facility is available hereunder, the Obligors covenant and agree with the Lender that, unless the Lender otherwise consents in writing:

(a) Total Funded Debt to EBITDA Ratio – Cdn. Borrower

The Obligors shall at all times not permit the Total Funded Debt to EBITDA Ratio of the Cdn. Borrower determined on an unconsolidated basis, to be greater than:

(i) 4.50 to 1.00, from the Closing Date, tested as at the September 30, 2019 Quarter End, until but not including December 31, 2019;

(ii) 4.25 to 1.00, from and including the December 31, 2019 Quarter End (tested as at such Quarter End), until but not including March 31, 2020;

(iii) 4.00 to 1.00, from and including the March 31, 2020 Quarter End (tested as at such Quarter End), until but not including June 30, 2020;

(iv) 3.75 to 1.00, from and including the June 30, 2020 Quarter End (tested as at such Quarter End), until but not including September 30, 2020;

(v) 3.50 to 1.00, from and including the September 30, 2020 Quarter End, until but not including June 30, 2021 (tested as at each Quarter End during such period);

(vi) 3.25 to 1.00, from and including the June 30, 2021 Quarter End (tested as at such Quarter End), until but not including September 30, 2021;

(vii) 3.00 to 1.00, from and including the September 30, 2021 Quarter End and thereafter (tested as at each Quarter End during such period),

in each case, to be calculated on the basis of the trailing twelve-month period of the Cdn. Borrower ending as at the Closing Date or relevant Quarter End, as applicable; provided that, for the purpose of determining EBITDA of the Cdn. Borrower on an unconsolidated basis for each of the September 30, 2019 Quarter End and the December 31, 2019 Quarter End, the Existing Specified Equity Contribution will be included in the EBITDA of the Cdn. Borrower as if received in such trailing twelve-month period.

(b) Minimum Fixed Charge Coverage Ratio – Cdn. Borrower

The Obligors shall not permit the Fixed Charge Coverage Ratio of the Cdn. Borrower, determined on an unconsolidated basis, at any time to be less than 1:15 to 1.00 tested as at each Quarter End following the Closing Date, to be calculated on the basis of the trailing twelve-month period of the Cdn. Borrower ending as at such Quarter End; provided that, (i) for the purpose of determining EBITDA of the Cdn. Borrower on an unconsolidated basis for each of the September 30, 2019 Quarter End and the December 31, 2019 Quarter End, the Existing Specified Equity Contribution will be included in the EBITDA of the Cdn. Borrower as if received in such trailing twelve-month period, and (ii) the Existing Specified Equity Contribution shall be excluded from the calculation of Unfinanced Capital Expenditures for purposes of determining the Fixed Charge Coverage Ratio of the

Cdn. Borrower for each of the September 30, 2019 Quarter End and the December 31, 2019 Quarter End.

(2) **Financial Covenants – U.S. Borrower**: So long as any Obligation is outstanding or any Credit Facility is available hereunder, the Obligors covenant and agree with the Lender that, unless the Lender otherwise consents in writing:

(a) Total Funded Debt to EBITDA Ratio – U.S. Borrower

The Obligors shall at all times not permit the Total Funded Debt to EBITDA Ratio of the U.S. Borrower determined on an unconsolidated basis, to be greater than:

(i) 5.50 to 1.00, from and including the March 31, 2022 Quarter End, until but not including June 30, 2022 (tested as at each Quarter End during such period);

(ii) 4.75 to 1.00, from and including the June 30, 2022 Quarter End (tested as at such Quarter End), until but not including September 30, 2022;

(iii) 4.00 to 1.00, from and including the September 30, 2022 Quarter End (tested as at such Quarter End), until but not including December 31, 2022;

(iv) 3.25 to 1.00, from and including the December 31, 2022 Quarter End (tested as at such Quarter End), until but not including March 31, 2023;

(v) 3.00 to 1.00, from and including the March 31, 2023 Quarter End and thereafter (tested as at each Quarter End during such period),

in each case, to be calculated on the basis of the trailing twelve-month period of the U.S. Borrower ending as at the relevant Quarter End, as applicable; provided that,for the purpose of determining EBITDA of the U.S. Borrower on an unconsolidated basis as at the March 31, 2022 Quarter End and, if applicable, the June 30, 2022 Quarter End, in each case, for the twelve-month period then ended, EBITDA for the period following substantial completion of the Project will be annualized by multiplying the actual unconsolidated EBITDA of the U.S. Borrower for the number of full fiscal months following the substantial completion of the Project by a fraction, the numerator of which is 12 and the denominator of which is the number of full fiscal months following substantial completion of the Project for which such actual EBITDA has been determined;.

(b) Minimum Fixed Charge Coverage Ratio – U.S. Borrower

The Obligors shall not permit the Fixed Charge Coverage Ratio of the U.S. Borrower, determined on an unconsolidated basis, at any time to be less than 1:15 to 1.00 tested as at the March 31, 2022 Quarter End and as at each Quarter End thereafter, to be calculated on the basis of the trailing twelve-month period of the U.S. Borrower ending as at such Quarter End; provided that,for the purpose of determining EBITDA of the U.S. Borrower on an unconsolidated basis as at the March 31, 2022 Quarter End and, if applicable, the June 30, 2022 Quarter End, in each case, for the twelve-month period then ended, EBITDA for the period following substantial completion of the Project will be annualized by multiplying the actual unconsolidated EBITDA of the U.S. Borrower for the number of full fiscal months following the substantial completion of the Project by a fraction, the numerator of which is 12 and the denominator of which is the number of full fiscal months following substantial completion of the Project for which such actual EBITDA has been determined.

9.5 Equity Cure

Subject to the last paragraph of this Section, for the purposes of determining compliance with the financial covenants set forth in Section 9.4, any cash equity contribution (which equity shall be common equity or other equity on terms and conditions reasonably acceptable to the Lenders) made to a Borrower after the end of any fiscal quarter after

the Closing Date and on or prior to the day that is ten (10) Banking Days after the day on which financial statements are required to be delivered for such fiscal quarter will, at the irrevocable request of the Borrowers, be included in the calculation of EBITDA for such Borrower for the sole purpose under this Agreement of determining compliance with such financial covenants at the end of such fiscal quarter and applicable subsequent periods (each such period, a "**Financial Covenant Period**") which include such fiscal quarter (each such contribution, a "**Specified Equity Contribution**"); provided that:

(a) the amount of any Specified Equity Contribution shall be no greater than the amount required to cause the relevant Borrower to be in compliance with such financial covenants;

(b) all Specified Equity Contributions will be disregarded for purposes of the calculation of EBITDA for all other purposes, including calculating any basket levels, pricing and other items governed by reference to EBITDA;

(c) there shall be no more than two (2) Specified Equity Contributions for each Borrower made during any fiscal year or in two consecutive quarters and no more than three (3) Specified Equity Contributions for each Borrower made in the aggregate after the Closing Date;

(d) any Credit Facility prepaid with the proceeds of Specified Equity Contributions shall be deemed outstanding for purposes of determining compliance with the financial covenants for any Financial Covenant Period in which such Specified Equity Contribution is included in the calculation of EBITDA;

(e) proceeds received by the Cdn. Borrower from all Specified Equity Contributions shall be promptly used by the Cdn. Borrower either (i) to prepay the Cdn. Term Facility, or (ii) for any other purpose consented to by the Lender (such consent not to be unreasonably withheld or delayed);

(f) proceeds received by the U.S. Borrower from all Specified Equity Contributions shall be promptly used by the U.S. Borrower either (i) to prepay the U.S. Term Facility, or (ii) for any other purpose consented to by the Lender (such consent not to be unreasonably withheld or delayed); and

(g) the aggregate amount of all Specified Equity Contributions shall not exceed (i) Cdn. $4,000,000 for all such Specified Equity Contributions made to the Cdn. Borrower (that are not then directly contributed to the U.S. Borrower), and (ii) U.S. $6,000,000 for all such Specified Equity Contributions made to the U.S. Borrower.

Nothing in this Section 9.5 shall prevent an amount of up to U.S. $10,000,000 to be invested by way of cash equity contributions in the capital of the U.S. Borrower at any time from and after the Closing Date to and including the date of substantial completion of the U.S. Plant Project; provided that any such cash equity contribution will not be considered a Specified Equity Contribution for purposes of this Section 9.5, nor will any such cash equity contribution be included in the determination of EBITDA for any purpose under this Agreement.

9.6 Lender May Perform Covenants

If the Obligors or any of them fail to perform any covenants on their part herein contained, subject to any consents or notice or cure periods required by Section 11.1, the Lender may give notice to the Borrowers of such failure and if such covenant remains unperformed, the Lender may, in its discretion but need not, perform any such covenant capable of being performed by the Lender and if the covenant requires the payment or expenditure of money, the Lender may make such payments or expenditure and all sums so expended shall be forthwith payable by the Borrowers to the Lender and shall bear interest at the applicable interest rate provided in Section 4.10. No such performance, payment or expenditure by the Lender shall be deemed to relieve the Obligors or any of them of any default hereunder or under the other Documents.

10. SECURITY

10.1 Security

(1) The Obligations, Lender Financial Instrument Obligations (except, in the case of each Guarantor, Excluded Financial Instrument Obligations), all Other Secured Obligations shall be secured, equally and rateably, by first priority, perfected Security Interests on, to and against all present and future property, assets and undertaking of the Obligors.

(2) Each Guarantor shall execute and deliver Security in the form of Schedule G-1 annexed hereto, with such modifications and insertions as may be required by the Lender, acting reasonably.

(3) Each Obligor shall execute and deliver Security in the form of Schedule G-2 annexed hereto, with such modifications and insertions as may be required by the Lender, acting reasonably.

(4) Holdco and each Obligor that, from time to time, holds an Equity Interest in any other Obligor, including, for certainty, any present or future Subsidiary of the Cdn. Borrower or the U.S. Borrower, shall execute and deliver Security in the form of Schedule G-3 annexed hereto, with such modifications and insertions as may be required by the Lender, acting reasonably.

(5) Walmart Inc. (an Affiliate of the New Investor) shall execute and deliver Security in the form of Schedule G-4 annexed hereto, with such modifications and insertions as may be required by the Lender, acting reasonably.

(6) As requested by the Lender with respect to each material leased premises of the Obligors, a landlord waiver, which, among other things, waives or subordinates the relevant landlord's rights of distraint in respect of the Collateral that may, from time to time, be located at such premises, affords the Lender reasonable access to such premises in order to effectively realize upon, or otherwise administer, the Lender's interest in such Collateral and is otherwise, in form and substance, satisfactory to the Lender, acting reasonably; provided that if any such landlord refuses to waive or subordinate its rights of distraint notwithstanding the reasonable commercial efforts of the Obligors to obtain such a waiver or subordination, the Lender will accept a landlord access agreement, which affords the Lender reasonable access to such premises in order to effectively realize upon, or otherwise administer, the Lender's interest in such Collateral and is otherwise, in form and substance, satisfactory to the Lender, acting reasonably.

(7) The Cdn. Borrower shall execute and deliver the Lender's standard overdraft agreement with respect to overdrafts under the Revolving Facility.

(8) Each Borrower and each other Obligor that has any interest in owned or leased real property shall execute and deliver an environmental indemnity to and in favour of the Lender in the Lender's standard form or in such other form satisfactory to the Lender and Lender's Counsel. For greater certainty, the U.S. Borrower shall execute and deliver an environmental indemnity in respect of the Arkansas Property to and in favour of the Lender.

(9) The U.S. Borrower shall execute and deliver a mortgage and/or deed of trust in respect of the Arkansas Property charging the U.S. Borrower's interest therein to and in favour of the Lender, together with (i) a satisfactory title commitment for a lender's policy of title insurance from a title insurance company reasonably satisfactory to the Lender, and (ii) proof of flood insurance if the same is required by Applicable Law;

(10) Prior to any Obligor entering into any Lender Financial Instrument with the Lender or any Hedging Affiliate, a Master Agreement published by the International Swaps and Derivatives Associate, Inc. (including by International Swap Dealers Association, Inc.) or any successor thereto.

(11) In addition to the Security described in subsections (1) through (9) of this Section 10.1, each Obligor shall execute and deliver, or shall cause to be executed and delivered, all such guarantees and mortgages, floating charge debentures, pledge agreements, assignments and other security agreements as may be required by the Lender, acting reasonably (each in form and substance satisfactory to, the Lender, acting reasonably) in order to, or to more effectively, charge in favour of the Lender or grant Security Interests in favour of the Lender on and against all present and future property, assets and undertaking of the Obligors as continuing collateral security for the payment and performance by the Obligors of all Obligations, Lender Financial Instrument Obligations (except, in the case of each Guarantor, Excluded

Financial Instrument Obligations), and Other Secured Obligations. The foregoing may include specific assignments of Material Agreements, permits, licences, management agreements and sales agreements and supply agreements with material customers, in each case, at the request of the Lender (in its discretion). A specific assignment of the supply agreement with Walmart, Inc. shall be required.

10.2 Registration

The Obligors shall, at their expense, register, file or record the Security in all offices where such registration, filing or recording is necessary or of advantage to the creation, perfection and preserving of the security applicable to it; provided that the Obligors (as opposed to the Lender or Lender's Counsel or another agent thereof on their behalf, in such case at the expense of the Lender except during the continuance of a Default or Event of Default and except where requested by the Lender, acting reasonably) shall not be obligated to register the Security at any land title or registry offices unless and until the Lender (acting reasonably) requests such registration in writing. Each Obligor shall amend and renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect or to preserve the priority established by any prior registration, filing or recording thereof.

10.3 Forms

The forms of Security shall have been or be prepared based upon, (1) in the case of the Cdn. Borrower or any Subsidiary thereof organized or formed under the laws of Canada or of a Province or Territory of Canada, the laws of British Columbia or of another Province or Territory of Canada, as applicable, in effect at the date hereof, or (2) in the case of the U.S. Borrower or any Subsidiary thereof organized or formed under the laws of any State of the United States, the laws of Arkansas or of another State, as applicable, in effect at the date hereof. The Lender shall have the right to require that:

(a) any such Security be amended to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, in order to confer upon the Lender, the Security Interests intended to be created thereby, and

(b) each Obligor execute and deliver to the Lender such other and further debentures, mortgages, trust deeds, assignments and security agreements as may be reasonably required to ensure the Lender holds, subject to Permitted Encumbrances, first priority, perfected Security Interests on and against all present and future property, assets and undertaking of the Obligor,

except that in no event shall the Lender require that the foregoing be effected if the result thereof would be to grant the Lender greater rights than is otherwise contemplated herein or therein.

10.4 Continuing Security

Each item or part of the Security shall for all purposes be treated as a separate and continuing collateral security and shall be deemed to have been given in addition to and not in place of any other item or part of the Security or any other security now held or hereafter acquired by the Lender. No item or part of the Security shall be merged or be deemed to have been merged in or by this Agreement or any documents, instruments or acknowledgements delivered hereunder, or any simple contract debt or any judgment, and any realization of or steps taken under or pursuant to any security, instrument or agreement shall be independent of and not create a merger with any other right available to the Lender under any security, instruments or agreements held by it or at law or in equity.

10.5 Dealing with Security

The Lender may grant extensions of time or other indulgences, take and give up securities (including the Security or any part or parts thereof), accept compositions, grant releases and discharges and otherwise deal with the Obligors or any of them and other parties and with security (including without limitation, the Security and each part thereof) as the Lender may see fit, without prejudice to or in any way limiting the liability of the Obligors or any of them under this Agreement or the other Documents or under any of the Security or any other collateral security.

10.6 Effectiveness

The Security and the security created by any other Document constituted or required to be created shall be effective, and the undertakings as to the Security herein or in any other Document shall be continuing, whether any Loans are then outstanding or any amounts thereby secured or any part thereof shall be owing before or after, or at the same time as, the creation of such Security Interests or before or after or upon the date of execution of any amendments to this Agreement.

10.7 Beneficiaries

The parties hereby confirm and agree that the Lender is, for the purpose of securing the Lender Financial Instrument Obligations owing to or in favour of its Hedging Affiliates and Other Secured Obligations owing to or in favour of its Affiliates, executing and delivering this Agreement and the Security both on its own behalf and as agent for and on behalf of such Hedging Affiliates and Affiliates party to any Other Secured Agreement.

10.8 Release and Discharge of Security

No Obligor shall be discharged from the Security or any part thereof except by a written release and discharge signed by the Lender; provided that (1) to the extent such Security applies to an Excluded Disposition, the Lender shall provide a release or no interest letter in respect of the property and assets subject to such Excluded Disposition, promptly upon the request of the applicable Obligor, so long as Sections 1.14(3) and 1.14(5) have been complied with, or (2) if all of the Obligations, Lender Financial Instrument Obligations and Other Secured Obligations have been unconditionally and indefeasibly repaid, paid, satisfied and discharged, as the case may be, in full and the Credit Facilities have been fully cancelled, then the Lender shall cause the Security and its interest therein to be released and discharged at the expense of the Borrowers.

11. EVENTS OF DEFAULT AND ACCELERATION

11.1 Events of Default

The occurrence of any one or more of the following events (each such event being herein referred to as an "**Event of Default**") shall constitute a default under this Agreement:

(a) Principal Default: if a Borrower fails to pay the principal of any Loan hereunder when due and payable;

(b) Other Payment Default: if a Borrower fails to pay:

(i) any interest (including, if applicable, default interest) accrued on any Loan;

(ii) any acceptance fee with respect to a B/A or any issuance or fronting fee with respect to an L/C; or

(iii) any other amount not specifically referred to in paragraph (a) above or in this paragraph (b) payable by a Borrower hereunder;

in each case when due and payable, and such default is not remedied within three (3) Banking Days after written notice thereof is given by the Lender to the Borrowers specifying such default and requiring the relevant Borrower to remedy or cure the same;

(c) Certain Covenant Defaults:

(i) if any Obligor or Holdco fails to observe or perform any covenant in Section 9.2 (except Section 9.2(l) or Section 9.2(p)) or Section 9.3; or

(ii) if any Obligor fails to observe or perform its covenant in Section 9.2(l) and such Obligor shall fail to remedy such default within a period of three (3) Banking Days after the earlier of any

Obligor having actual knowledge of such failure and delivery of notice by the Lender to the Borrowers specifying such default and requiring the relevant Obligor to remedy or cure the same;

(d) Financial Covenant Defaults: if any Obligor or Holdco fails to observe or perform any covenant in Section 9.4 and the same is not, or cannot be, cured pursuant to and in accordance with Section 9.5;

(e) Breach of Other Covenants: if any Obligor or Holdco fails to observe or perform any covenant or obligation herein or in any other Document required on its part to be observed or performed (other than a covenant or condition whose breach or default in performance is specifically dealt with elsewhere in this Section) and the relevant Obligor or Holdco shall fail to remedy such default within a period of twenty (20) Banking Days after the earlier of any Obligor or Holdco, as applicable, having actual knowledge of such failure and delivery of notice by the Lender to the Borrowers specifying such default and requiring the relevant Obligor or Holdco to remedy or cure the same;

(f) Incorrect Representations: if any representation or warranty made by any Obligor or Holdco herein or in any other Document shall prove to have been incorrect or misleading in any material respect on and as of the date made, or if any such representation or warranty is qualified as to "in all material respects", "materiality", "Material Adverse Effect" or similar language, such representation or warranty shall prove to have been incorrect or misleading in any respect on and as of the date made, and, in each case, the facts or circumstances which make such representation or warranty incorrect or misleading are not remedied and the representation or warranty in question remains incorrect or misleading more than twenty (20) Banking Days after any Obligor or Holdco, as applicable, becomes aware that such representation or warranty was incorrect or misleading in any respect;

(g) Involuntary Insolvency: if a final decree or final order of a court of competent jurisdiction is entered adjudging any Obligor or Holdco a bankrupt or insolvent under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws or ordering the winding up or liquidation of its affairs;

(h) Idem: if any case, proceeding or other action shall be instituted in any court of competent jurisdiction against any Obligor or Holdco seeking in respect of it an adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, a composition, proposal or arrangement with creditors, a readjustment of debts, the appointment of trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers with respect to any Obligor or of all or any substantial part of its assets, or any other like relief in respect of any Obligor or Holdco under any bankruptcy or insolvency law and:

(i) such case, proceeding or other action results in an entry of an order for such relief or any such adjudication or appointment, or

(ii) such case, proceeding or other action shall continue undismissed, or unstayed and in effect, for any period of twenty (20) consecutive Banking Days;

(i) Voluntary Insolvency: if any Obligor or Holdco makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition, administration or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or

consents to, or acquiesces in, the filing of such assignment, proposal, relief, petition, proposal, appointment or proceeding;

(j) Qualified Auditor's Report: the audited financial statements of a Borrower are qualified by a going concern qualification;

(k) Dissolution: except as permitted by Section 9.2(d) or 9.2(n), if proceedings are commenced for the dissolution, liquidation or winding up of any Obligor or Holdco unless such proceedings are being actively and diligently contested in good faith to the satisfaction of the Lender;

(l) Security Realization: if creditors of any Obligor or Holdco having a Security Interest against or in respect of the property and assets thereof, or any part thereof, realize upon or enforce any such security against such property and assets or any part thereof having an aggregate fair market value in excess of $1,000,000 (or the equivalent thereof in any other currency) and such realization or enforcement shall continue in effect and not be released, discharged or stayed within the lesser of twenty (20) Banking Days and the period of time prescribed under Applicable Laws for the completion of the sale of or realization against the assets subject to such seizure or attachment;

(m) Seizure: if property and assets of any of the Obligors or any part thereof having an aggregate fair market value in excess of an amount equal to $1,000,000 (or the equivalent thereof in any other currency) are seized or otherwise attached by anyone pursuant to any legal process or other means, including, without limitation, distress, execution or any other step or proceeding with similar effect and such attachment, step or other proceeding shall continue in effect and not be released, discharged or stayed within the lesser of twenty (20) Banking Days and the period of time prescribed under Applicable Laws for the completion of the sale of or realization against the assets subject to such seizure or attachment;

(n) Judgment: if one or more final judgments, decrees or orders, after available appeals have been exhausted, shall be awarded against any of the Obligors or Holdco for an aggregate amount in excess of an amount equal to $1,000,000 (or the equivalent thereof in any other currency) (other than judgements for litigation for which the Obligors or Holdco are fully indemnified) and the same has not been satisfied and security has not been provided for any of the same within twenty (20) Banking Days of such judgment, decree or order being awarded;

(o) Payment Cross-Default: if any Obligor or Holdco defaults in the payment when due (whether at maturity, upon acceleration, or otherwise) of Debt or Financial Instrument Obligations thereof in aggregate in excess of an amount equal to $1,000,000 (or the equivalent thereof in any other currency);

(p) Event Cross-Default: if a default, event of default or other similar condition or event (however described) in respect of any Obligor or Holdco occurs or exists under any indentures, credit agreements, agreements or other instruments evidencing or relating to Debt or Financial Instrument Obligations thereof (individually or collectively) in an aggregate amount in excess of an amount equal to $1,000,000 (or the equivalent thereof in any other currency) and such default, event or condition has resulted in such Debt or Financial Instrument Obligations becoming, or becoming capable at such time of being declared, due and payable thereunder before it would otherwise have been due and payable (whether or not it is so declared), unless the default, event or condition has been remedied or waived in accordance with the provisions of the relevant indentures, credit agreements, agreements or other instruments;

(q) Material Agreements: (i) except as permitted by Section 9.1(s), if a default, event of default or other similar condition or event (however described) in respect of any Obligor occurs or exists under any Material Agreement which would reasonably be expected to result in a Material Adverse Effect, unless the default, event or condition has been remedied or waived in accordance with the provisions of the relevant Material Agreement, (ii) if any Material Agreement, or any material provision thereof, shall at any time for any reason cease to be in full force and effect, be declared void or voidable or shall be repudiated by the counterparty thereto and, in each case, the same would reasonably be expected to result in a Material Adverse Effect, or (iii) any Material Agreement is terminated except at final maturity

thereof, unless, in the case of clause (ii) or (iii) above, such Material Agreement is replaced on terms and conditions satisfactory to the Lender, acting reasonably, (A) for any Material Agreement that is a sales contract of any Obligor, within 180 days of such cessation, voidance, repudiation or termination, or (B) for all other Material Agreements, within 60 days of such cessation, voidance, repudiation or termination;

(r) Cease to Carry on Business: if any Obligor ceases to carry on business except, in the case of an Obligor other than a Borrower, in compliance with the Documents;

(s) Change of Control: if there is a Change of Control not consented to in writing by the Lender;

(t) Lender Financial Instruments: if a Financial Instrument Demand for Payment has been delivered to any Obligor and such Person fails to make payment thereunder within the time otherwise required for payment thereunder and any applicable grace period has expired;

(u) Loss and Priority of Security: except for Permitted Encumbrances, if any of the Security shall cease to be a valid first priority Security Interest against the property, assets and undertaking of any Obligor or Holdco as against third parties (and the same is not forthwith effectively rectified or replaced by the Obligor or Holdco, as applicable);

(v) Invalidity: if any of this Agreement, any Security or any material provision of any of the foregoing shall at any time for any reason cease to be in full force and effect, be declared to be void or voidable (and the same is not forthwith effectively rectified or replaced by the applicable Obligors or Holdco) or shall be repudiated, or the validity or enforceability thereof shall at any time be contested by any Obligor or Holdco, or any Obligor or Holdco shall deny that it has any or any further liability or obligation thereunder, or at any time it shall be unlawful or impossible for it to perform any of its Obligations;

(w) ERISA: if (i) Holdco or any Borrower shall engage in any non-exempt "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan; or (ii) any ERISA Event shall occur and, taking together all such events, is reasonably expected to have a Material Adverse Effect; or

(x) Material Adverse Effect: if any event or circumstance has occurred and is continuing which, in the opinion of the Lender (acting reasonably), has had or would reasonably be expected to have a Material Adverse Effect.

11.2 Acceleration

If any Event of Default shall occur and for so long as it is continuing:

(a) the entire principal amount of all Loans then outstanding from the Borrowers and all accrued and unpaid interest thereon;

(b) an amount equal to the face amount at maturity of all B/As issued by the Cdn. Borrower which are unmatured;

(c) an amount equal to the maximum amount then available to be drawn under all unexpired L/Cs; and

(d) all other Obligations outstanding hereunder,

shall, at the option of the Lender, become immediately due and payable upon written notice to that effect from the Lender to the Borrowers, all without any other notice and without presentment, protest, demand, notice of dishonour or any other demand whatsoever (all of which are hereby expressly waived by the Borrowers). In such event and if the Borrowers do not immediately pay all such amounts upon receipt of such notice, the Lender may, in its discretion, exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against the Borrowers authorized or permitted by law for the recovery of all the indebtedness and liabilities of the Borrowers to the Lender and proceed to exercise any

and all rights hereunder and under the other Documents and no such remedy for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

11.3 Conversion on Default

Upon the occurrence of an Event of Default, the Lender may convert any outstanding Loan (other than an L/C) to either a Cdn. Prime Rate Loan or U.S. Base Rate Loan. Interest shall accrue on each such Cdn. Prime Rate Loan or U.S. Base Rate Loan at the rate set forth in Section 4.10 with interest on all overdue interest at the same rate, such interest to be calculated daily and payable on demand.

11.4 Remedies Cumulative and Waivers

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lender hereunder or under any other Document are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or other Document shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled for such default or breach. Any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein and any indulgence granted, either expressly or by course of conduct, by the Lender shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Lender under this Agreement or any other Document as a result of any other default or breach hereunder or thereunder.

11.5 Termination of Lender's Obligations

The occurrence of a Default or Event of Default shall relieve the Lender of all obligations to provide any further Drawdowns or Rollovers to the Borrowers hereunder for so long as such Default or Event of Default is continuing; provided that the foregoing shall not prevent the Lender from disbursing money or effecting any Rollover requested by the Borrowers and acceptable to the Lender.

11.6 Acceleration of all Lender Financial Instrument Obligations

(1) If an Acceleration Notice has been delivered to the Borrowers, then, to the extent that it is not already the case, all Financial Instrument Obligations under Lender Financial Instruments shall be immediately due and payable and the Lender shall (and shall be entitled to) promptly, and in any event within 3 Banking Days of receipt of notice of the foregoing, deliver such other Financial Instrument Demands for Payment and notices as may be necessary to ensure that all Financial Instrument Obligations under Lender Financial Instruments are thereafter due and payable under the applicable Lender Financial Instruments.

(2) Each agreement, indenture, instrument or other document evidencing or relating to a Lender Financial Instrument shall, notwithstanding any provision thereof to the contrary, be deemed to be hereby amended to allow and permit the Lender which is a party thereto to comply with the provisions of this Section 11.6.

11.7 Calculations on Early Termination

For the purposes of this Agreement, if a Financial Instrument Demand for Payment has been delivered, then any amount which is payable by an Obligor under such Lender Financial Instrument in settlement of obligations arising thereunder as a result of the early termination of the Lender Financial Instrument shall be deemed to have become payable at the time of delivery of such Financial Instrument Demand for Payment, notwithstanding that the amount payable by such Obligor is to be subsequently calculated and notice thereof given to such Obligor in accordance with such Lender Financial Instrument.

12. CHANGE OF CIRCUMSTANCES

12.1 Market Disruption Respecting Libor Loans

In the event that at any time subsequent to the giving of a Drawdown Notice, Rollover Notice or Conversion Notice to the Lender by the Borrowers with regard to any requested Libor Loan, but before 2:00 p.m. (Toronto time) on the third Banking Day prior to the date of the requested Drawdown, Rollover or Conversion, as the case may be, the Lender (acting reasonably) makes a determination, which shall be conclusive and binding upon the Borrowers, that:

(a) by reason of circumstances affecting the London interbank market, adequate and fair means do not exist for ascertaining the rate of interest with respect to, or deposits are not available in sufficient amounts in the ordinary course of business at the rate determined hereunder to fund, a requested Libor Loan during the ensuing Interest Period selected;

(b) the making or continuing of the requested Libor Loan by the Lender has been made impracticable by the occurrence of an event which materially adversely affects the London interbank market generally; or

(c) the Libor Rate shall no longer represent the effective cost to the Lender of United States Dollar deposits in such market for the relevant Interest Period,

then the Lender shall give notice thereof to the Borrowers as soon as possible after such determination, but in any event before the aforementioned time, and the Borrowers shall, within one Banking Day after receipt of such notice and in replacement of the Drawdown Notice, Rollover Notice or Conversion Notice, as the case may be, previously given by a Borrower, give the Lender a Drawdown Notice or a Conversion Notice, as the case may be, which specifies the Drawdown of any other Loan or the Conversion of the relevant Libor Loan on the last day of the applicable Interest Period into any other Loan which would not be affected by the notice from the Lender pursuant to this Section 12.1. In the event a Borrower fails to give, if applicable, a valid replacement Conversion Notice with respect to the maturing Libor Loans which were the subject of a Rollover Notice, such maturing Libor Loans shall be converted on the last day of the applicable Interest Period into U.S. Base Rate Loans as if a Conversion Notice had been given to the Lender by such Borrower pursuant to the provisions hereof. In the event a Borrower fails to give, if applicable, a valid replacement Drawdown Notice with respect to a Drawdown originally requested by way of a Libor Loan, then, in the case of the Cdn. Borrower, such Borrower shall be deemed to have requested a Drawdown by way of a U.S. Base Rate Loan and, in the case of the U.S. Borrower, such Borrower shall be deemed to have requested a Drawdown by way of a U.S. Prime Rate Loan, in each case, in the amount specified in the original Drawdown Notice and, on the originally requested Drawdown Date, the Lender (subject to the other provisions hereof) shall make available the requested amount by way of a U.S. Base Rate Loan or a U.S. Prime Rate Loan, as applicable.

12.2 Libor Rate Phase-Out and Benchmark Replacement

(1) Certain Defined Terms. As used in this Section 12.2:

"**Benchmark Replacement**" means the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by the Lender and the Borrowers giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the Libor Rate for U.S. dollar-denominated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

"**Benchmark Replacement Adjustment**" means, with respect to any replacement of the Libor Rate with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Lender and the Borrowers giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of

the Libor Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Libor Rate with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated credit facilities at such time.

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period," timing and frequency of determining rates and making payments of interest and other administrative matters) that the Lender decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Lender decides is reasonably necessary in connection with the administration of this Agreement).

"**Benchmark Replacement Date**" means the earlier to occur of the following events with respect to the Libor Rate:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Libor Rate permanently or indefinitely ceases to provide the Libor Rate; or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the Libor Rate:

(a) a public statement or publication of information by or on behalf of the administrator of the Libor Rate announcing that such administrator has ceased or will cease to provide the Libor Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Libor Rate;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the Libor Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for the Libor Rate, a resolution authority with jurisdiction over the administrator for the Libor Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Libor Rate, which states that the administrator of the Libor Rate has ceased or will cease to provide the Libor Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Libor Rate; or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the Libor Rate announcing that the Libor Rate is no longer representative.

"**Benchmark Transition Start Date**" means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Lender by notice to the Borrowers.

"**Benchmark Unavailability Period**" means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Libor Rate and solely to the extent that the Libor Rate has not been replaced with a Benchmark Replacement, the period (a) beginning at the time that such Benchmark

Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the Libor Rate for all purposes hereunder in accordance with this Section 12.2 and (b) ending at the time that a Benchmark Replacement has replaced the Libor Rate for all purposes hereunder pursuant to this Section 12.2.

"**Early Opt-in Election**" means the occurrence of:

(a) a determination by the Lender that the Lender has determined that U.S. dollar-denominated credit facilities being executed at such time, or that include language similar to that contained in this Section 12.2 are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the Libor Rate, and

(b) the election by the Lender to declare that an Early Opt-in Election has occurred and the provision by the Lender of written notice of such election to the Borrowers.

"**Federal Reserve Bank of New York's Website**" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"**SOFR**" with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

"**Term SOFR**" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(2) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Lender and the Borrowers may amend this Agreement to replace the Libor Rate with a Benchmark Replacement. Any such amendment with respect to an Early Opt-in Election will become effective on the date that the Borrowers have delivered to the Lender written notice that the Borrowers accept such amendment. No replacement of the Libor Rate with a Benchmark Replacement pursuant to this Section 12.2 will occur prior to the applicable Benchmark Transition Start Date.

(3) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Lender will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(4) Notices; Standards for Decisions and Determinations. The Lender will promptly notify the Borrowers of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Lender pursuant to this Section 12.2, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 12.2.

(5) Benchmark Unavailability Period. Upon the Borrowers' receipt of notice of the commencement of a Benchmark Unavailability Period, a Borrower may revoke any request for a Libor Loan, conversion to or continuation of Libor Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, such Borrower will be deemed to have converted any such request into a request for an Advance of or conversion to, in the case of the Cdn. Borrower, a U.S. Base Rate Loans, or in the case of the U.S. Borrower, a U.S. Prime Rate Loan.

12.3 Market Disruption Respecting B/As

(1) If the Lender (acting reasonably) makes a determination, which determination shall be conclusive and binding upon the Cdn. Borrower, and notifies the Cdn. Borrower, that there no longer exists an active market for bankers' acceptances accepted by the Lender, then:

(a) the right of the Cdn. Borrower to request B/As from the Lender shall be suspended until the Lender determines that the circumstances causing such suspension no longer exist, and so notifies the Cdn. Borrower;

(b) any outstanding Drawdown Notice requesting a Loan by way of B/As shall be deemed to be a Drawdown Notice requesting a Loan by way of Cdn. Prime Rate Loans in the amount specified in the original Drawdown Notice; and

(c) any outstanding Rollover Notice requesting a Rollover of a Loan by way of B/As, shall be deemed to be a Conversion Notice requesting a Conversion of such Loans into a Loan by way of Cdn. Prime Rate Loans.

The Lender shall promptly notify the Cdn. Borrower of any suspension of the Cdn. Borrower's right to request the B/As and of any termination of any such suspension.

12.4 Change in Law

(1) If the adoption of any applicable law, regulation, treaty or official directive (whether or not having the force of law) or any change therein or in the interpretation or application thereof by any court or by any Governmental Authority or any other entity charged with the interpretation or administration thereof or compliance by the Lender with any request or direction (whether or not having the force of law) of any such authority or entity in each case after the date hereof (including, without limitation, the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all requests, rules, regulations, guidelines and directives thereunder or issued in connection therewith and all requests, rules, regulations, guidelines and directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority or any United States, Canadian or foreign regulatory authority), in each case regardless of the date enacted, adopted, or issued):

(a) subjects the Lender to, or causes the withdrawal or termination of a previously granted exemption with respect to, any Taxes (other than Taxes on the Lender's overall income), or changes the basis of taxation of payments due to the Lender, or increases any existing Taxes (other than Taxes on the Lender's overall income) on payments of principal, interest or other amounts payable by a Borrower to the Lender under this Agreement;

(b) imposes, modifies or deems applicable any reserve, liquidity, special deposit, regulatory or similar requirement against assets or liabilities held by, or deposits in or for the account of, or loans by the Lender, or any acquisition of funds for loans or commitments to fund loans or obligations in respect of undrawn, committed lines of credit;

(c) imposes on the Lender or requires there to be maintained by the Lender any capital adequacy or additional capital requirements (including, without limitation, a requirement which affects the Lender's allocation of capital resources to its obligations) in respect of any Loan or obligation of the Lender hereunder, or any other condition with respect to this Agreement; or

(d) directly or indirectly affects the cost to the Lender of making available, funding or maintaining any Loan (other than changes in Taxes on the Lender's overall income) or otherwise imposes on the Lender any other condition or requirement affecting this Agreement or any Loan or any obligation of the Lender hereunder;

and the result of (a), (b), (c) or (d) above, in the sole determination of the Lender acting in good faith, is:

(e) to increase the cost to the Lender of performing its obligations hereunder with respect to any Loan;

(f) to reduce any amount received or receivable by the Lender hereunder or its effective return hereunder or on its capital in respect of any Loan or the Credit Facilities; or

(g) to cause the Lender to make any payment with respect to or to forego any return on or calculated by reference to, any amount received or receivable by the Lender hereunder with respect to any Loan or the Credit Facilities;

the Lender shall determine that amount of money which shall compensate the Lender for such increase in cost, payments to be made or reduction in income or return or interest foregone (herein referred to as "**Additional Compensation**"). Upon the Lender having determined that it is entitled to Additional Compensation in accordance with the provisions of this Section, the Lender shall promptly so notify the Borrowers. The Lender shall provide the Borrowers with a photocopy of the relevant law, rule, guideline, regulation, treaty or official directive (or, if it is impracticable to provide a photocopy, a written summary of the same) and a certificate of a duly authorized officer of the Lender setting forth the Additional Compensation and the basis of calculation therefor, which shall be conclusive evidence of such Additional Compensation in the absence of manifest error. The Borrowers shall pay to the Lender within 10 Banking Days of the giving of such notice the Lender's Additional Compensation. The Lender shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section are then applicable notwithstanding that the Lender has previously been paid any Additional Compensation.

(2) The Lender agrees that it will not claim Additional Compensation from the Borrowers under Section 12.4(1) if it is not claiming similar compensation from its other customers in similar circumstances or in respect of any period greater than twelve months prior to the delivery of notice in respect thereof by the Lender, unless, in the latter case, the adoption, change or other event or circumstance giving rise to the claim for Additional Compensation is retroactive or is retroactive in effect.

12.5 Illegality

If the Lender determines, in good faith, that the adoption of any applicable law, regulation, treaty or official directive (whether or not having the force of law) or any change therein or in the interpretation or application thereof by any court or by any Governmental Authority or any other entity charged with the interpretation or administration thereof or compliance by the Lender with any request or direction (whether or not having the force of law) of any such authority or entity, now or hereafter makes it unlawful or impossible for the Lender to make, fund or maintain a Loan under the Credit Facilities or to give effect to its obligations in respect of such a Loan, the Lender may, by written notice thereof to the Borrowers declare its obligations under this Agreement in respect of such Loan to be terminated whereupon the same shall forthwith terminate, and the relevant Borrower shall, within the time required by such law (or at the end of such longer period as the Lender at its discretion has agreed), prepay the principal of such Loan together with accrued interest, such Additional Compensation as may be applicable with respect to such Loan to the date of such payment and all costs, losses and expenses incurred by the Lender by reason of the liquidation or re deployment of deposits or other funds or for any other reason whatsoever resulting from the repayment of such Loan or any part thereof on other than the last day of the applicable Interest Period. If any such change shall only affect a portion of the Lender's obligations under this Agreement which is, in the opinion of the Lender, severable from the remainder of this Agreement so that the remainder of this Agreement may be continued in full force and effect without otherwise affecting any of the obligations of the Lender or the Borrowers hereunder, the Lender shall only declare its obligations under that portion so terminated.

13. COSTS, EXPENSES AND INDEMNIFICATION

13.1 Costs and Expenses

The Borrowers shall pay promptly upon notice from the Lender all reasonable out-of-pocket costs and expenses of the Lender in connection with the Documents and the establishment of the Credit Facilities, including in connection with (a) the preparation, printing, execution and delivery of this Agreement and the other Documents and (b) the Lender's and any third party's due diligence investigation of the Obligors, in each case whether or not any Drawdown has been made hereunder, and also including, without limitation, the reasonable fees and out-of-pocket costs and expenses of Lender's Counsel with respect thereto and with respect to advising the Lender as to its rights and responsibilities under this Agreement and the other Documents. Except for ordinary expenses of the Lender relating to the day-to-day administration of this Agreement, the Borrowers further agree to pay within 10 days of demand by the Lender all reasonable out-of-pocket costs and expenses in connection with the preparation or review of waivers, consents and amendments pertaining to this Agreement, and in connection with the establishment of the validity and enforceability of this Agreement and the preservation or enforcement of rights of the Lender under this Agreement and other Documents, including, without limitation, all reasonable out-of-pocket costs and expenses sustained by the Lender as a result of any failure by the Obligors to perform or observe any of their respective obligations hereunder or in connection with any action, suit or proceeding (whether or not an Indemnified Party is a party or subject thereto), together with interest thereon from and after such 10th day if such payment is not made by such time.

13.2 General Indemnity

In addition to any liability of the Borrowers to the Lender under any other provision hereof, the Borrowers shall indemnify each Indemnified Party and hold each Indemnified Party harmless against any losses, claims, costs, damages or liabilities (including, without limitation, any expense or cost incurred in the liquidation and re deployment of funds acquired to fund or maintain any portion of a Loan and reasonable out-of-pocket expenses and reasonable legal fees on a solicitor and his own client basis) incurred by the same as a result of or in connection with the Credit Facilities or the Documents (including any use of the proceeds of any Loan), including as a result of or in connection with:

(a) any cost or expense incurred by reason of the liquidation or re-deployment in whole or in part of deposits or other funds required by the Lender to fund any B/A or to fund or maintain any Loan as a result of a Borrower's failure to complete a Drawdown or to make any payment, repayment or prepayment on the date required hereunder or specified by it in any notice given hereunder;

(b) subject to permitted or deemed Rollovers and Conversions, the Cdn. Borrower's failure to provide for the payment to the Lender of the full principal amount of each B/A on its maturity date;

(c) a Borrower's failure to pay any other amount, including without limitation any interest or fee, due hereunder on its due date after the expiration of any applicable grace or notice periods (subject, however, to the interest obligations of the Borrowers hereunder for overdue amounts);

(d) the repayment or prepayment of any outstanding B/A before the maturity date of such B/A (other than in accordance with Section 1.13(1)(e));

(e) a Borrower's failure to give any notice required to be given by it to the Lender hereunder;

(f) the failure of a Borrower to make any other payment due hereunder;

(g) any inaccuracy or incompleteness of Holdco's or the Obligors' representations and warranties contained in Article 8;

(h) any failure of Holdco or the Obligors to observe or fulfil their obligations under Article 9;

(i) any failure of Holdco or the Obligors to observe or fulfil any other obligation not specifically referred to above; or

(j) the occurrence of any Default or Event of Default in respect of Holdco, any Obligor or any Subsidiary thereof,

provided that this Section shall not apply to any losses, claims, costs, damages or liabilities that arise by reason of the gross negligence or wilful misconduct of the Indemnified Party claiming indemnity hereunder. The provisions of this Section shall survive repayment of the Obligations.

13.3 Environmental Indemnity

The Borrowers shall indemnify and hold harmless the Indemnified Parties forthwith on demand by the Lender from and against any and all claims, suits, actions, debts, damages, costs, losses, liabilities, penalties, obligations, judgments, charges, expenses and disbursements (including without limitation, all reasonable legal fees and disbursements on a solicitor and his own client basis) of any nature whatsoever, suffered or incurred by the Indemnified Parties or any of them in connection with the Credit Facilities, whether as beneficiaries under the Documents, as successors in interest of the Obligors, or voluntary transfer in lieu of foreclosure, or otherwise howsoever, with respect to any Environmental Claims relating to the property of the Obligors arising under any Environmental Laws as a result of the past, present or future operations of the Obligors (or any predecessor in interest thereto) relating to the property of the Obligors, or the past, present or future condition of any part of the property of the Obligors owned, operated or leased by the Obligors (or any such predecessor in interest), including any liabilities arising as a result of any indemnity covering Environmental Claims given to any Person by the Lender or a receiver, receiver manager or similar Person appointed hereunder or under applicable law (collectively, the "**Indemnified Third Party**"); but excluding any Environmental Claims or liabilities relating thereto to the extent that such Environmental Claims or liabilities arise by reason of the gross negligence or wilful misconduct of the Indemnified Party or the Indemnified Third Party claiming indemnity hereunder. The provisions of this Section shall survive the repayment of the Obligations.

13.4 Judgment Currency

(1) If for the purpose of obtaining or enforcing judgment against the Obligors or any of them in any court in any jurisdiction, it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section referred to as the "**Judgment Currency**") an amount due in Canadian Dollars under this Agreement, the conversion shall be made at the rate of exchange prevailing on the Banking Day immediately preceding:

(a) the date of actual payment of the amount due, in the case of any proceeding in the courts of any jurisdiction that will give effect to such conversion being made on such date; or

(b) the date on which the judgment is given, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section being hereinafter in this Section referred to as the "**Judgment Conversion Date**").

(2) If, in the case of any proceeding in the court of any jurisdiction referred to in Section 13.4(1)(b), there is a change in the rate of exchange prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the relevant Obligors shall pay such additional amount (if any) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of Canadian Dollars which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the Judgment Conversion Date.

(3) Any amount due from the Obligors under the provisions of Section 13.4(2) shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Agreement.

(4) The term "rate of exchange" in this Section 13.4 means the rate of exchange for Canadian interbank transactions in Canadian Dollars in the Judgment Currency published by the Bank of Canada for the day in question, or if such rate is not so published by the Bank of Canada, such term shall mean the rate of exchange determined by the Lender, acting reasonably.

14. INTERPRETATION; GENERAL

14.1 Headings; Articles and Sections

The division of this Agreement into Sections and Subsections and the insertion of headings are for 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 or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

14.2 Number; including

Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders and vice versa, and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

14.3 Application of Accounting Principles; Accounting Changes

Where the character or amount of any asset or liability or item of revenue or expense or amount of equity is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Agreement or any other Document, such determination or calculation shall, to the extent applicable and except as otherwise specified herein or as otherwise agreed in writing by the parties, be made in accordance with GAAP applied on a consistent basis. In the event that any "Accounting Change" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrowers and the Lender agree to enter into good faith negotiations in order to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Cdn. Borrower's consolidated financial condition shall be substantially the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrowers and the Lender, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. "**Accounting Changes**" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Chartered Professional Accountants of Canada, and in all events including changes resulting from implementation of the International Financial Reporting Standards or accounting standards for private enterprises to the extent required by the Canadian Accounting Standards Board and to the extent applicable to the Borrowers.

14.4 References to Agreements and Enactments

Reference herein to any agreement, instrument, licence or other document shall be deemed to include reference to such agreement, instrument, licence or other document as the same may from time to time be amended, modified, supplemented or restated in accordance with the provisions of this Agreement if and to the extent such provisions are applicable; and reference herein to any enactment shall be deemed to include reference to such enactment as re-enacted, amended or extended from time to time and to any successor enactment.

14.5 Per Annum Calculations; Currency

Unless otherwise stated, wherever in this Agreement reference is made to a rate "per annum" or a similar expression is used, such rate is expressed on the basis of, and shall be calculated on the basis of, a year of 365 or 366 days, as applicable. Unless otherwise stated herein, all dollar amounts referenced in this Agreement are in Canadian currency.

14.6 Schedules

The following are the Schedules annexed hereto and incorporated by reference and deemed to be part hereof:

Schedules 8.1(e) to 8.1(x)	-	Disclosure Schedules
Schedule A		Selected Definitions
Schedule B	-	Compliance Certificate
Schedule C	-	Drawdown Notice
Schedule D	-	Repayment Notice
Schedule E	-	Rollover Notice
Schedule F	-	Conversion Notice
Schedules G-1 to G-3	-	Security

14.7 Exchange and Confidentiality of Information

(1) The Obligors agree that the Lender may provide any assignee or participant or any *bona fide* prospective assignee or participant pursuant to Section 14.10 with any information concerning the financial condition of the Obligors provided such party agrees in writing with the Lender for the benefit of the Obligors to be bound by a like duty of confidentiality to that contained in this Section.

(2) Subject to the Lender obtaining the Obligors' prior consent to any specific use of the Promotional Information, the Obligors authorize and consent to reproduction, disclosure and use by the Lender of information about the Obligors (including, without limitation, the name and any identifying logos of the Obligors) and the Credit Facilities (all such information being called the "**Promotional Information**") to enable the Lender to publish promotional "tombstones" and other forms of notices of the Credit Facilities in any manner and in any media (including, without limitation, brochures). The Obligors acknowledge and agree that (a) the Lender shall be entitled to determine, in its sole discretion, whether to use the Promotional Information; (b) no compensation will be payable by the Lender resulting there from; and (c) the Lender shall not have any liability whatsoever to the Obligors or any of their employees, officers, directors, affiliates, shareholders or partners in obtaining and using the Information in accordance with this Section.

(3) The Lender acknowledges the confidential nature of the financial, operational and other information and data provided and to be provided to them by the Obligors pursuant hereto (the "**Information**") and agrees to use all reasonable efforts to prevent the disclosure thereof; provided that:

(a) the Lender may disclose all or any part of the Information if, in their reasonable opinion, such disclosure is required in connection with any actual or threatened judicial, administrative or governmental proceedings including, without limitation, proceedings initiated under or in respect of this Agreement;

(b) the Lender shall incur no liability in respect of any Information required to be disclosed by any applicable law or regulation, or by applicable order, policy or directive having the force of law, to the extent of such requirement;

(c) the Lender may provide Lender's Counsel and their other agents and professional advisors with any Information; provided that such Persons shall be under a like duty of confidentiality to that contained in this Section;

(d) the Lender may provide its Affiliates (including BMO Financial Group business groups) and subsidiaries for the purpose of assisting the Lender in supporting the Obligors' strategic plans;

(e) the Lender shall incur no liability in respect of any Information: (i) which is or becomes readily available to the public (other than by a breach hereof) or which has been made readily available to the public by the Obligors, (ii) which the Lender can show was, prior to receipt thereof from the Obligors, lawfully in the Lender's possession and not then subject to any obligation on its part to the Obligors to maintain

confidentiality, or (iii) which the Lender received from a third party who was not, to the knowledge of the Lender, under a duty of confidentiality to the Obligors at the time the information was so received;

(f) the Lender may disclose the Information to other financial institutions and other Persons in connection with the assignment by the Lender of the Credit Facilities and the Loans (or any portion thereof) or the granting by the Lender of a participation in the Credit Facilities and the Loans where such financial institution or other Person agrees to be under a like duty of confidentiality to that contained in this Section; and

(g) the Lender may disclose all or any part of the Information so as to enable the Lender to initiate any lawsuit against Holdco, the Obligors or any of them or to defend any lawsuit commenced by Holdco, the Obligors or any of them the issues of which touch on the Information, but only to the extent such disclosure is necessary to the initiation or defense of such lawsuit.

14.8 Notices

Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by facsimile transmission or other electronic means of communication addressed to the respective parties as follows:

To Holdco, the Obligors or any of them:

c/o SLP Operations Ltd.
2176 Government Street
Penticton, BC
Canada V2A 8B5

Attention: Hardy Wentzel
Facsimile: (250) 492-8906
Email: hwentzel@structurlam.com

With a copy to:

Kingfish Group Inc.
950 Tower Lane, Suite 1050
Foster City, CA 94404 USA

Attention: JT Mauk
Facsimile: (650) 980-0987
Email: jt@kingfishgroup.com

To the Lender:

Bank of Montreal
595 Burrard Street, 6th Floor
P.O. Box 49500
Vancouver, BC V7X 1L7

Attention: David K. Ma, Senior Director,
BMO Sponsor Finance
Facsimile: (604) 687-3666
E-mail: davidk.ma@bmo.com

With a copy to:

Bank of Montreal
595 Burrard Street, 6th Floor
P.O. Box 49500
Vancouver, B.C. V7X 1L7

Attention: Alex Melnikov, Director, BMO Sponsor Finance
Facsimile: (604) 687-3666
Email: alex.melnikov@bmo.com

or to such other address or facsimile number as any party may from time to time notify the others in accordance with this Section. Any demand, notice or communication made or given by personal delivery or by facsimile transmission or other electronic means of communication during normal business hours at the place of receipt on a Banking Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Banking Day. Any demand, notice or communication made or given by personal delivery or by facsimile transmission or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Banking Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Local Time) on the first Banking Day following actual delivery or transmittal, as the case may be.

14.9 Governing Law; Attornment

(1) This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein, without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of the Borrowers may be found.

(2) The parties hereto each hereby attorn and submit to the jurisdiction of the courts of the Province of British Columbia in regard to legal proceedings relating to the Documents. For the purpose of all such legal proceedings, this Agreement shall be deemed to have been performed in the Province of British Columbia and the courts of the Province of British Columbia shall have jurisdiction to entertain any action arising under this Agreement. Notwithstanding the foregoing, nothing in this Section shall be construed nor operate to limit the right of any party hereto to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

14.10 Benefit of the Agreement; Assignment; Participations

(1) This Agreement shall enure to the benefit of and be binding upon Holdco, the Obligors, the Lender and their respective successors and permitted assigns.

(2) The Lender may, without consent during the continuance of an Event of Default and at all other times with the prior written consent of the Borrowers, which consent shall not be unreasonably withheld or delayed, sell, assign, transfer or grant an interest in the Credit Facilities, the Loans and its rights under this Agreement and the other Documents; provided that (a) any such sale, assignment, transfer or grant of interest shall be in a minimum principal amount of $5,000,000 and (b) the purchaser, assignee, transferee, or grantee of such interest shall thereafter hold a minimum principal amount of $5,000,000 of the Credit Facilities. Notwithstanding the preceding sentence, the Lender may, at any time, without the prior written consent of the Borrowers, sell, assign, transfer or grant an interest in the Credit Facilities, the Loans and its rights under this Agreement and the other Documents to an Affiliate of the Lender or an Approved Fund. Upon any such sale, assignment, transfer or grant, the Lender shall have no further obligation hereunder with respect to such interest. The Obligors shall not assign their rights or obligations hereunder without the prior written consent of the Lender.

(3) The Lender may, without the consent of the Borrowers, grant one or more participations in the Loans to other Persons; provided that the granting of such a participation: (a) shall be at the Lender's own cost and (b) shall not affect the obligations of the Lender hereunder nor shall it increase the costs to the Borrowers hereunder or under any of the other Documents.

14.11 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14.12 Whole Agreement; Amendments and Waivers

(1) This Agreement and the other Documents constitute the whole and entire agreement between the parties hereto regarding the subject matter hereof and thereof and cancel and supersede any prior agreements, undertakings, declarations, commitments, representations, written or oral, in respect thereof.

(2) Any provision of this Agreement may be amended only if the Borrowers and the Lender so agree in writing and may be waived only if the Lender agrees in writing. Any such waiver and any consent by the Lender under any provision of this Agreement must be in writing and may be given subject to any conditions thought fit by Lender. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

14.13 Further Assurances

The Obligors, Holdco and the Lender shall promptly cure any default by it in the execution and delivery of this Agreement, the other Documents or any of the agreements provided for hereunder to which it is a party. Holdco and each Obligor, at the expense of the Borrowers, shall promptly execute and deliver to the Lender, upon request by the Lender (acting reasonably), all such other and further deeds, agreements, opinions, certificates, instruments, affidavits, registration materials and other documents reasonably necessary for Holdco's or such Obligor's compliance with, or accomplishment of the covenants and agreements of Holdco or the Obligors hereunder or more fully to state the obligations of Holdco or the Obligors as set out herein or to make any registration, recording, file any notice or obtain any consent, all as may be reasonably necessary or appropriate in connection therewith.

14.14 Time of the Essence

Time shall be of the essence of this Agreement.

14.15 Agreement Governs

In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the other Documents, the provisions of this Agreement, to the extent of the conflict or inconsistency, shall govern and prevail.

14.16 Counterparts

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. Delivery of an executed counterpart of a signature page of this Agreement by facsimile transmission or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

14.17 FirstBank Commercial Loan Insurance

Each of the Obligors acknowledges and agrees that it understands the benefits of the FirstBank Commercial Loan Insurance and each of the Obligors declines to participate in new coverage. Each of the Obligors acknowledges and agrees that any future application made for insurance on the Credit Facilities or the MasterCard Facility will be subject to approval by The Great West Life Assurance Company, who may request satisfactory evidence of such Obligor's insurability.

14.18 Acceptance

By signing this Agreement, the Borrowers hereby accept the offer of credit contained herein on the terms and subject to the conditions set forth herein and Holdco acknowledges and agrees to the terms and conditions set forth herein applicable to it.

[The remainder of this page has been intentionally left blank.]

Please confirm your acceptance of this Agreement by signing the attached copy hereof in the space provided below and returning it to the undersigned.

Yours truly,

BANK OF MONTREAL

By: _____
Name: David Ma
Title: Senior Director

David Ma
Senior Director
Canadian Commercial Banking

By: _____
Name: Alex Melnikov
Title: Director

Alex Melnikov
Director
Canadian Commercial Banking

We acknowledge and accept the foregoing terms and conditions as of December 03, 2019.

BORROWERS:

STRUCTURLAM MASS TIMBER CORPORATION

By: _____
Name: HARRY WENTZEL
Title: CHIEF EXECUTIVE OFFICER

By: _____
Name:
Title:

I/We have authority to bind the corporation.

STRUCTURLAM MASS TIMBER U.S., INC.

By: _____
Name: HARRY WENTZEL
Title: PRESIDENT

By: _____
Name:
Title:

I/We have authority to bind the corporation.

HOLDCO:

SLP HOLDINGS LTD.

By: _____
Name: J.T. Mack
Title: Director

By: _____
Name:
Title:

I/We have authority to bind the corporation.

We acknowledge and accept the foregoing terms and conditions as of December ___, 2019.

BORROWERS:

STRUCTURLAM MASS TIMBER CORPORATION

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have authority to bind the corporation.

STRUCTURLAM MASS TIMBER U.S., INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have authority to bind the corporation.

HOLDCO:

SLP HOLDINGS LTD.

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have authority to bind the corporation.

SCHEDULE A

DEFINITIONS

In the Agreement to which this Schedule A is annexed, unless something in the subject matter or context is inconsistent therewith:

"**Acquired Assets**" means the "Purchased Assets" under and as defined in the Acquisition Agreement.

"**Acquisition**" means the acquisition by the Cdn. Borrower of the Acquired Assets pursuant to the Acquisition Agreement, which closed on December 21, 2017.

"**Acquisition Agreement**" means the asset purchase agreement, dated December 21, 2017, by and between Structurlam Products Limited Partnership and Structurlam Products Ltd., as sellers, and the Cdn. Borrower, as purchaser, and certain other parties.

"**Additional Compensation**" has the meaning set out in Section 12.4(1) of the Agreement.

"**Additional Equity**" means minimum additional cash equity investments and contributions to the Borrowers of at least U.S. $49,200,000 from the Sponsor and/or the New Investor.

"**Advance**" means an advance of funds made by the Lender to a Borrower under the Agreement but does not include any Rollover.

"**Affiliate**" means any Person which, directly or indirectly, controls, is controlled by or is under common control with another Person; and, for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" or "under common control with") means the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of shares or other economic interests, the holding of voting rights or contractual rights or otherwise.

"**Agreement**" means the letter agreement to which this Schedule A is annexed, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.

"**Anti-Money Laundering Laws and Regulations**" means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the USA PATRIOT Act, the U.S. Money Laundering Control Act of 1986, the U.S. Currency and Foreign Transactions Reporting Act of 1970 (the U.S. Bank Secrecy Act), and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know-your-client laws applicable in Canada or the United States and corresponding laws of jurisdictions in which any Obligor operates or in which the proceeds of the Loans will be used or from which repayments of the Obligations will be derived.

"**Applicable Laws**" or "**applicable law**" means, in relation to any Person, transaction or event, (a) all applicable provisions of laws, statutes, rules and regulations from time to time in effect of any Governmental Authority and (b) all Governmental Authorizations to which the Person is a party or by which it or its property is bound or having application to the transaction or event.

"**Applicable Pricing Margin**", as regards any Loan or the standby fees payable in accordance with Section 4.7 means, when the Total Funded Debt to EBITDA Ratio calculated on a combined consolidated basis for the Borrowers (calculated as at the Quarter End for the most recently completed fiscal quarter of the Borrowers and for the twelve-month period ended on such date) is one of the following, the percentage rate set forth opposite such ratio in the column below applicable to the type of Loan in question or such standby fee:

Total Funded Debt to EBITDA Ratio (on a combined consolidated basis)	Margin on Cdn. Prime Rate Loans, U.S. Base Rate Loans and U.S. Prime Rate Loans	Margin on Libor Loans, Acceptance Fees for B/As and Issuance Fees for L/Cs	Standby Fee applicable to Revolving Facility and L/C Facility
<2.00 to 1.00	0.50%	2.00%	0.45%
≥2.00 to 1.00 and <2.50 to 1.00	0.75%	2.25%	0.50%
≥2.50 to 1.00 and <3.00 to 1.00	1.00%	2.50%	0.55%
≥3.00 to 1.00 and <3.50 to 1.00	1.50%	3.00%	0.65%
≥3.50 to 1.00 and <4.00 to 1.00	2.00%	3.50%	0.75%
≥4.00 to 1.00	2.50%	4.00%	1.00%

provided that,

(a) the above rates per annum applicable to Libor Loans are expressed on the basis of a year of 360 days and the above rates per annum applicable to all other Loans and such standby fee are expressed on the basis of a year of 365 or 366 days, as applicable; and

(b) if the Obligors or any of them fail to observe or perform any covenants on their part contained herein, then the Total Funded Debt to EBITDA Ratio shall be deemed to be greater than 4.00 to 1.00 for the purposes of determining the Applicable Pricing Margin until the Borrowers have remedied such failure.

"**Approved Fund**" means any Fund that is administered or managed by (a) the Lender, (b) an Affiliate of the Lender or (c) a Person or an Affiliate of a Person that administers or manages the Lender.

"**Approved Securities**" means obligations maturing within one year from their date of purchase or other acquisition by the Borrowers (or either of them) and which are (a) issued by the Government of Canada, by the government of any Province of Canada or, in each case, an instrumentality or agency thereof and guaranteed fully as to principal, premium, if any, and interest by the Government of Canada or the government of such Province or (b) term deposits, guaranteed investment certificates, certificates of deposit, bankers' acceptances or bearer deposit notes, in each case, of any Canadian chartered bank or other Canadian financial institution which has a long term debt rating of at least A+ by S&P, A1 by Moody's, or A (high) by DBRS.

"**Arkansas Property**" has the meaning set forth in Section 2.1(o) of the Agreement.

"**Arrangement Fees**" has the meaning set out in Section 4.9 of the Agreement.

"**Attributable Debt**" means, in respect of any lease (whether characterized as an operating lease under GAAP or not) entered into by a Person as lessee, the present value (discounted at the rate of interest implicit in such transaction, determined in accordance with GAAP) of the lease payments of the lessee, including all rent and payments to be made by the lessee in connection with the return of the leased property, during the remaining term of the lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended) but excluding for certainty, (a) amounts required to be paid on account of insurance, taxes, assessments, utility, operating and labour costs and similar charges and (b) amounts payable by the lessee in connection with the exercise of any end-of-term purchase option, early buyout option or any similar amounts payable at the election of the lessee.

Please confirm your acceptance of this Agreement by signing the attached copy hereof in the space provided below and returning it to the undersigned.

Yours truly,

BANK OF MONTREAL

By: _____
Name: David Ma
Title: Senior Director

By: _____
Name: Alex Melnikov
Title: Director

"**BA Discount Rate**" means, in relation to a B/A accepted by the Lender, the lesser of:

(a) the Discount Rate then applicable to Canadian Dollar bankers' acceptances accepted by such Lender having identical issue and comparable maturity dates as the B/As proposed to be issued by the Cdn. Borrower; and

(b) the CDOR Rate plus 0.10% per annum,

provided that if both such rates are equal, then the "**BA Discount Rate**" applicable thereto shall be the rate specified in (a) above.

"**B/A**" means a draft in Canadian Dollars drawn by the Cdn. Borrower, accepted by the Lender and issued for value pursuant to this Agreement.

"**Banking Day**" means, (a) in respect of a Libor Loan, a day on which banks are open for business in Vancouver, British Columbia, Toronto, Ontario and London, England, (b) in respect of any U.S. Base Rate Loan, a day on which banks are open for business in Vancouver, British Columbia, Toronto, Ontario and New York, New York, (c) in respect of any U.S. Prime Rate Loan, a day on which banks are open for business in Vancouver, British Columbia, Toronto, Ontario and Chicago, Illinois, and (d) for all other purposes, a day on which banks are open for business in Vancouver, British Columbia and Toronto, Ontario, but does not in any event include a Saturday or a Sunday.

"**Borrowers**" means, collectively, the Cdn. Borrower and the U.S. Borrower, and "**Borrower**" means either of them.

"**Canadian Dollars**" and "**Cdn. $**" mean the lawful money of Canada.

"**Capital Expenditures**" means, for any period, all amounts that would be included as additions to property, plant and equipment and other capital expenditures on a combined consolidated statement of cash flows of the Borrowers, or on an unconsolidated statement of cash flows of the relevant Borrower, as applicable, during such period in accordance with GAAP (excluding capitalized interest but including the amount of assets leased under any Capital Lease).

"**Capital Lease**" means any leasing or similar arrangement which, in accordance with GAAP in effect prior to the adoption of IFRS 16, is classified as a capital lease or finance lease.

"**Capital Lease Obligations**" means all monetary obligations under any Capital Leases.

"**Cash Collateral**" has the meaning set out in Section 1.13(4) of the Agreement.

"**Cash Collateral Account**" has the meaning set out in Section 1.13(4) of the Agreement.

"**Cash Taxes**", with respect to any Person, in any financial period, means the sum of all income taxes incurred by such Person for such period, less deferred incomes taxes of such Person amortized during such period.

"**Cdn. Borrower**" means Structurlam Mass Timber Corporation (formerly named SLP Operations Ltd.).

"**Cdn. Credit Facilities**" means the Revolving Facility, the Cdn. Term Facility and the L/C Facility.

"**Cdn. Prime Rate**" means, for any day, the greater of:

(a) the rate of interest per annum established from time to time by the Lender as the reference rate of interest for the determination of interest rates that the Lender will charge to customers in Canada for Canadian Dollar demand loans in Canada; and

(b) the rate of interest per annum equal to the average annual yield rate for one-month Canadian Dollar bankers' acceptances which rate is shown on the display referred to as the "CDOR Page" (or any display

substituted therefor) of Reuters Limited (or any successor thereto or Affiliate thereof) at 10:00 a.m. (Toronto time) on such day or, if such day is not a Banking Day, on the immediately preceding Banking Day, plus 1.00% per annum,

provided that if both such rates are equal or if such one-month bankers' acceptance rate is unavailable for any reason on any date of determination, then the "**Cdn. Prime Rate**" shall be the rate specified in part (a) above.

"**Cdn. Prime Rate Loan**" means an Advance in Canadian Dollars made by the Lender to the Cdn. Borrower with respect to which the Cdn. Borrower has specified or a provision of the Agreement requires that interest is to be calculated by reference to the Cdn. Prime Rate.

"**Cdn. Term Facility**" means the non-revolving term credit facility in the maximum principal amount of Cdn. $21,333,317, previously made available to the Cdn. Borrower by the Lender in two separate Advances to fund a portion of the consideration payable in connection with the Acquisition and to refinance the Earnout Facility (as defined in the Existing Agreement), Cdn. $**[20,492,022]** of which remains outstanding as at the date of the Agreement, subject to any reduction in accordance with the provisions of the Agreement.

"**Cdn. Term Facility Instalments**" has the meaning set forth in Section 1.14(2) of the Agreement.

"**CDOR Rate**" means, on any date on which B/As are to be issued pursuant hereto, the per annum rate of interest which is the rate determined as being the arithmetic average of the annual yield rates applicable to Canadian Dollar bankers' acceptances having identical issue and comparable maturity dates as the B/As proposed to be issued by the Cdn. Borrower displayed and identified as such on the display referred to as the "CDOR Page" (or any display substituted therefor) of Reuters Limited (or any successor thereto or Affiliate thereof) as at approximately 10:00 a.m. (Toronto time) on such day, or if such day is not a Banking Day, then on the immediately preceding Banking Day (as adjusted by the Lender in good faith after 10:00 a.m. (Toronto time) to reflect any error in a posted rate or in the posted average annual rate); provided, however, (a) if such a rate does not appear on such CDOR Page, then the CDOR Rate, on any day, shall be the Discount Rate quoted by the Lender (determined as at approximately 10:00 a.m. (Toronto time) on such day) which would be applicable in respect of an issue of bankers' acceptances in a comparable amount and with comparable maturity dates to the B/As proposed to be issued by the Cdn. Borrower on such day, or if such day is not a Banking Day, then on the immediately preceding Banking Day, and (b) in no event shall the CDOR Rate be less than 0% per annum.

"**CEA**" means the U.S. Commodity Exchange Act, as amended.

"**CFTC**" means the U.S. Commodity Futures Trading Commission.

"**Change of Control**" means any transaction or event (including, without limitation, an issuance, sale or exchange of Equity Interests, a merger or consolidation, or a dissolution or liquidation) occurring on or after the date hereof (whether or not approved by the board of directors of the Cdn. Borrower or Holdco) as a direct or indirect result of which: (a) the Sponsor fails to beneficially own, collectively, directly or indirectly, Equity Interests representing at least 50.1% of the economic and voting interests then outstanding in the capital of Holdco, (b) Holdco fails to beneficially own or control, directly or indirectly, all of the Equity Interests then outstanding in the capital of the Cdn. Borrower and each of its Subsidiaries from time to time, or (c) Holdco fails to beneficially own or control, directly or indirectly, all of the Equity Interests then outstanding in the capital of the U.S. Borrower and each of its Subsidiaries from time to time.

"**clearing house**" has the meaning set forth in Section 5.4 of the Agreement.

"**Closing Date**" means the date on which the conditions precedent set forth in Sections 2.1 and 2.2 have been satisfied or waived by the Lender in accordance with Section 2.5.

"**Code**" means the *United States Internal Revenue Code of 1986*, as amended from time to time.

"**Collateral**" means all property, assets and undertaking of the Obligors or Holdco that is subject to, or intended to be subject to, a Security Interest created by the Security.

"**Collateral Investment**" has the meaning set out in Section 1.13(4) of the Agreement.

"**Commodity Agreement**" means any agreement for the making or taking of delivery of any commodity, any commodity swap agreement, floor, cap or collar agreement or commodity future or option or other similar agreements or arrangements, or any combination thereof, entered into by a Borrower where the subject matter of the same is any commodity or the price, value or amount payable thereunder is dependent or based upon the price of any commodity or fluctuations in the price of any commodity.

"**Compliance Certificate**" means a certificate of the Borrowers signed on behalf of the Borrowers by the chief executive officer, vice president of finance, treasurer, comptroller, chief accountant, or any other employee of a Borrower holding equivalent office, substantially in the form annexed hereto as Schedule B, to be given to the Lender by the Borrowers pursuant hereto.

"**Conversion**" means a conversion or deemed conversion of a Loan into another type of Loan pursuant to the provisions of the Agreement.

"**Conversion Date**" means the date specified by a Borrower as being the date on which such Borrower has elected to convert, or this Agreement requires the conversion of, one type of Loan into another type of Loan and which shall be a Banking Day.

"**Conversion Notice**" means a notice substantially in the form annexed to the Agreement as Schedule F to be given to the Lender by a Borrower pursuant thereto.

"**Credit Facilities**" means, collectively, the Cdn. Credit Facilities and the U.S. Term Facility.

"**Currency Hedging Agreement**" means any currency swap agreement, cross currency agreement, forward agreement, floor, cap or collar agreement, futures or options, insurance or other similar agreement or arrangement, or any combination thereof, entered into by a Borrower where the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time.

"**Current Assets**" means, with respect to any Person at any time, all non-cash assets of such Person on an unconsolidated basis which under GAAP would be classified as current assets of such Person as at such time, plus any amount standing to the credit of the Debt Service Reserve Account as at such time.

"**Current Liabilities**" means, with respect to any Person at any time, all liabilities of such Person on an unconsolidated basis which under GAAP would be classified as current liabilities of such Person as at such time, excluding, for purposes of this definition, (a) the current portion of long-term debt, and (b) bank debt classified as a current liability.

"**DBNA**" has the meaning set out in Section 5.4(1) of the Agreement.

"**DBRS**" means Dominion Bond Rating Service Limited and any successors thereto.

"**Debt**" means, with respect to any Person ("X"), all obligations, liabilities and indebtedness of X which would, in accordance with GAAP, be classified upon a consolidated balance sheet of X as liabilities of X and its Subsidiaries (or be classified upon an unconsolidated balance sheet of X as liabilities of X, if Debt is to be determined on an unconsolidated basis for X) and, whether or not so classified, shall include (without duplication):

(a) indebtedness of X and its Subsidiaries (or of X on an unconsolidated basis) for borrowed money;

(b) obligations of X and its Subsidiaries (or of X on an unconsolidated basis) arising pursuant or in relation to: (i) bankers' acceptances (including payment and reimbursement obligations in respect thereof), or (ii) letters of credit and letters of guarantee supporting obligations which would otherwise constitute Debt within the meaning of this definition or indemnities issued in connection therewith;

(c) obligations of X and its Subsidiaries (or of X on an unconsolidated basis) with respect to drawings under all other letters of credit and letters of guarantee;

(d) obligations of X and its Subsidiaries (or of X on an unconsolidated basis) under Guarantees, indemnities, assurances, legally binding comfort letters or other contingent obligations relating to the indebtedness or other obligations of any other Person which would otherwise constitute Debt within the meaning of this definition and all Financial Assistance including endorsements of bills of exchange (other than for collection or deposit in the ordinary course of business);

(e) (i) all indebtedness of X and its Subsidiaries (or of X on an unconsolidated basis) representing the deferred purchase price of any property to the extent that such indebtedness is or remains unpaid after the expiry of the customary time period for payment, provided however that such time period shall in no event exceed 90 days, and (ii) all obligations of X and its Subsidiaries (or of X on an unconsolidated basis) created or arising under any: (A) conditional sales agreement or other title retention agreement or (B) Capital Lease;

(f) all Attributable Debt of X and its Subsidiaries (or of X on an unconsolidated basis) other than in respect of (i) leases of office space or (ii) operating leases, in each case entered into in the ordinary course of business (and, for certainty, no Sale-Leaseback shall be considered to be entered into in the ordinary course of business);

(g) all other long-term obligations (including the current portion thereof) upon which interest charges are customarily paid prior to default by X and its Subsidiaries (or by X if on an unconsolidated basis); and

(h) all indebtedness of other Persons secured by a Security Interest on any asset of X and its Subsidiaries (or of X if on an unconsolidated basis), whether or not such indebtedness is assumed thereby; provided that the amount of such indebtedness shall be the lesser of (i) the fair market value of such asset at such date of determination, and (ii) the amount of such indebtedness shall only be Debt to the extent recorded as a liability in accordance with GAAP,

but shall exclude each of the following, determined (as required) in accordance with GAAP:

(i) accounts payable to trade creditors and accrued liabilities incurred in the ordinary course of business;

(ii) current taxes payable and future taxes; and

(iii) accrued interest not yet due and payable.

"**Debt Service Reserve Account**" has the meaning set forth in Section 9.3(1) of the Agreement.

"**Debt Service Reserve Requirement**" means, following substantial completion of the Project and until such time as the U.S. Borrower has maintained a Total Funded Debt to EBITDA Ratio of less than 3.50 to 1.00 for at least two (2) consecutive fiscal quarters, an amount equal to the anticipated Interest Expense of the U.S. Borrower on Total Funded Debt of the U.S. Borrower on an unconsolidated basis for the following six-month period plus the aggregate principal amount of scheduled repayments on Total Funded Debt of the U.S. Borrower on an unconsolidated basis for such six-month period.

"**Default**" means any event or condition which, with the giving of notice, lapse of time or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default.

"**Designated Persons**" means a person or entity (a) listed in the annex to, or otherwise subject to the provisions of, any Executive Order; (b) named as a "Specially Designated National and Blocked Person" ("**SDN**") on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list (the "**SDN List**") or is otherwise the subject of any Sanctions Laws and Regulations; (c) in which an entity or person on the SDN List has 50% or greater ownership interest or that is otherwise controlled by an SDN.

"**Discount Proceeds**" means the net cash proceeds to the Cdn. Borrower from the sale of a B/A pursuant hereto before deduction or payment of the fees to be paid to the Lender under Section 5.2 of the Agreement.

"**Discount Rate**" means, with respect to the issuance of a bankers' acceptance, the rate of interest per annum, calculated on the basis of a year of 365 or 366 days, as applicable (rounded upwards, if necessary, to the nearest whole multiple of 1/100th of one percent) which is equal to the discount exacted by a purchaser taking initial delivery of such bankers' acceptance, calculated as a rate per annum and as if the issuer thereof received the discount proceeds in respect of such bankers' acceptance on its date of issuance and had repaid the respective face amount of such bankers' acceptance on the maturity date thereof.

"**Distribution**" means:

(a) the declaration, payment or setting aside for payment of any dividend or other distribution on or in respect of any Equity Interests in the capital of a Borrower or any other Obligor that is not wholly owned by a Borrower (including any return of capital);

(b) the redemption, retraction, purchase, retirement or other acquisition, in whole or in part, of any limited partnership units or other Equity Interests in the capital of a Borrower or any other Obligor that is not wholly-owned by a Borrower or any securities, instruments or contractual rights capable of being converted into, exchanged or exercised for shares or other Equity Interests in the capital thereof, including, without limitation, options, warrants, conversion or exchange privileges and similar rights;

(c) the making of any loan or advance or any other provision of credit or Financial Assistance by any Obligor to any Related Party, other than to another Obligor;

(d) the payment of any principal, interest, fees or other amounts, or the redemption, exchange, purchase, retirement, defeasance, sinking fund or similar payment any loans, on or in respect of (i) Subordinated Debt or (ii) advances or other Debt, owing at any time by any Obligor to any Related Party, other than to another Obligor; or

(e) (i) the payment of any amount, (ii) the sale, transfer, lease or other disposition of any property or assets, or (iii) any granting or creation of any rights or interests, at any time, by any Obligor to or in favour of any Related Party, other than to another Obligor,

and whether any of the foregoing is made, paid or satisfied in or for cash, property or any combination thereof.

"**Documents**" means the Agreement, the Security, all Lender Financial Instruments, all Other Secured Agreements and all certificates, notices, instruments and other documents delivered or to be delivered to the Lender in relation to the Credit Facilities pursuant thereto.

"**Drafts**" means drafts, bills of exchange, receipts, acceptances, demands and other requests for payment drawn or issued under an L/C.

"**Drawdown**" means:

(a) an Advance of a Cdn. Prime Rate Loan, U.S. Base Rate Loan, U.S. Prime Rate Loan or Libor Loan;

(b) the issue of B/As other than as a result of Conversions or Rollovers; or

(c) the issue of L/Cs.

"**Drawdown Date**" means the date on which a Drawdown is made by a Borrower pursuant to the provisions of the Agreement and which shall be a Banking Day.

"**Drawdown Notice**" means a notice substantially in the form annexed to the Agreement as Schedule C to be given to the Lender by a Borrower pursuant to the Agreement.

"**EBITDA**", in respect of the Borrowers or a Borrower for any financial period, means (x) Net Income of the Borrowers for such period, on a combined consolidated basis, or (y) Net Income of such Borrower for such period, on an unconsolidated basis, plus (in each case, on a combined consolidated basis for the Borrowers, or on an unconsolidated basis for such Borrower, and in any event without duplication):

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

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

(c) all amounts deducted in the calculation of Net Income in respect of non-cash items, including depletion, depreciation, amortization, unrealized losses on Financial Instruments, foreign exchange losses on intercompany loans and future taxes;

(d) losses attributable to minority interests and extraordinary and non-recurring losses, costs and expenses (including, for greater certainty, extraordinary and non-recurring losses, costs and expenses that are subject to an indemnity and all transaction costs, fees and expenses associated with the Credit Facilities, the Project, the Additional Equity, the transactions contemplated or referenced in the Agreement and all transactions in connection therewith or relating thereto, including legal fees and expenses), in each case, to the extent deducted in the calculation of Net Income; provided that, all such amounts (excluding costs subject to an indemnity and all transaction costs, fees and expenses associated with the Credit Facilities, the Project, the Additional Equity, the transactions contemplated or referenced in the Agreement and all transactions in connection therewith or relating thereto, including legal fees and expenses), together with amounts added back to EBITDA pursuant to subparagraph (e) below shall not, in the aggregate, exceed 10% of EBITDA in any trailing twelve-month period;

(e) (i) Management Fees and Partnership Expenses, and (ii) reimbursable fees, costs and expenses and other amounts paid to the Sponsor and the other shareholders of Holdco which, together with all amounts (excluding costs subject to an indemnity and all transaction costs, fees and expenses associated with the Credit Facilities, the Project, the Additional Equity, the transactions contemplated or referenced in the Agreement and all transactions in connection therewith or relating thereto, including legal fees and expenses) added back to EBITDA pursuant to subparagraph (d) above, do not, in the aggregate, exceed 10% of EBITDA in any trailing twelve-month period; and

(f) all amounts which would otherwise constitute EBITDA which are attributable to (i) assets acquired in such period or (ii) shares or other ownership interests in a Person which becomes a Subsidiary acquired in such period;

less (in each case, on a combined consolidated basis for the Borrowers, or on an unconsolidated basis for such Borrower, and in any event without duplication):

(g) earnings attributable to minority interests to the extent included in the calculation of Net Income, except to the extent of cash proceeds of Distributions actually received during such period;

(h) extraordinary and non-recurring earnings and gains, in each case, to the extent included in the calculation of Net Income;

(i) all unrealized gains on Financial Instruments;

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

(k) EBITDA attributable to (i) assets sold, transferred or otherwise disposed of in such period out of the normal course of business or (ii) shares or other ownership interests in any Subsidiary sold, transferred or otherwise disposed of in such period,

provided that, (i) in the case of subparagraphs (c), (d) and (e) above, no amount in respect of such items shall be added to Net Income in the determination of EBITDA hereunder unless the Lender has approved each such item and the amount thereof (and the Lender hereby approves the inclusion of the Management Fees, Partnership Expenses, and indemnification proceeds of costs subject to an indemnity in the determination of EBITDA), and (ii) in the case of subparagraph (f) or (k) above and except as otherwise provided in this Agreement, the acquisition or disposition of such assets, shares or other ownership interests shall be deemed to have occurred at the beginning of such period.

"**Effective Date**" has the meaning set forth in the first page of the Agreement.

"**Environmental Claims**" means any and all administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of noncompliance or violation, investigations, inspections, inquiries or proceedings relating in any way to any Environmental Laws or to any permit issued under any such Environmental Laws including, without limitation:

(a) any claim by a Governmental Authority for enforcement, clean up, removal, response, remedial or other actions or damages pursuant to any Environmental Laws; and

(b) any claim by a Person seeking damages, contribution, indemnification, cost recovery, compensation or injunctive or other relief resulting from or relating to Hazardous Materials, including any Release thereof, or arising from alleged injury or threat of injury to human health or safety (arising from environmental matters) or the environment.

"**Environmental Laws**" means all Applicable Laws with respect to the environment or environmental or public health and safety matters contained in statutes, regulations, rules, ordinances, orders, judgments, approvals, notices, permits or policies, guidelines or directives having the force of law.

"**Equity Interests**" means, with respect to any Person, (a) shares of capital stock of (or other ownership or profit interests in) such Person, (b) warrants, options or other rights for the purchase or other acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, (c) securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or other acquisition from such Person of such shares (or such other interests), and (d) other ownership or profit interests in such Person (including, without limitation, partnership, member or trust interests therein), in each case, whether voting or non-voting, and whether or not such shares, warrants, options, rights or other interests are authorized or otherwise existing on any date of determination.

"**Equivalent Amount**" means, on any day, the equivalent amount in Canadian Dollars or United States Dollars, as the case may be, after giving effect to a conversion of a specified amount of United States Dollars to Canadian Dollars or of Canadian Dollars to United States Dollars, as the case may be, at the rate of exchange for Canadian interbank transactions established by the Bank of Canada for the Banking Day immediately prior to the day in question, or, if such rate is for any reason unavailable, at the spot rate quoted for wholesale transactions involving the applicable currency by the Lender at approximately noon (Toronto time) on that day in accordance with its normal practice.

"**ERISA**" means the Employee Retirement Income Security Act of 1974 of the United States of America, as amended from time to time, and any successor statute.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that, together with any Obligor, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code; provided that, for certainty, an ERISA Affiliate shall only include those entities owned by Holdco, directly or indirectly.

"**ERISA Event**" means:

(a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder as in effect on the Closing Date with respect to a Plan (other than an event for which the 30-day notice period is waived under such regulations);

(b) the failure to meet the minimum funding standards of Section 412 or 430 of the Code;

(c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan;

(d) the incurrence by Holdco or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan;

(e) the receipt by Holdco or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan;

(f) the incurrence by Holdco or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan;

(g) the incurrence by Holdco or any of its ERISA Affiliates of any liability under Section 4062(e) of ERISA;

(h) the receipt by Holdco or any ERISA Affiliate of any notice assessing Withdrawal Liability in connection with a complete or partial withdrawal from any Multiemployer Plan, or a determination that a Multiemployer Plan is, or is expected in the current Plan Year or the immediately succeeding Plan Year to be, insolvent or in reorganization, within the meaning of Title IV of ERISA; or

(i) the conditions exist for an imposition of a lien under Section 303(k) of ERISA.

"**Event of Default**" has the meaning set out in Section 11.1 of the Agreement.

"**Excess Cash Flow**" means:

(a) for the Cdn. Borrower, as at each fiscal year-end of the Cdn. Borrower commencing with its December 31, 2022 fiscal year-end, for the twelve months ending at such fiscal year-end, EBITDA of the Cdn. Borrower, on an unconsolidated basis, Less the sum of the following (in each case, determined for the Cdn. Borrower on an unconsolidated basis and without duplication) for such twelve-month period:

(i) cash Interest Expense;

(ii) all scheduled principal payments made on Debt of the Cdn. Borrower;

(iii) the principal amount of the Cdn. Term Facility which was voluntarily prepaid in accordance with Section 1.13(1);

(iv) Unfinanced Capital Expenditures;

(v) Cash Taxes (or tax distributions); and

(vi) the amount of any increase in the Cdn. Borrower's Net Working Capital;

Plus (on a consolidated basis and without duplication):

(vii) the amount of any reduction in the Cdn. Borrower's Net Working Capital; or

(b) for the U.S. Borrower, as at each fiscal year-end of the U.S. Borrower commencing with its December 31, 2022 fiscal year-end, for the twelve months ending at such fiscal year-end, EBITDA of the U.S. Borrower, on a unconsolidated basis, Less the sum of the following (in each case, determined for the U.S. Borrower on a unconsolidated basis and without duplication) for such twelve-month period:

(i) cash Interest Expense;

(ii) all scheduled principal payments made on Debt of the U.S. Borrower;

(iii) the principal amount of the U.S. Term Facility which was voluntarily prepaid in accordance with Section 1.13(1);

(iv) Unfinanced Capital Expenditures;

(v) Cash Taxes (or tax distributions); and

(vi) the amount of any increase in the U.S. Borrower's Net Working Capital;

Plus (on a consolidated basis and without duplication):

(vii) the amount of any reduction in the U.S. Borrower's Net Working Capital; or

"**Excluded Disposition**" means, in respect of any Obligor, any of the following:

(a) any sale or disposition of inventory of such Obligor; provided that such sale or disposition is made in the ordinary course of business for cash consideration not less than the fair market value of the inventory being sold or otherwise disposed of;

(b) any sale or disposition by such Obligor in the ordinary course of business and in accordance with sound industry practice of tangible personal property that is obsolete, no longer useful for its intended purpose or being replaced in the ordinary course of business; and

(c) any other sale or disposition by such Obligor (whether in a single transaction or a series of related transactions), the proceeds of which do not exceed Cdn. $250,000 (or the Equivalent Amount thereof in U.S. $) in any trailing twelve-month period.

"**Excluded Equity Issues**" means Investments made through Holdco in the Equity Interests of the Cdn. Borrower (a) by the Sponsor and the New Investor of an aggregate amount of not less than U.S. $49,200,000 that are fully funded in cash prior to the initial Advance under the U.S. Term Facility, the proceeds of which are to be used (together with the proceeds of the U.S. Term Facility) to fund the acquisition of real property, leasehold improvements, machinery, equipment and associated costs, initial working capital and operating expenses in relation to the construction, start-up and commencement of operations of the U.S. Plant, (b) by the employees of the Obligors, or (c) which the Lender has agreed with be "Excluded Equity Issues" for purposes of the Agreement.

"**Excluded Financial Instrument Obligations**" means, with respect to any Obligor, any Financial Instrument Obligation if, and only to the extent that, all or a portion of the Guarantee of such Obligor of, or the grant by such Obligor of a security interest to secure, such Financial Instrument Obligation (or any Guarantee thereof) is or becomes illegal under the CEA or any rule, regulation or order of the CFTC (or the application or official interpretation of any thereof, including, without limitation, Interpretive Guidance), including by virtue of such Obligor failure for any reason to constitute an "eligible contract participant" as defined in the CEA and the regulations thereunder at the time the Guarantee of such

Obligor or the grant of such security interest becomes effective with respect to such Financial Instrument Obligation. If a Financial Instrument Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Financial Instrument Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

"**Executive Order**" has the meaning assigned to such term in the definition of Sanctions Laws and Regulations.

"**Existing Agreement**" has the meaning set forth on the first page of the Agreement.

"**Existing Specified Equity Contribution**" means the existing Specified Equity Contribution in the amount of Cdn. $2,606,058 made by the Sponsor to the Cdn. Borrower pursuant to the terms of the Existing Agreement and as expressly set out in the second amendment agreement thereto dated March 21, 2019.

"**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 agreement entered into pursuant to Section 1471(b)(1) of the Code.

"**Federal Funds Rate**" means, for any day, the rate of interest per annum equal to (a) the weighted average (rounded upwards, if necessary, to the next 1/100th of one percent per annum) of the annual rates of interest on overnight Federal funds transactions with members of the Federal Reserve Board of the United States of America (or any successor thereof) arranged by Federal funds brokers on such day, as published on the next succeeding Banking Day by the Federal Reserve Bank of New York (or any successor thereto) or, (b) if such day is not a Banking Day, such weighted average for the immediately preceding Banking Day for which the same is published or, (c) if such rate is not so published for any day that is a Banking Day, the average (rounded upwards, if necessary, to the next 1/100th of one percent per annum) of the quotations for such day on such transactions received by the Lender from three Federal funds brokers of recognized standing selected by the Lender; provided that, in no event shall the Federal Funds Rate be less than 0% per annum.

"**Federal Reserve Board**" or "**Federal**" means the Board of Governors of the Federal Reserve System of the United States of America or any successor thereof.

"**Financial Assistance**" means, with respect to any Person and without duplication, any loan, guarantee, indemnity, assurance, acceptance, extension of credit, loan purchase, share purchase, equity or capital contribution, investment or other form of direct or indirect financial assistance or support of any other Person or any obligation (contingent or otherwise) primarily for the purpose of enabling another Person to incur or pay any Debt or to comply with agreements relating thereto or otherwise to assure or protect creditors of the other Person against loss in respect of Debt of the other Person and includes any guarantee of or indemnity in respect of the Debt of the other Person and any absolute or contingent obligation to (directly or indirectly):

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

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

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

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

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

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

"**Financial Covenant Period**" has the meaning set out in Section 9.5 of the Agreement.

"**Financial Instrument**" means any Interest Hedging Agreement, Currency Hedging Agreement or Commodity Agreement.

"**Financial Instrument Demand for Payment**" means a demand made by the Lender or a Hedging Affiliate pursuant to a Lender Financial Instrument demanding payment of the Financial Instrument Obligations which are then due and payable relating thereto and shall include, without limitation, any notice under any agreement evidencing a Lender Financial Instrument which, when delivered, would require an early termination thereof and a payment by a Borrower in settlement of obligations thereunder as a result of such early termination.

"**Financial Instrument Obligations**" means obligations arising under Financial Instruments entered into by a Borrower to the extent of the net amount due or accruing due by such Borrower thereunder (determined by marking to market the same in accordance with their terms).

"**Financial Model**" has the meaning set out in Section 2.1(k) of the Agreement.

"**Fixed Charges**" means, in respect of the period for which it is being determined, the sum of the following for the most recently completed twelve-month period (each determined, as applicable, (x) on a combined consolidated basis for the Borrowers, or (y) on an unconsolidated basis for a Borrower, and in any event without duplication):

(a) the aggregate Interest Expense for such twelve-month period which is payable in cash; plus

(b) amounts paid or payable pursuant to Capital Lease Obligations; plus

(c) that portion of the principal amount of Debt, including all Outstanding Principal as the case maybe, which has a scheduled due date or is otherwise required to be repaid or paid during such twelve-month period,

provided, however that, if the Borrowers and their Subsidiaries, or the relevant Borrower, has Guaranteed any Debt of any Person which is not a Borrower or a Subsidiary thereof, then the Fixed Charges shall be determined as if such Debt was directly created, issued, incurred or assumed by the Borrowers and their Subsidiaries, or the relevant Borrower, as the case may be.

"**Fixed Charge Coverage Ratio**" means, as at a Quarter End, the ratio of: (a) EBITDA for the twelve-month period ending at such Quarter End less (i) actual payments of Cash Taxes during such twelve-month period, (ii) cash Distributions referred to in clause (ii) of Section 9.2(i), and (iii) Unfinanced Capital Expenditures during such twelve-month period, to (b) the Fixed Charges for such twelve-month period; each as determined on an unconsolidated basis for the relevant Borrower; provided that the Cdn. Borrower may exclude Cdn. $2,606,058 in Capital Expenditures funded with equity prior to April 15, 2019 in the calculation of the Fixed Charge Coverage Ratio of the Cdn. Borrower for the September 30, 2019 and December 31, 2019 Quarter Ends.

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

"**Funded Amount**" means (a) in respect of the Cdn. Term Facility, the Outstanding Principal under such Credit Facility on the Closing Date, (b) in respect of the U.S. Term Facility, the aggregate principal amount of all Advances funded by the Lender under such Credit Facility during the U.S. Term Facility Availability Period.

"**GAAP**" means generally accepted accounting principles in Canada, which shall be deemed to be reference to the recommendations at the relevant time of the Chartered Professional Accountants of Canada (or any successor institute thereto) applicable on a consolidated basis (unless otherwise specifically provided or contemplated in the Agreement) as at the date on which any determination or calculation is made or required to be made in accordance with such principles, which, for purposes of the Agreement is determined to be Canadian accounting standards for private enterprises (ASPE), applied on a consistent basis.

"**Governmental Authority**" means any federal, provincial, state, regional, municipal or local government or any department, agency, board, tribunal, accreditation entity or authority thereof or other political subdivision thereof and any entity or Person exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government or the operation thereof

"**Governmental Authorization**" means an authorization, accreditation, order, permit, approval, grant, license, consent, right, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree or demand or the like issued or granted by law or by rule or regulation of any Governmental Authority.

"**Guarantee**" means any guarantee, undertaking to assume, endorse, contingently agree to purchase or to provide funds for the payment of, or otherwise become liable in respect of, any obligation of any Person; provided that the amount of each Guarantee shall be deemed to be the amount of the obligation guaranteed thereby, unless the Guarantee is limited to a determinable amount in which case the amount of such Guarantee shall be deemed to be the lesser of such determinable amount or the amount of such obligation; and the term "**Guaranteed**" shall be construed accordingly.

"**Guarantors**" means, (a) with respect to all Obligations, Lender Financial Instrument Obligations (other than Excluded Financial Instrument Obligations) and Other Secured Obligations of the Borrowers, all present and future Subsidiaries of the Borrowers (or of either of them), (b) with respect to all Obligations, Lender Financial Instrument Obligations (other than Excluded Financial Instrument Obligations) and Other Secured Obligations of the Cdn. Borrower, the U.S. Borrower, and (c) with respect to all Obligations, Lender Financial Instrument Obligations (other than Excluded Financial Instrument Obligations) and Other Secured Obligations of the U.S. Borrower, the Cdn. Borrower, and "**Guarantor**" means any one of them; provided that no Guarantor will guarantee its own Lender Financial Instrument Obligations or Other Secured Obligations, if applicable.

"**Hazardous Materials**" means any substance or mixture of substances which, if released into the environment, would likely cause, immediately or at some future time, harm or degradation to the environment or to human health or safety and includes any substance defined as or determined to be a pollutant, contaminant, waste, hazardous waste, hazardous chemical, hazardous substance, toxic substance or dangerous good under any Environmental Law.

"**Hedging Affiliate**" means any Affiliate of the Lender which enters into a Financial Instrument.

"**Holdco**" means SLP Holdings Ltd., the corporation organized by the Sponsor to legally and beneficially own 100% of the Equity Interests of the Cdn. Borrower, and which legally and beneficially owns 100% of the Equity Interests of the U.S. Borrower.

"**Indemnified Parties**" means the Lender, including a receiver, receiver manager or similar Person appointed under applicable law, and their respective shareholders, Affiliates, officers, directors, employees and agents, and "**Indemnified Party**" means any one of the foregoing.

"**Indemnified Third Party**" has the meaning set out in Section 13.3 of the Agreement.

"**Information**" has the meaning set out in Section 14.7(3) of the Agreement.

"**Initial U.S. Term Facility Instalment Date**" has the meaning set forth in Section 1.14(3)(a) of the Agreement.

"**Insolvent**" means, with respect to any Person, or group of Persons taken as a whole, as of any date of determination, that, as of such date, such Person, or group of Persons taken as a whole, is or are, unable to pay its or their debts as they become due in the ordinary course of business.

"**Intellectual Property**" means, collectively, patents, patents pending, copyrights, proprietary processes or programs, industrial designs, trademarks, trademark applications, trade names and other intellectual property of every nature and kind.

"**Interest Expense**" means, with respect to any Person, for any period, without duplication, interest expense of such Person and its Subsidiaries determined on a consolidated basis (or of such Person on an unconsolidated basis, as applicable) in accordance with GAAP as the same would be set forth or reflected in a consolidated statement of income (or unconsolidated statement of income, as applicable) of such Person and, in any event and without limitation, shall include:

(a) all interest of such Person and its Subsidiaries, as applicable, accrued or payable in respect of such period, including capitalized interest;

(b) all fees of such Person and its Subsidiaries, as applicable (including standby, commitment and stamping fees and fees payable in respect of letters of credit and letters of guarantee supporting obligations which constitute Debt, but excluding the fees payable by the Borrowers on the date hereof in relation to the establishment or continuation of the Credit Facilities) accrued or payable in respect of such period and which relate to any indebtedness or credit agreement, prorated (as required) over such period;

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

(d) all net amounts charged or credited to interest expense under any Interest Hedging Agreements in respect of such period.

"**Interest Hedging Agreement**" means any interest swap agreement, forward rate agreement, floor, cap or collar agreement, futures or options, insurance or other similar agreement or arrangement, or any combination thereof, entered into by a Borrower where the subject matter of the same is interest rates or the price, value or amount payable thereunder is dependent or based upon the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt).

"**Interest Payment Date**" means:

(a) with respect to each Cdn. Prime Rate Loan, U.S. Base Rate Loan or U.S. Prime Rate Loan, the last Banking Day of each calendar month;

(b) with respect to each Libor Loan, the last day of each Interest Period and, if any Interest Period is longer than three months, the last Banking Day of each three-month period during such Interest Period;

provided that, in any case, the Maturity Date or, if applicable, any earlier date on which the Credit Facilities are fully cancelled or permanently reduced in full, shall be an Interest Payment Date with respect to all Loans then outstanding under the Credit Facilities.

"**Interest Period**" means:

(a) with respect to each Cdn. Prime Rate Loan, U.S. Base Rate Loan or U.S. Prime Rate Loan, the period commencing on the applicable Drawdown Date and terminating on the date selected by the relevant Borrower under the Agreement for the repayment of such Loan;

(b) with respect to each B/A, the period selected by the Cdn. Borrower hereunder and being of 1,2, 3 or 6 months' duration, subject to market availability (or, subject to the agreement of the Lender, a longer or shorter period), commencing on the Drawdown Date, Rollover Date or Conversion Date of such Loan, as the case may be;

(c) with respect to each Libor Loan, the period selected by a Borrower and being of 1, 2 or 3 months' duration, subject to market availability, commencing on the applicable Drawdown Date, Rollover Date or Conversion Date of such Loan, as the case may be; and

(d) with respect to each L/C, initially, the period commencing on the date of issuance of such L/C and terminating on the last day of the fiscal quarter in which such L/C was issued and, thereafter, for so long as the L/C remains issued and outstanding and has not expired, for successive periods terminating on the last day of each fiscal quarter,

provided that in any case: (i) the last day of each Interest Period shall be also the first day of the next Interest Period; (ii) the last day of each Interest Period shall be a Banking Day and if the last day of an Interest Period selected by a Borrower is not a Banking Day, such Borrower shall be deemed to have selected an Interest Period the last day of which is the Banking Day next following the last day of the Interest Period selected unless such next following Banking Day falls in the next calendar month in which event such Borrower shall be deemed to have selected an Interest Period the last day of which is the Banking Day next preceding the last day of the Interest Period selected by such Borrower; and (iii) the last day of all Interest Periods for Loans outstanding under the Credit Facilities shall expire on or prior to the Maturity Date, subject, however, in the case of L/Cs issued under the L/C Facility, to the provisions of Section 6.2.

"**Interpretive Guidance**" means the *Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations*, 78 Fed. Reg. 45292 (July 26, 2013), as amended or supplemented by the CFTC from time to time.

"**Investment**" means (a) any purchase or other acquisition of shares or other securities of any Person, (b) any form of Financial Assistance to or for the benefit of any Person, (c) any capital contribution to any other Person and (d) any purchase or other acquisition of any assets, property or undertaking (including Capital Expenditures) other than an acquisition in the ordinary course of business of the purchaser.

"**Issuance Fee**" has the meaning set out in Section 6.6(1) of the Agreement.

"**Judgment Conversion Date**" has the meaning set out in Section 13.4(1)(b) of the Agreement.

"**Judgment Currency**" has the meaning set out in Section 13.4(1) of the Agreement.

"**Lender**" means Bank of Montreal.

"**Lender Financial Instrument**" means a Financial Instrument entered into between the Lender or a Hedging Affiliate and a Borrower.

"**Lender Financial Instrument Obligations**" means, collectively, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, mature or not) of the Borrowers (or either of them) under, pursuant or relating to any and all Lender Financial Instruments.

"**Lender's Branch**" means the Lender's branch located at 595 Burrard Street, Vancouver, B.C. V7X 1L7 or such other branch in Canada as the Lender may from time to time designate.

"**Lender's Counsel**" means the firm of Blake, Cassels & Graydon LLP or such other firm of legal counsel as the Lender may from time to time designate.

"**L/C**" means a letter of credit in form satisfactory to and issued by the Lender acting at the request of and in accordance with the instructions of the Cdn. Borrower, to make payment in accordance with the terms and conditions thereof of an amount to or to the order of a third party.

"**L/C Facility**" means the revolving letter of credit facility in the maximum principal amount of Cdn. $2,000,000 or the Equivalent Amount in other widely traded currencies acceptable to the Lender to be made available to the Cdn. Borrower by the Lender, in accordance with the provisions of the Agreement, subject to any reduction in accordance with the provisions of the Agreement.

"**L/C Facility Currency Excess**" has the meaning set out in Section 1.15(3) of the Agreement.

"**Libor Loan**" means an Advance in, or Conversion into, United States Dollars made by the Lender to a Borrower under a given Credit Facility, and with respect to which such Borrower has specified that interest is to be calculated by reference to the Libor Rate, and each Rollover in respect thereof.

"**Libor Rate**" means, for any applicable period, the rate of interest per annum, expressed on the basis of a year of 365 or 366 days, as applicable:

(a) applicable to United States Dollars and appearing on the display referred to as "LIBOR01 Page" (or any display substituted therefor) of Reuters Limited (or any successor thereto or Affiliate thereof) as of 11:00 a.m. (London, England time) on the second Banking Day prior to the first day of such period; or

(b) if such rate does not appear on such Reuters display, or if such display or rate is not available for any reason, the rate per annum at which United States Dollars are offered by the principal lending office in London, England of the Lender (or of its Affiliates if it does not maintain such an office) in the London interbank market at approximately 11:00 a.m. (London, England time) on the second Banking Day prior to the first day of such period,

in each case, in an amount similar to the amount in United States Dollars of the relevant Loan or other amount hereunder and for a period comparable to such period; provided that, in no event shall the Libor Rate be less than 1.0% per annum.

"**Loan**" means a Cdn. Prime Rate Loan, U.S. Base Rate Loan, U.S. Prime Rate Loan, Libor Loan, B/A or L/C outstanding, or overdraft arising, under the Agreement.

"**Management Fees**" means (a) the management fees payable by the Cdn. Borrower to the Manager not exceeding three percent (3%) of the Borrowers' combined consolidated EBITDA, calculated and payable quarterly, provided that in any calendar year the Management Fee shall not be less than $200,000, and (b) up to $180,000 annually in board of director fees payable to directors of Holdco who are not employees of the Sponsor or the Manager.

"**Manager**" means Kingfish Capital LLC.

"**MasterCard Facility**" means the BMO Corporate MasterCard Program account proposed to be established by the Lender in favour of the Borrowers for the purpose of facilitating the incurrence of business expenditures by senior employees of the Borrowers, which will be governed by the terms of a BMO MasterCard cardholder agreement.

"**Material Adverse Effect**" means a material adverse effect on:

(a) the financial condition of the Obligors on a consolidated basis and taken as a whole;

(b) the ability of any Obligor to observe or perform its obligations under the Documents or the validity or enforceability of the Documents or any material provision thereof;

(c) the property, business, operations, expected net cash flows, liabilities or capitalization of the Obligors on a consolidated basis and taken as a whole; or

(d) the Security, the priority thereof or any right or remedy of the Lender thereunder.

"**Material Agreements**" means, collectively, each agreement, lease, instrument, indenture or other document (other than purchase orders) to which any Obligor is a party, or by which any of their respective property or assets are bound or affected, and which if contravened by such Obligor, terminated or released (without replacement) or if the counterparty thereto defaulted in its performance thereof, such termination, release or default would have or would reasonably be expected to have a Material Adverse Effect.

"**Material Project Agreements**" means all construction, supply and procurement contracts entered into by the Obligors with respect to the U.S. Plant Project (a) which involve aggregate payments in excess of U.S. $500,000 (or the equivalent thereof in any other currency), or (b) the termination of which would have or would reasonably be expected to have a Material Adverse Effect.

"**Maturity Date**" means the fifth anniversary of the Closing Date.

"**Moody's**" means Moody's Investors Service, Inc. and any successors thereto.

"**Multiemployer Plan**" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"**Net Income**" means, in respect of any Person the period for which it is being determined, the net income of such Person and its Subsidiaries determined on a consolidated basis, or the net income of such Person on an unconsolidated basis, as the case may be, in each case, in accordance with GAAP.

"**Net Proceeds Reinvestment**" means the reinvestment by an Obligor of the net proceeds of (a) the sale, transfer, exchange, lease, release, or other disposition of any property or assets or (b) any insurance claim or a condemnation award, in assets used or useful in the business of such Obligor within 180 days of the receipt of such net proceeds.

"**Net Working Capital**" means, for any Person at any time, Current Assets minus Current Liabilities of such Person as at such time.

"**New Investor**" means Wal-Mart International Holdings, Inc., indirectly through Bentonville KF SLP Holdings LP.

"**Obligations**" means, at any time and from time to time, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, matured or not) of the Obligors to the Lender under, pursuant or relating to the Documents or the Credit Facilities and whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and including, without limitation, all principal, interest, fees, legal and other costs, charges and expenses, and other amounts payable by the Obligors or any of them under this Agreement.

"**Obligors**" means, collectively, the Borrowers and Guarantors, and "**Obligor**" means any one of them.

"**OFAC**" has the meaning set out in the definition of Sanctions Laws and Regulations.

"**Officer's Certificate**" means a certificate or notice signed by any one of the chief executive officer or chief financial officer of a Borrower or of the applicable Obligor; provided that Drawdown Notices, Rollover Notices and Repayment Notices shall be executed on behalf of the relevant Borrower by any one of the foregoing persons or such other persons as may from time to time be designated by written notice from the Borrowers to the Lender.

"**Order**" has the meaning set out in Section 6.7(5) of the Agreement.

"**Other Secured Agreements**" means all agreements or arrangements (including guarantees) from time to time entered into or made by any one or more of the Obligors in connection with:

(a) cash consolidation, cash management and credit card agreements (including, for certainty, in respect of the MasterCard Facility) and electronic fund transfer arrangements, which are so entered into or made with the Lender or any Affiliate thereof;

(b) overdraft arrangements related to such cash management arrangements, which are so entered into or made with the Lender, including those involving pooled accounts and netting arrangements; and

(c) other similar transactions not made under the Agreement, which are so entered into or made with the Lender or any Affiliate thereof if it is agreed pursuant to a written agreement signed by a Borrower and the Lender that such debts, liabilities and obligations shall be secured by the Security.

"**Other Secured Obligations**" means all obligations, liabilities and indebtedness of the Obligors to the Lender and its Affiliates under the Other Secured Agreements.

"**Outstanding Principal**" means, at any time,

(a) in respect of the Revolving Facility, the aggregate of (i) the principal amount of all outstanding Cdn. Prime Rate Loans, (ii) the Equivalent Amount in Canadian Dollars of the principal amount of all outstanding U.S. Base Rate Loans and Libor Loans, and (iii) the amounts payable at maturity of all outstanding B/As, in each case, advanced or issued and outstanding under the Revolving Facility;

(b) in respect of the Cdn. Term Facility, the aggregate of (i) the principal amount of all outstanding Cdn. Prime Rate Loans, (ii) the Equivalent Amount in Canadian Dollars of the principal amount of all outstanding U.S. Base Rate Loans and Libor Loans, and (iii) the amounts payable at maturity of all outstanding B/As, in each case, advanced and outstanding under the Cdn. Term Facility;

(c) in respect of the L/C Facility, the aggregate of (i) the maximum amount in Canadian Dollars available to be drawn under all outstanding L/Cs denominated in Canadian Dollars, and (ii) the Equivalent Amount in Canadian Dollars of the maximum amount in United States Dollars available to be drawn under all outstanding L/Cs denominated in United States Dollars, in each case, advanced or issued and outstanding under the Revolving Facility; and

(d) in respect of the U.S. Term Facility, the principal amount in United States Dollars of all outstanding U.S. Prime Rate Loans and Libor Loans advanced and outstanding under the U.S. Term Facility.

"**Partnership Expenses**" has the meaning set out in Section 9.2(i) of the Agreement.

"**PBGC**" means Pension Benefit Guaranty Corporation or any Governmental Authority succeeding to any of its principal functions under ERISA.

"**Permitted Contest**" means action taken by or on behalf the Obligors in good faith by appropriate proceedings diligently pursued to contest a Tax, claim or Security Interest, provided that:

(a) the Borrowers, on a combined consolidated basis, have established reasonable reserves therefor if and to the extent required by GAAP;

(b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect; and

(c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of the property, assets and undertaking of any Obligor.

"**Permitted Debt**" means the following:

(a) the Obligations;

(b) Debt owing to the Lender;

(c) Subordinated Debt;

(d) Financial Instrument Obligations under and pursuant to Permitted Hedging;

(e) Debt owing by an Obligor to any other Obligor;

(f) Attributable Debt of the Obligors arising in connection with operating leases entered into in the ordinary course of business (which, for certainty, shall not include any operating leases entered into in connection with any Sale-Leaseback);

(g) (i) Attributable Debt of the Obligors arising in connection with Capital Leases and Sale Leasebacks and (ii) Purchase Money Obligations of the Obligors; provided that the aggregate outstanding amount of such Attributable Debt and Purchase Money Obligations of the Obligors shall not in the aggregate at any one time exceed $1,000,000 (or the Equivalent Amount thereof or the equivalent in any other currency);

(h) Debt arising pursuant to the indemnification, purchase price adjustment or similar provisions of agreements entered into by the Obligors in connection with Investments or dispositions permitted under the Agreement, or pursuant to guarantees, letters of credit, surety bonds or performance bonds provided to secure the performance of the Obligors pursuant to such agreements; provided that, for certainty, in no event shall such Debt include any Debt specified in subparagraphs (a) to (h), inclusive, of the definition thereof;

(i) Debt arising pursuant to earnout or similar provisions of agreements entered into by the Obligors, or by which any Obligor is bound as of the Closing Date so long as such Debt was not incurred in contemplation of the Closing Date, in connection with Investments;

(j) Debt consisting of Financial Assistance permitted under Section 9.2(j)(i) of the Agreement;

(k) Debt arising pursuant to or in connection with the surety bond facility agreement dated April 11, 2019 between the Cdn. Borrower, as principal, and Aviva Insurance Company of Canada, as surety; and

(l) Debt that is not otherwise Permitted Debt; provided that (i) the aggregate outstanding amount of such Debt of the Obligors shall not at any one time exceed $250,000 (or the Equivalent Amount thereof or the equivalent in any other currency) and (ii) the proceeds of any such Debt incurred by the Obligors in excess of $250,000 shall be applied to permanently repay and reduce the Obligations in accordance with Section 1.14(4)(a).

"**Permitted Encumbrances**" means, as at any particular time, any of the following encumbrances on the property or any part of the property of the Obligors:

(a) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;

(b) deemed liens and trusts arising by operation of law in connection with workers' compensation, employment insurance and other social security legislation, in each case, which secure obligations not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;

(c) liens under or pursuant to any judgment rendered, or claim filed, against any Obligor, which the Obligor shall be contesting at the time by a Permitted Contest;

(d) undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law against any Obligor or which relate to obligations not due or

delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;

(e) easements, rights of way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights of way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power conduits, poles, wires and cables) granted to or reserved or taken by other Persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of the Obligors;

(f) security given by any Obligor to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Obligor, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Obligor;

(g) the reservation in any original grants from the Crown or any other Governmental Authority of any land or interests therein and statutory exceptions and reservations to title;

(h) Security Interests in favour of the Lender;

(i) the Security;

(j) any operating lease entered into in the ordinary course of business (which, for certainty, shall not include any operating leases entered into in connection with any Sale-Leaseback);

(k) bankers' liens, rights of set-off and other similar liens existing solely with respect to cash and Approved Securities on deposit in one or more accounts maintained by any Obligor, in each case, granted in the ordinary course of business in favour of the Lender or is Affiliates with which such accounts are maintained, securing amounts owing to the Lender or its Affiliates with respect to Other Secured Agreements;

(l) to the extent constituting Security Interests, Financial Assistance permitted under this Agreement;

(m) Security Interests securing Attributable Debt; provided that such Security Interests shall attach only to the property subject to the lease giving rise to such Attributable Debt and provided further that such Attributable Debt is Permitted Debt;

(n) Security Interests securing a Purchase Money Obligation; provided that such Security Interests shall attach only to the property acquired in connection with which such Purchase Money Obligation was incurred (and proceeds thereof) and provided further that such Purchase Money Obligation is Permitted Debt;

(o) landlords' liens or any other rights of distress reserved in or exercisable under any lease of real property for rent and for compliance with the teams of such lease; provided that such lien does not attach generally to all or substantially all of the undertaking, assets and property of an Obligor;

(p) pledges or deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money) or (ii) leases of real property, in each case, to which an Obligor is a party;

(q) Security Interests resulting from the deposit of cash or Approved Securities as security when any Obligor is required to do so by a Governmental Authority or by normal business practice in connection with contracts, licenses or tenders or similar matters in the ordinary course of business and for the purpose of carrying on the same, or to secure workers' compensation, surety or appeal bonds or to secure costs of litigation when required by Applicable Law;

(r) minor defects of title which, individually and in the aggregate, do not materially affect the right of ownership of the Obligors in and to the property affected thereby or the right of any Obligor to utilize such property to conduct its business;

(s) Security Interests which are not otherwise Permitted Encumbrances; provided that (i) the aggregate amount of obligations secured thereby does not at any time exceed an amount equal to $100,000 (or the Equivalent Amount thereof or the equivalent in any other currency) and (ii) such Security Interests do not attach generally to all or substantially all of the undertaking, assets and property of any Obligor (such as a Security Interest in the nature of a floating charge on all or substantially all of the undertaking, assets and property of a Person); and

(t) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Security Interest referred to in the preceding subparagraphs (a) to (s) inclusive of this definition, so long as any such extension, renewal or replacement of such Security Interest is limited to all or any part of the same property that secured the Security Interest extended, renewed or replaced (plus improvements on such property) and the indebtedness or obligation secured thereby is not increased,

provided that nothing in this definition shall in and of itself cause the Obligations under the Agreement or the other obligations secured by the Security to be subordinated in priority of payment to any such Permitted Encumbrance or cause any Security Interests in favour of the Lender to rank subordinate to any such Permitted Encumbrance.

"**Permitted Hedging**" means Financial Instruments which are Lender Financial Instruments and:

(a) which are entered into in the ordinary course of business and for hedging purposes and not for speculative purposes (determined, where relevant, by reference to GAAP); for certainty, Interest Hedging Agreements having as a subject matter principal amounts (either individually or in the aggregate, but determined on a net basis taking into account transactions or agreements entered into to reverse the position or limit the exposure under an existing Interest Hedging Agreement) greater than the aggregate liability of the relevant Borrower for borrowed money shall be deemed to be for speculative purposes; and

(b) which have, in the case of any (i) Interest Hedging Agreement, a term of 5 years or less and, in any event, which term ends no later than the Maturity Date, and (ii) Currency Hedging Agreement, a term of twelve (12) months or less, except in the case any foreign exchange forward contract, which may have a term of twenty-four (24) months or less (for certainty, for all purposes relating to the Agreement and to the other Documents, (x) the term of any Financial Instrument shall commence on the date that the Financial Instrument in question is entered into notwithstanding the fact that the effective date of such Financial Instrument, or other date from which payments or deliveries are to be made or determined thereunder, is subsequent to the date such Financial Instrument is entered into and (y) without limiting the foregoing, and in addition thereto, the term of a swap transaction or other transaction entered into pursuant to or governed by a Master Agreement published by the International Swaps and Derivatives Association, Inc. (including by International Swap Dealers Association, Inc.) or any successor thereto shall commence on the trade date thereof).

"Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof including Canada Revenue Agency, and any other incorporated or unincorporated entity.

"**Plan**" means any employee pension benefit plan (other than a Multiemployer Plan) sponsored or contributed to by Holdco or any ERISA Affiliate which is subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which Holdco or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA during the time period set out therein) would have liability for contributions under Section 412(c)(11) of the Code or as a "contributing sponsor" as defined in Section 4001(a)(13) of ERISA.

"**Power of Attorney**" means a power of attorney provided by the Cdn. Borrower to the Lender with respect to B/As in accordance with and pursuant to Section 5.4 of the Agreement.

"**Project Capital Expenditures**" has the meaning set out in Section 2.4(g) of the Agreement.

"**Project Completion Target Date**" means June 30, 2021.

"**Promotional Information**" has the meaning set out in Section 14.7 of the Agreement.

"**Purchase Money Obligation**" means any monetary obligation created or assumed as part of the purchase price of real or tangible personal property, whether or not secured, any extensions, renewals or refundings of any such obligation, provided that the principal amount of such obligation outstanding on the date of such extension, renewal or refunding is not increased and further provided that any security given in respect of such obligation shall not extend to any property other than the property acquired in connection with which such obligation was created or assumed and fixed improvements, if any, erected or constructed thereon and the proceeds thereof.

"**Quarter End**" means the last day of each of March, June, September and December in each fiscal year of the Borrowers.

"**Regulation T**" means Regulation T of the Federal Reserve Board as from time to time in effect and any successor to all or a portion thereof.

"**Regulation U**" means Regulation U of the Federal Reserve Board as from time to time in effect and any successor to all or a portion thereof.

"**Regulation X**" means Regulation X of the Federal Reserve Board as from time to time in effect and any successor to all or a portion thereof.

"**Related Party**" means any Person which is any one or more of the following:

(a) an Affiliate of a Borrower, or any Subsidiary thereof, other than an Obligor;

(b) a shareholder or partner of any Obligor, which, together with all Affiliates of such Person, owns or controls, directly or indirectly, more than 10% of the shares, capital or other ownership interests (however designated) of such Obligor, or an Affiliate of any such shareholder or partner;

(c) the Sponsor;

(d) Holdco;

(e) an officer or director of any of the foregoing; and

(f) a Person which is not at arm's length from any Obligor.

"**Release**" means any release, spill, emission, leak, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the environment including, without limitation, the movement of Hazardous Materials through ambient air, soil, surface water, ground water, wetlands, land or sub-surface strata.

"**Repayment Notice**" means a notice substantially in the form annexed to the Agreement as Schedule D to be given to the Lender by a Borrower pursuant to the Agreement.

"**Required Permits**" means, in respect of any Obligor, all Governmental Authorizations which are necessary at any given time for such Obligor to own and operate its property, assets, rights and interests or to carry on its business and affairs.

"**Revolving Facility**" means the committed revolving credit facility in the maximum principal amount of $6,500,000 to be made available to the Cdn. Borrower by the Lender in accordance with the provisions of the Agreement, subject to any reduction in accordance with the provisions of the Agreement.

"**Revolving Facility Currency Excess**" has the meaning set out in Section 1.15(1) of the Agreement.

"**Revolving Facility Currency Excess Deficiency**" has the meaning set out in Section 1.15(2) of the Agreement.

"**Rollover**" means:

(a) with respect to any Libor Loan, the continuation of all or a portion of such Loan (subject to the provisions hereof) for an additional Interest Period subsequent to the initial or any subsequent Interest Period applicable thereto;

(b) with respect to B/As, the issuance of new B/As (subject to the provisions of the Agreement) in respect of all or any portion of B/As maturing at the end of the Interest Period applicable thereto, all in accordance with Article 5 of the Agreement; and

(c) with respect to L/Cs, the extension or replacement of an existing L/C, provided the beneficiary thereof (including any successors or permitted assigns thereof) remains the same, the maximum amount available to be drawn thereunder is not increased, the currency in which the same is denominated remains the same and the terms upon which the same may be drawn remain the same.

"**Rollover Date**" means the date of commencement of a new Interest Period applicable to a Loan and which shall be a Banking Day.

"**Rollover Notice**" means a notice substantially in the form annexed to the Agreement as Schedule E to be given to the Lender by a Borrower pursuant to the Agreement.

"**S&P**" means the Standard & Poor's Rating Group (a division of The McGraw-Hill Companies, Inc.) and any successors thereto.

"**Sale-Leaseback**" means an arrangement, transaction or series of arrangements or transactions under which title to any real property, tangible personal property or fixture is transferred by an Obligor to another Person which leases or otherwise grants the right to use such property to the Obligor (or its nominee) and, whether or not in connection therewith, the Obligor also acquires a right or is subject to an obligation to acquire such property or a material portion thereof, and regardless of the accounting treatment of such arrangement, transaction or series of arrangements or transactions.

"**Sanctions Laws and Regulations**" means (a) any sanctions, prohibitions or requirements imposed by any executive order (an "**Executive Order**") or by any sanctions program administered by the U.S. government, including without limitation the U.S. Department of the Treasury Office of Foreign Assets Control ("**OFAC**") and (b) any sanctions measures imposed by the United Nations Security Council, European Union or the United Kingdom.

"**Security**" means, collectively, the general security agreements, guarantees, collateral mortgages, assignments and other security agreements, instruments and documents executed and delivered, or required to be executed and delivered, by Holdco and the Obligors under and pursuant to this Agreement and shall include:

(a) in respect of each Guarantor and Holdco, the guarantee substantially in the form of Schedule G-1, annexed to the Agreement (provided that, for certainty, the guarantee of Holdco will be a limited recourse guarantee, where the recourse of the Lender thereunder will be limited to Holdco's shares in the Cdn. Borrower and the U.S. Borrower);

(b) in respect of each Obligor, the general security agreement substantially in the form of Schedule G-2, annexed to the Agreement;

(c) in respect of Holdco, the Borrower and any other Obligor which holds any Equity Interests in any other Obligor, the pledge agreement substantially in the form of Schedule G-3, annexed to the Agreement and, with respect to Holdco's Equity Interests in the U.S. Borrower, a pledge amendment in the form annexed to the pledge agreement previously granted by Holdco;

(d) in respect of Walmart Inc. (an Affiliate of the New Investor), the limited guarantee substantially in the form of Schedule G-4, annexed to the Agreement;

(e) in respect of the Arkansas Property, a mortgage and/or deed of trust charging the U.S. Borrower's interest in such real property in favour of the Lender as security for the Obligations, together with a Lender's policy of title insurance in respect of the Lender's interest thereunder from a title insurance company reasonably satisfactory to the Lender, each in form and substance reasonably satisfactory to the Lender; and

(f) the other specific assignments, agreements, landlord waivers or access agreements, indemnities and other documents provided for in Section 10.1 of the Agreement,

in each case, with such modifications and insertions as may be required by the Lender, acting reasonably.

"**Security Interest**" means mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retentions, security created under the *Bank Act* (Canada), liens, encumbrances, security interests or other interests in property, howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation and, including, in any event:

(a) deposits or transfers of cash, marketable securities or other financial assets under any agreement or arrangement whereby such cash, securities or assets may be withdrawn, returned or transferred only upon fulfilment of any condition as to the discharge of any other indebtedness or other obligation to any creditor;

(b) (i) rights of set-off or (ii) any other right of or arrangement of any kind with any creditor, which in any case are made, created or entered into, as the case may be, for the purpose of or having the effect (directly or indirectly) of (A) securing Debt, (B) preferring some holders of Debt over other holders of Debt or (C) having the claims of any creditor be satisfied prior to the claims of other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or later acquired (other than, with respect to (C) only, rights of setoff granted or arising in the ordinary course of business);

(c) the rights of lessors under Capital Leases, operating leases and any other lease financing; and

(d) absolute assignments of accounts receivable.

"**Specified Equity Contribution**" has the meaning set out in Section 9.5 of the Agreement.

"**Sponsor**" means KF Arc Holdings LP (or its Affiliates), or an assignee of KF Arc Holdings LP approved by the Lender in its sole discretion.

"**Subordinated Debt**" means any unsecured Debt which is on terms and conditions (including, without limitation, terms and conditions with respect to cross default, acceleration, covenants, events of default, pricing and maturity date), and to be utilized for a purpose, satisfactory to the Lender, acting reasonably, and which is fully subordinated to (a) the Obligations, (b) the Lender Financial Instrument Obligations, (c) all other obligations, indebtedness and liabilities (present or future, absolute or contingent, matured or not) of the Obligors to the Lender, and (d) the Security, by way of subordination and other agreements satisfactory to the Lender, acting reasonably.

"**Subsidiary**" means, with respect to any Person ("X"):

(a) any corporation of which at least a majority of the outstanding shares having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues) is at the time directly, indirectly or beneficially owned or controlled by X or one or more of its Subsidiaries, or X and one or more of its Subsidiaries;

(b) any partnership of which, at the time, X, or one or more of its Subsidiaries, or X and one or more of its Subsidiaries: (i) directly, indirectly or beneficially own or control more than 50% of the income, capital, beneficial or ownership interests (however designated) thereof; and (ii) is a general partner, in the case of limited partnerships, or is a partner or has authority to bind the partnership, in all other cases; or

(c) any other Person of which at least a majority of the income, capital, beneficial or ownership interests (however designated) are at the time directly, indirectly or beneficially owned or controlled by X, or one or more of its Subsidiaries, or X and one or more of its Subsidiaries,

provided that, unless otherwise expressly provided or the context otherwise requires references in the Agreement to "Subsidiary" or "Subsidiaries" shall be and shall be deemed to be references to Subsidiaries of the Cdn. Borrower or the other Obligors.

"**Taxes**" means all taxes, levies, imposts, stamp taxes, duties, fees, deductions, withholdings, charges, compulsory loans or restrictions or conditions resulting in a charge which are imposed, levied, collected, withheld or assessed by any country or political subdivision or taxing authority thereof now or at any time in the future, together with interest thereon and penalties, charges or other amounts with respect thereto, if any, and "**Tax**" and "**Taxation**" shall be construed accordingly.

"**Technical Advisor**" means the technical advisor(s) engaged by the Lender at the Borrowers' expense to advise the Lender with respect to all matters related to the acquisition, design, planning, development, construction, commissioning, start-up and initial operation of the U.S. Plant Project.

"**Total Funded Debt**" means the aggregate of the following indebtedness, liabilities and obligations (each determined, as applicable, (i) on a combined consolidated basis for the Borrowers, or (ii) on an unconsolidated basis for a Borrower, and in any event without duplication):

(a) all indebtedness for borrowed money, including (for certainty) indebtedness under subordinated debt and convertible debentures;

(b) all indebtedness for contingent reimbursement obligations in respect of borrowed money and similar credit made available to them, including obligations with respect to bankers' acceptances, letters of credit and letters of guarantee in respect of borrowed money and similar credit;

(c) all obligations with respect to drawings under letters of credit and letters of guarantee;

(d) all obligations under Guarantees and indemnities relating to the indebtedness or other obligations of any other Person which would otherwise constitute Total Funded Debt within the meaning of this definition (if such other Person was a Borrower or a Subsidiary thereof, as applicable) including endorsements of bills of exchange (other than for collection or deposit in the ordinary course of business);

(e) (i) all Purchase Money Obligations, (ii) all indebtedness representing the deferred purchase price of any property to the extent that such indebtedness is or remains unpaid after the expiry of the customary time period for payment, provided however that such time period shall in no event exceed 90 days, and (iii) all obligations created or arising under any conditional sales agreement or other title retention agreement which is not a lease; and

(f) all Attributable Debt in respect of Capital Leases,

but in each case, for certainty, shall exclude each of the items described in clauses (i) through (iii), inclusive, of the definition of Debt.

"**Total Funded Debt to EBITDA Ratio**" means, as at a Quarter End, the ratio of (a) Total Funded Debt as at such Quarter End to (b) EBITDA; each determined, as applicable, (i) on a combined consolidated basis for the Borrowers, or (ii) on an unconsolidated basis for a Borrower, in each case, for the twelve-month period then ended.

"**Unfinanced Capital Expenditures**" means, for any period, the amount of all Capital Expenditures, including Project Capital Expenditures, less any Capital Expenditures funded by Debt (other than the Revolving Facility), Subordinated Debt or by the proceeds of any Excluded Equity Issue; each determined, as applicable, (i) on a combined consolidated basis for the Borrowers, or (ii) on an unconsolidated basis for a Borrower.

"**Uniform Customs**" has the meaning set out in Section 6.7(7) of the Agreement.

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

"**USA PATRIOT Act**" means the *U.S. Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001* and the regulations and rules promulgated thereunder, as amended from time to time.

"**U.S. Base Rate**" means, for any day, the greatest of:

(a) the rate of interest per annum established from time to time by the Lender as the reference rate of interest for the determination of interest rates that the Lender will charge to customers in Canada for United States Dollar demand loans in Canada; and

(b) the rate of interest per annum for such day or, if such day is not a Banking Day, on the immediately preceding Banking Day, equal to the sum of the Federal Funds Rate (expressed for such purpose as a yearly rate per annum in accordance with Section 4.5), plus 1.00% per annum,

provided that (i) if each such rates are equal or if such Federal Funds Rate are unavailable for any reason on the date of determination, then the "U.S. Base Rate" shall be the rate specified in (a) above.

"**U.S. Base Rate Loan**" means an Advance in, or Conversion into, United States Dollars made by the Lender to the Cdn. Borrower under a Cdn. Credit Facility with respect to which the Cdn. Borrower has specified or a provision hereof requires that interest is to be calculated by reference to the U.S. Base Rate.

"**U.S. Borrower**" means Structurlam Mass Timber U.S., Inc., a newly formed Delaware entity established to acquire, develop, construct and operate the U.S. Plant.

"**U.S. Plant**" means the engineered wood products design, engineering and manufacturing facility to be acquired, developed and constructed in Conway, Arkansas by the U.S. Borrower.

"**U.S. Plant Project**" or "**Project**" means the acquisition, design, development, construction, commissioning, start-up and initial operation of the U.S. Plant.

"**U.S. Prime Rate**" means, for any day, the rate of interest per annum established from time to time by the Lender at its principal office in Chicago, Illinois as the reference rate of interest for the determination of interest rates that the Lender will charge to customers in the United States for United States Dollar-denominated commercial loans made in the United States.

"**U.S. Prime Rate Loan**" means an Advance in, or Conversion into, United States Dollars made by the Lender to the U.S. Borrower under the U.S. Term Facility with respect to which the U.S. Borrower has specified or a provision hereof requires that interest is to be calculated by reference to the U.S. Prime Rate.

"**U.S. Term Facility**" means the committed, reducing, non-revolving term credit facility in the maximum principal amount of U.S. $40,500,000 to be made available to the U.S. Borrower by the Lender in accordance with the provisions of the Agreement, subject to any reduction in accordance with the provisions of the Agreement.

"**U.S. Term Facility Availability Period**" means the period commencing on the date upon which the conditions precedent set forth in Section 2.3 have been satisfied or waived in writing by the Lender and ending on the date that is 180 days following the Project Completion Target Date.

"**U.S. Term Facility Instalments**" has the meaning set forth in Section 1.14(3) of the Agreement.

"**Withdrawal Liability**" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

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Schedule 8.1(e)

1. 1675 Maple Street, Okanagan Falls, B.C., legally described as PID: 029-219-931 Lot 1 District Lot 551 SDYD Plan EPP34540.
2. Units 104, 105a and 105b as well as 6036 & 6042 Station Street – 310 Coop Avenue, Oliver, B.C., legally described as PID: 008-367-302 Plan KAP17726.
3. 1716 Wallis Road, Okanagan Falls, B.C., legally described as PID: 006-913-318, Lot B District Lots 551 and 10 Similkameen Division Yale District Plan 22388.
4. 2176 Government Street, Penticton, B.C., legally described as PID: 007-860-811 Lot 6 District Lots 251 and 3429S Similkameen Division Yale District Plan 11264 Except Plan KAP70095
5. 1800 Sturgis Road, Conway, AR 72034

Schedule 8.1(p)

Permits

1. Based on current operations at the SMTC's 2176 Government Street, Penticton, B.C. facility, a Waste Discharge Factor Permit is required. The Company has begun the initial application for the Waste Discharge Factor Permit.
2. Based on current operations at SMTC's 1675 Maple Street, Okanagan Falls, B.C. facility, an amendment to SMTC's Waste Discharge Factor Permit is required. The Company has submitted an application to amend its Waste Discharge Factor Permit to the British Columbia Ministry of the Environment.
3. Based on current operations at the SMTC's Oliver facility, an amendment to SMTC's Waste Discharge Factor Permit is required. SMTC has submitted an application to amend its Waste Discharge Factor Permit to the British Columbia Ministry of the Environment.

Site Assessments

1. Air Quality Assessment for SMTC's Penticton Plant dated June 17, 2019 conducted by Hemmera Envirochem, Inc.
2. Environmental Site Review Structurlam – 2176 Government Street, Penticton, British Columbia, Canada RPS GaiaTech Project Number 166834.620.00 dated October 9, 2017 conducted by Canadian Gaiatech, B.C. ULC
3. Evaluation of Potential Schedule 2 Activities Evaluation, 1716 Wallis Road, Okanagan Falls, BC dated June 7, 2018 conducted by Hemmera Envirochem, Inc.
4. Phase I Environmental Site Assessment 1716 Wallis Road, Okanagan Falls, BC dated May 2018 conducted by Hemmera Envirochem, Inc.
5. Environmental Site Review Structurlam – 1675 Maple Street, Okanagan Falls, British Columbia, Canada RPS GaiaTech Project Number 166833.620.00 dated October 9, 2017 conducted by Canadian Gaiatech, B.C. ULC

Schedule 8.1(r)

Permits

4. Based on current operations at the SMTC's 2176 Government Street, Penticton, B.C. facility, a Waste Discharge Factor Permit is required. The Company has begun the initial application for the Waste Discharge Factor Permit.
5. Based on current operations at SMTC's 1675 Maple Street, Okanagan Falls, B.C. facility, an amendment to SMTC's Waste Discharge Factor Permit is required. The Company has submitted an application to amend its Waste Discharge Factor Permit to the British Columbia Ministry of the Environment.
6. Based on current operations at the SMTC's Oliver facility, an amendment to SMTC's Waste Discharge Factor Permit is required. SMTC has submitted an application to amend its Waste Discharge Factor Permit to the British Columbia Ministry of the Environment.

Site Assessments

6. Air Quality Assessment for SMTC's Penticton Plant dated June 17, 2019 conducted by Hemmera Envirochem, Inc.
7. Environmental Site Review Structurlam – 2176 Government Street, Penticton, British Columbia, Canada RPS GaiaTech Project Number 166834.620.00 dated October 9, 2017 conducted by Canadian Gaiatech, B.C. ULC
8. Evaluation of Potential Schedule 2 Activities Evaluation, 1716 Wallis Road, Okanagan Falls, BC dated June 7, 2018 conducted by Hemmera Envirochem, Inc.
9. Phase I Environmental Site Assessment 1716 Wallis Road, Okanagan Falls, BC dated May 2018 conducted by Hemmera Envirochem, Inc.
10. Environmental Site Review Structurlam – 1675 Maple Street, Okanagan Falls, British Columbia, Canada RPS GaiaTech Project Number 166833.620.00 dated October 9, 2017 conducted by Canadian Gaiatech, B.C. ULC

Schedule 8.1(u)

- Structurlam Mass Timber Corporation (Canadian Corp)
- Structurlam Mass Timber U.S., Inc. (Delaware Corp)

Schedule 8.1(z)

1. Employee Home Purchase Loan Agreement between SMTC and Nicholas Sills dated January 27, 2017
2. Management Agreement between dated December 22, 2017 between SLP Operations Ltd. (now SMTC) and Kingfish Capital Partners, LLC
3. Letter Agreement dated December 20, 2017 between KF Arc Holding GP, LLC and SLP Operations Ltd.
4. Pursuant to a Separation Agreement between SMTC and Carol Boleszczuk dated January 22, 2019, SMTC is required to pay Ms. Boleszczuk her salary until August 24, 2020.

SCHEDULE B

COMPLIANCE CERTIFICATE

TO: Bank of Montreal (the "**Lender**")
595 Burrard Street, 6th Floor
Vancouver, British Columbia V7X 1L7

Attention: David Ma, Director
E-mail: davidk.ma@bmo.com
Facsimile: (604) 687-3666

AND TO: Bank of Montreal
#600 - 595 Burrard Street
Vancouver, British Columbia V7X 1L5

Attention: Alex Melnikov
E-mail: alex.melnikov@bmo.com
Facsimile: (604) 687-3666

1. Reference is made to the credit agreement made as of December 3, 2019 between Structurlam Mass Timber Corporation (the "**Canadian Borrower**") and Structurlam Mass Timber U.S., Inc. (the "**US Borrower**"), as borrowers (collectively and each individually, the "**Borrower**"), and the Lender and relating to the establishment of certain credit facilities in favour of the Borrower (as amended, modified, supplemented or restated, the "**Credit Agreement**"). Capitalized terms used herein, and not otherwise defined herein, shall have the meanings attributed to such terms in the Credit Agreement.

2. This Compliance Certificate is delivered to the Lender pursuant to Section 9.1(f)(iv) of the Credit Agreement.

3. The undersigned, **[name]**, **[title]** of the **[US Borrower/Canadian Borrower]**, hereby certifies that, as of the date of this Compliance Certificate, I have made or caused to be made such investigations as are necessary or appropriate for the purposes of this Compliance Certificate and:

   (a) the consolidated financial statements for the **[Quarter End OR fiscal year]** ending •, • provided to the Lender pursuant to Section 9.1(f) of the Credit Agreement were prepared in accordance with GAAP and present fairly, in all material respects, the consolidated financial position of the **[US Borrower/Canadian Borrower]** and its Subsidiaries as at the date thereof;

   (b) the representations and warranties made by the **[US Borrower/Canadian Borrower]** in Section 8.1 of the Credit Agreement are true and accurate in all respects as at the date hereof, except as has heretofore been notified to the Lender by the **[US Borrower/Canadian Borrower]** in writing **[or except as described in Schedule • hereto]**;

   (c) no event has occurred or is continuing which would constitute a Default or Event of Default, except as has heretofore been notified to the Lender by the **[US Borrower/Canadian Borrower]** in writing **[or except as described in Schedule • hereto]**;

(d) as at the end of the aforementioned **[Quarter End OR fiscal year]**, the Total Funded Debt to EBITDA Ratio was • to 1; attached hereto as Exhibit A is a determination of such financial ratio as at the end of the aforementioned **[Quarter End OR fiscal year]**, together with particulars of each of the definitions and elements included in the determination of such financial ratio; and

(e) as at the end of the aforementioned **[Quarter End OR fiscal year]**, the Fixed Charge Coverage Ratio was • to 1; attached hereto as Exhibit B is a determination of such financial ratio as at the end of the aforementioned **[Quarter End OR fiscal year]**, together with particulars of each of the definitions and elements included in the determination of such financial ratio.

I give this Compliance Certificate on behalf of the **[US Borrower/Canadian Borrower]** and in my capacity as the **[title]** of the **[US Borrower/Canadian Borrower]**, and no personal liability is created against or assumed by me in the giving of this Certificate.

Dated at •, this • day of •, 20•.

_____

Name:
Title:

EXHIBIT A

[insert particulars of Total Funded Debt to EBITDA Ratio calculation]

EXHIBIT B

[insert particulars of Fixed Charge Coverage Ratio calculation]

SCHEDULE C

DRAWDOWN NOTICE

TO: Bank of Montreal (the "**Lender**")
#600 - 595 Burrard Street
Vancouver, British Columbia V7X 1L5

Attention: Alex Melnikov
E-mail: alex.melnikov@bmo.com
Facsimile: (604) 687-3666

DATE: _____

1. This Drawdown Notice is delivered to you pursuant to the terms and conditions of the Credit Agreement made as of December 3, 2019 between Structurlam Mass Timber Corporation (the "**Canadian Borrower**") and Structurlam Mass Timber U.S., Inc. (the "**US Borrower**"), as borrowers (collectively and each individually, the "**Borrower**"), and the Lender and relating to the establishment of certain credit facilities in favour of the Borrower (as amended, modified, supplemented or restated, the "**Credit Agreement**"). Unless otherwise expressly defined herein, capitalized terms set forth in this Drawdown Notice shall have the respective meanings set forth in the Credit Agreement.

2. The **[US Borrower/Canadian Borrower]** hereby requests a Drawdown as follows:

   (a) Drawdown Date: _____

   (b) Amount of Drawdown: _____

   (c) Credit Facility: _____

   (d) Type of Loan (also specify if Loan being requested is a Letter of Credit): _____

   _____

   (e) Interest Period (specify term for Bankers' Acceptances and Libor Loans): _____

   _____

   (f) Payment, delivery or issuance instructions (if any): _____

   _____

[The remainder of this page has been intentionally left blank.]

Yours very truly,

[STRUCTURLAM MASS TIMBER CORPORATION / STRUCTURLAM MASS TIMBER U.S., INC.]

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE D

REPAYMENT NOTICE

TO: Bank of Montreal (the "**Lender**")
#600 - 595 Burrard Street
Vancouver, British Columbia V7X 1L5

Attention: Alex Melnikov
E-mail: alex.melnikov@bmo.com
Facsimile: (604) 687-3666

DATE: _____

1. This Repayment Notice is delivered to you pursuant to the terms and conditions of the Credit Agreement made as of December 3, 2019 between Structurlam Mass Timber Corporation (the "**Canadian Borrower**") and Structurlam Mass Timber U.S., Inc. (the "**US Borrower**"), as borrowers (collectively and each individually, the "**Borrower**"), and the Lender and relating to the establishment of certain credit facilities in favour of the Borrower (as amended, modified, supplemented or restated, the "**Credit Agreement**"). Unless otherwise expressly defined herein, capitalized terms set forth in this Repayment Notice shall have the respective meanings set forth in the Credit Agreement.

2. The **[US Borrower/Canadian Borrower]** hereby gives notice of a repayment as follows:

   (a) Date of repayment: _____

   (b) Credit Facility: _____

   (c) Loan(s): _____

   (d) Interest Period maturity (specify for Bankers' Acceptances and Libor Loans): _____

   _____

   (e) Amount being repaid: _____

[The remainder of this page has been intentionally left blank.]

Yours very truly,

[STRUCTURLAM MASS TIMBER CORPORATION / STRUCTURLAM MASS TIMBER U.S., INC.]

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE E

ROLLOVER NOTICE

TO: Bank of Montreal (the "**Lender**")
#600 - 595 Burrard Street
Vancouver, British Columbia V7X 1L5

Attention: Alex Melnikov
E-mail: alex.melnikov@bmo.com
Facsimile: (604) 687-3666

DATE: _____

1. This Rollover Notice is delivered to you pursuant to the terms and conditions of the Credit Agreement made as of December 3, 2019 between Stucturlam Mass Timber Corporation (the "**Canadian Borrower**") and Structurlam Mass Timber U.S., Inc. (the "**US Borrower**"), as borrowers (collectively and each individually, the "**Borrower**"), and the Lender and relating to the establishment of certain credit facilities in favour of the Borrower (as amended, modified, supplemented or restated, the "**Credit Agreement**"). Unless otherwise expressly defined herein, capitalized terms set forth in this Rollover Notice shall have the respective meanings set forth in the Credit Agreement.

2. The **[US Borrower/Canadian Borrower]** hereby requests a Rollover of from the Lender as follows:

   (a) Rollover Date: _____

   (b) Credit Facility: _____

   (c) Type of Loan (also specify (i) aggregate face amount at maturity, in the case of Bankers' Acceptances or (ii) if Loan is a Letter of Credit): _____

   _____

   (d) Amount of Rollover: _____

   (e) New Interest Period (specify term of Bankers' Acceptances, Libor Loans and Letters of Credit): _____

   _____

   (f) Payment, delivery or issuance instructions (if any): _____

   _____

[The remainder of this page has been intentionally left blank.]

Yours very truly,

[STRUCTURLAM MASS TIMBER CORPORATION / STRUCTURLAM MASS TIMBER U.S., INC.]

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE F

CONVERSION NOTICE

TO: Bank of Montreal (the "**Lender**")
#600 - 595 Burrard Street
Vancouver, British Columbia V7X 1L5

Attention: Alex Melnikov
E-mail: alex.melnikov@bmo.com
Facsimile: (604) 687-3666

DATE: _____

1. This Conversion Notice is delivered to you pursuant to the terms and conditions of the Credit Agreement made as of December 3, 2019 between Structurlam Mass Timber Corporation (the "**Canadian Borrower**") and Structurlam Mass Timber U.S., Inc. (the "**US Borrower**"), as borrowers (collectively and each individually, the "**Borrower**"), and the Lender and relating to the establishment of certain credit facilities in favour of the Borrower (as amended, modified, supplemented or restated, the "**Credit Agreement**"). Unless otherwise expressly defined herein, capitalized terms set forth in this Conversion Notice shall have the respective meanings set forth in the Credit Agreement.

2. The **[US Borrower/Canadian Borrower]** hereby requests a Conversion as follows:

   (a) Conversion Date: _____

   (b) Conversion of the following Loan:

      (i) Credit Facility: _____

      (ii) Type of Loan: _____

      (iii) Amount being converted: _____

      (iv) Interest Period maturity (for Bankers' Acceptances and Libor Loans): _____

      _____

      INTO the following Loan:

      (v) Credit Facility: _____

      (vi) Type of Loan: _____

      (vii) Interest Period (specify term of Bankers' Acceptances and Libor Loans): _____

      _____

(c) Payment, delivery or issuance instructions (if any): _____

_____

Yours very truly,

[STRUCTURLAM MASS TIMBER CORPORATION / STRUCTURLAM MASS TIMBER U.S., INC.]

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE G-1

FORM OF
GUARANTEE

This Agreement is made as of **[•]**, **[•]**.

TO: Name: Bank of Montreal
Address: 595 Burrard Street, 6th Floor, P.O. Box 49500, Vancouver, BC V7X 1L7
Attention: Alex Melnikov, Director, BMO Sponsor Finance
Facsimile: (604) 687-3666
Email: alex.melnikov@bmo.com

RECITALS:

A. Structurlam Mass Timber Corporation, Structurlam Mass Timber U.S., Inc. (together and each individually, the "**Debtor**"), Bank of Montreal (the "**Creditor**") and SLP Holdings Ltd., are parties to a credit agreement dated as of December 3, 2019 (as amended, supplemented, restated or replaced from time to time, the "**Credit Agreement**").

B. It is in the interests of [•] (the "**Guarantor**") that the Creditor extend credit (or continue to extend credit) to the Debtor, and the Guarantor is therefore prepared to issue this Agreement to the Creditor in order to induce the Creditor to do so.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by the Guarantor, the Guarantor agrees with and in favour of the Creditor as follows:

1. Definitions. In this Agreement capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the Credit Agreement, and the following terms have the following meanings:

"**Agreement**" means this agreement, including the recitals to this agreement, as it or they may be amended, supplemented, restated or replaced from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement.

"**Control**" means, in respect of a particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. "**Controlled**" has a meaning correlative thereto.

"**Credit Agreement**" has the meaning set out in the recitals hereto.

"**Creditor**" has the meaning set out in the recitals hereto.

"**Debtor**" has the meaning set out in the recitals hereto.

"**Debtor Liabilities**" means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Creditor under, in connection with or with respect to the Documents.

"**Event of Default**" means any "Event of Default" as defined in the Credit Agreement.

"**Guarantor**" has the meaning set out in the recitals hereto.

"**Guarantor Liabilities**" means all present and future indebtedness, liabilities and obligations of the Guarantor to the Creditor under this Agreement.

"**Insolvency Proceeding**" means any proceeding seeking to adjudicate a Person an insolvent, seeking a receiving order against such Person under the *Bankruptcy and Insolvency Act* (Canada), or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief or composition of such Person or its debts or a stay of proceedings of such Person's creditors generally (or any class of creditors) or any other relief, under any federal, provincial, territorial or foreign law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) and any similar legislation in any jurisdiction) or at common law or in equity.

"**Intercompany Debt**" means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Guarantor and all guarantees and security therefor.

"**Lien**" means, (a) with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothec (whether movable or immovable), hypothecation, encumbrance, charge, security interest, royalty interest, adverse claim, defect to title or right of set off in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to any asset, (c) any purchase option, call or similar right of a third party with respect to such asset, (d) any netting arrangement, defeasance arrangement or reciprocal fee arrangement, and (e) any other arrangement having the effect of providing security.

"**Original Currency**" has the meaning set out in Section 19.

"**Other Currency**" has the meaning set out in Section 19.

"**Organizational Documents**" means, with respect to any Person, such Person's articles or other charter documents, by-laws, unanimous shareholder agreement, partnership agreement or trust agreement, as applicable, and any and all other similar agreements, documents and instruments relative to such Person.

"**Person**" includes any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity.

"**Security**" means any present or future Lien, or any present or future guarantee or other financial assistance, granted by any Person with respect to any or all of the Debtor Liabilities or Guarantor Liabilities.

"**Surety**" means any present or future guarantor or surety of any or all of the Debtor Liabilities, other than the Guarantor.

2. Guarantee. The Guarantor hereby unconditionally and irrevocably guarantees the prompt payment and performance to the Creditor, of all Debtor Liabilities when due in accordance with their terms. All amounts payable by the Guarantor under this Agreement shall be paid to the Creditor at the address of the Creditor shown above or as otherwise directed in writing by the Creditor. All Guarantor Liabilities shall be payable or performable forthwith upon demand by the Creditor, and any which are not so paid shall

bear interest from the date of such demand at the rate or rates applicable to the corresponding Debtor Liabilities.

3. **[Limited Recourse. Notwithstanding any other provision hereof, the only remedy that the Creditor shall have against the Guarantor hereunder in the event of non-payment by the Guarantor of the Guarantor Liabilities is to realize upon the Collateral, as such term is defined in the pledge agreement dated December 21, 2017 granted by the Guarantor to the Creditor (the "Pledge Agreement") which, for greater certainty, includes the additional collateral listed in the pledge amendment dated [•], 2019 delivered pursuant to Section 6(j) of the Pledge Agreement. For greater certainty, it is hereby declared that the Creditor shall in no circumstance have any right of payment or realization from the Guarantor hereunder independent of the foregoing. The foregoing: (a) does not constitute a waiver, release or discharge of the Debtor Liabilities, the Guarantor Liabilities or any portion thereof, and (b) does not limit or restrict the right of the Creditor to name the Guarantor as a defendant in any action, suit for judicial foreclosure or for the exercise of any other remedy under or in connection with this Agreement or any other Document so long as no judgement in the nature of money or deficiency judgement shall be enforced against the Guarantor out of any of its property, assets or undertaking other than the Collateral.]**

4. **Guarantor Liabilities.** The Guarantor Liabilities are continuing, absolute, unconditional and irrevocable. The Guarantor Liabilities shall remain effective despite, and shall not be released, exonerated, discharged, diminished, subjected to defence, limited or in any way affected by, anything done, omitted to be done, suffered or permitted by the Creditor, the Debtor or any other Person, or by any other matter, act, omission, circumstance, development or other thing of any nature, kind or description, other than the due payment and performance in full of all of the Debtor Liabilities and all of the Guarantor Liabilities.

5. **Guarantee Absolute.** Without limiting the generality of Section 4, the Guarantor Liabilities shall remain fully effective and enforceable against the Guarantor and shall not be released, exonerated, discharged, diminished, subjected to defence, limited or in any way affected by, and the rights and remedies of the Creditor under this Agreement shall not in any way be diminished or prejudiced by, and the Guarantor hereby consents or waives, as applicable, to the fullest extent permitted by Applicable Laws:

(a) any lack of genuineness, legality, validity or enforceability of any of the Debtor Liabilities or of any agreement or arrangement between the Debtor, or any other Person, and the Creditor, or any failure by the Debtor, or any other Person, to carry out any of its obligations under any such agreement or arrangement;

(b) any change in the existence, name, objects, business, powers, organization, share capital, Organizational Documents, ownership, control, directors or management of the Debtor, the Guarantor or any Surety, the reorganization of the Debtor, the Guarantor or any Surety, any amalgamation or merger by the Debtor, the Guarantor or any Surety with any other Person or Persons, or any continuation of the Debtor, the Guarantor, or any Surety under the laws of any jurisdiction;

(c) any lack or limitation of power, incapacity or disability of the Debtor, the Guarantor or any Surety or of the directors, officers, managers, employees or agents of the Debtor, the Guarantor or any Surety or any other irregularity, defect or informality, or any fraud, by the Debtor, the Guarantor or any Surety or any of their respective directors, officers, managers, employees or agents, with respect to any or all of the Debtor Liabilities, any or all of the Guarantor Liabilities or any or all of the liabilities and obligations of any Surety;

(d) any non-compliance with or contravention by the Guarantor of any provision of any corporate statute applicable to the Guarantor relative to guarantees or other financial assistance given by the Guarantor;

(e) any impossibility, impracticability, frustration of purpose, force majeure or act of Governmental Authority with respect to the performance of any of the Debtor Liabilities or Guarantor Liabilities;

(f) any Insolvency Proceeding affecting, or the financial condition of, the Debtor, the Guarantor, any Surety, the Creditor or any other Person at any time;

(g) any law, regulation, limitation or prescription period or other circumstance that might otherwise be a defence (other than the due payment and performance of the Debtor Liabilities or the Guarantor Liabilities in full) available to, or a discharge of, the Debtor, the Guarantor or any Surety in respect of any or all of the Debtor Liabilities, any or all of the Guarantor Liabilities or any or all of the liabilities and obligations of any Surety;

(h) any loss of, or in respect of, any Security by or on behalf of the Creditor from the Debtor, the Guarantor, any Surety or any other Person, whether occasioned through the fault of the Creditor or otherwise;

(i) any loss or impairment of any right of the Guarantor for subrogation, reimbursement or contribution, whether or not as a result of any action taken or omitted to be taken by the Creditor; or

(j) any other matter, act, omission, circumstance, development or thing of any and every nature, kind and description whatsoever, whether similar or dissimilar to the foregoing (other than the due payment and performance in full of the Debtor Liabilities and the Guarantor Liabilities) that might in any manner (but for the operation of this Section) operate (whether by statute, at law, in equity or otherwise) to release, discharge, diminish, limit, restrict or in any way affect the liability of, or otherwise provide a defence to, a guarantor, a surety, or a principal debtor, even if known by the Creditor.

6. **Dealing with Debtor Liabilities.** Without limiting the generality of Section 4, the Guarantor Liabilities shall remain fully effective and enforceable against the Guarantor and shall not be released, exonerated, discharged, diminished, subjected to defence (other than the due payment and performance of the Debtor Liabilities or the Guarantor Liabilities in full), limited or in any way affected by, and the rights and remedies of the Creditor under this Agreement shall not in any way be diminished or prejudiced by, and the Guarantor hereby consents to or waives, as applicable, to the fullest extent permitted by Applicable Laws:

(a) any amendment, alteration, novation or variation in any manner and to any extent (and irrespective of the effect of the same on the Guarantor) of any of the Debtor Liabilities, any of the liabilities and obligations of any Surety, any Security or the Creditor's arrangements or agreements with the Debtor, any Surety or any other Person;

(b) any limitation, compromise, subordination, postponement or abandonment of any of the Debtor Liabilities, any of the Guarantor Liabilities, any of the liabilities and obligations of any Surety, any Security or the Creditor's arrangements or agreements with the Debtor, any Surety or any other Person;

(c) any grant of time, renewal, extension, indulgence, release, discharge or other course of conduct by the Creditor to the Debtor, any Surety or any other Person;

(d) the creation of any new or additional Debtor Liabilities, the increase or reduction of the rate of interest on any or all of the Debtor Liabilities or any other rates or fees payable under or in respect of any or all of the Debtor Liabilities;

(e) any alteration, settlement, compromise, acceleration, extension or change in the time or manner for payment or performance by the Debtor made or permitted by the Creditor of, or by any other Person or Persons liable to the Creditor with respect to, any or all of the Debtor Liabilities;

(f) the Creditor taking or abstaining from taking Security from the Debtor, any Surety or any other Person or abstaining from completing, perfecting or maintaining the perfection of any Security;

(g) the Creditor releasing, substituting or adding one or more Sureties or endorsers, accepting additional or substituted Security, or releasing, subordinating or postponing any Security;

(h) the Creditor accepting compromises from the Debtor, any Surety or any other Person;

(i) the creation or addition of any new Documents;

(j) the Creditor doing, or omitting to do, anything to enforce the payment or performance of any or all of the Debtor Liabilities, any or all of the Guarantor Liabilities, any or all of the liabilities and obligations of any Surety or any Security;

(k) the Creditor giving or refusing to give or continuing to give any credit or any financial accommodation to the Debtor or to any other Person;

(l) the Creditor proving any claim in any Insolvency Proceeding affecting the Debtor, the Guarantor, any Surety or any other Person as it sees fit or refraining from proving any claim or permitting or suffering the impairment of any of the Debtor Liabilities in any such Insolvency Proceeding; making any election in any such Insolvency Proceeding; permitting or suffering the creation of secured or unsecured credit or debt in any such Insolvency Proceeding; or permitting or suffering the disallowance, avoidance, or subordination of any of the Debtor Liabilities or the obligations of any other debtor with respect to the Debtor Liabilities in any such Insolvency Proceeding;

(m) the Creditor applying any money received from the Debtor, any Surety, any other Person or any Security upon such part of the Debtor Liabilities as the Creditor may see fit or changing any such application in whole or in part from time to time as the Creditor may see fit; or

(n) the Creditor otherwise dealing with the Debtor, any Surety, any other Person, the Debtor Liabilities, the liabilities and obligations of any Sureties, and all Security as the Creditor may see fit.

By accepting the benefit of this Agreement the Creditor is deemed to have acknowledged that the foregoing consent and waiver by the Guarantor is intended to waive all defences that might otherwise be available to the Guarantor as a guarantor under Applicable Laws and is not intended to constitute the Guarantor's

agreement for the purposes of any future act or transaction made pursuant to the Credit Agreement which is expressly required by the terms of the Credit Agreement to be agreed to by the Guarantor in writing.

7. **Settlement of Accounts.** Any account settled or stated between the Creditor and the Debtor shall be accepted by the Guarantor as *prima facie* evidence that the amount thereby appearing due by the Debtor to the Creditor is so due.

8. **Indemnity.** If any or all of the Debtor Liabilities are not duly paid or performed by the Debtor and are not paid or performed by the Guarantor under Section 2 for any reason whatsoever, the Guarantor shall, as a separate and distinct obligation, indemnify and save the Creditor harmless from and against all losses, costs, damages, expenses, claims and liabilities that the Creditor may suffer or incur in connection with or in respect of any failure by the Debtor for any reason to pay or perform any of the Debtor Liabilities, and shall pay all such amounts to the Creditor after demand as herein provided**[, provided that the remedies of the Creditor pursuant to this Section 8 shall be limited as set out in Section 3]**.

9. **Guarantor Liable as Principal Debtor.** If, and to the extent that, any amount in respect of the Debtor Liabilities is not recoverable from the Guarantor under this Agreement on the basis of a guarantee or the Creditor is not indemnified under Section 8, in each case, for any reason whatsoever, then, notwithstanding any other provision of this Agreement**[, but subject to Section 3]**, the Guarantor shall be liable under this Agreement as principal obligor in respect of the due payment of such amount and shall pay such amount to the Creditor after demand as herein provided.

10. **Continuing Guarantee.** This Agreement is a continuing guarantee and is binding as a continuing obligation of the Guarantor and the Debtor Liabilities shall be conclusively presumed to have been created in reliance on this Agreement. The Guarantor may not in any manner terminate this Agreement or the Guarantor Liabilities other than by the due and punctual payment in full of the Guarantor Liabilities.

11. **Stay of Acceleration.** If acceleration of the time for payment, or the liability of the Debtor to make payment, of any amount specified to be payable by the Debtor in respect of the Debtor Liabilities is stayed, prohibited or otherwise affected upon any Insolvency Proceeding or other event affecting the Debtor or payment of any of the Debtor Liabilities by the Debtor, all such amounts otherwise subject to acceleration or payment shall nonetheless be deemed for all purposes of this Agreement to be and to have become due and payable by the Debtor and shall be payable by the Guarantor under this Agreement immediately forthwith on demand by the Creditor.

12. **Debtor Information.** The Guarantor acknowledges and agrees that the Guarantor has not executed this Agreement as a result of, by reason of, or in reliance upon, any promise, representation, statement or information of any kind or nature whatsoever given, or offered to the Guarantor, by or on behalf of the Creditor or any other Person whether in answer to any enquiry by or on behalf of the Guarantor or not and the Creditor was not prior to the execution by the Guarantor of this Agreement, and is not thereafter, under any duty to disclose to the Guarantor or any other Person any information, matter or thing (material or otherwise) relating to the Debtor, its affairs or its transactions with the Creditor, including any information, matter or thing which puts or may put the Debtor in a position which the Guarantor would not naturally expect or any unexpected facts or unusual features which, whether known or unknown to the Guarantor, are present in any transaction between the Debtor and the Creditor, and the Creditor was not and is not under any duty to do or execute any matter, thing or document relating to the Debtor, its affairs or its transactions with the Creditor. The Guarantor acknowledges and confirms that it has established its own adequate means of obtaining from the Debtor on a continuing basis all information desired by the Guarantor concerning the financial condition of the Debtor and that the Guarantor will look to the Debtor, and not to the Creditor, in order for the Guarantor to keep adequately informed of changes in the Debtor's financial condition.

13. Reinstatement. If, at any time, all or any part of any payment previously applied by the Creditor to any of the Debtor Liabilities is or must be rescinded or returned by the Creditor for any reason whatsoever (including any Insolvency Proceeding affecting the Debtor or any other Person), such Debtor Liabilities shall, for the purpose of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Creditor, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such Debtor Liabilities, all as though such application by the Creditor had not been made.

14. Subrogation. Notwithstanding any payment made by the Guarantor under this Agreement or any setoff or application of funds of the Guarantor by the Creditor, the Guarantor shall have no right of subrogation to, and waives, any right to enforce any remedy which the Creditor now has or may hereafter have against the Debtor, until all of the Debtor Liabilities have been indefeasibly paid in full; and until that time, the Guarantor waives any benefit of, and any right to participate in, any Security now or hereafter held by the Creditor for the Debtor Liabilities.

15. Assignment and Postponement. The Guarantor hereby (a) grants to the Creditor a security interest in all Intercompany Debt as general and continuing collateral security for the Guarantor Liabilities, and (b) postpones all Intercompany Debt to the payment in full of the Debtor Liabilities. All moneys received by the Guarantor in respect of Intercompany Debt shall be received in trust for the Creditor and, immediately following such receipt, shall be paid over to the Creditor.

16. Insolvency Proceedings. In any Insolvency Proceeding affecting the Debtor, the Creditor shall have the right, in priority to the Guarantor, to receive its full claim in respect of such Insolvency Proceeding for all of the Debtor Liabilities. The Creditor shall have the right to include in its claim in any Insolvency Proceeding affecting the Debtor all or any part of the payments made by the Guarantor under this Agreement and, to prove and rank for, and receive dividends in respect of, all such claims, all of which rights and privileges as they relate and apply to the Guarantor are hereby assigned by the Guarantor to the Creditor. The provisions of this Section shall be sufficient authority for any Person making payment of any such dividends to pay the same directly to the Creditor for the benefit of the Creditor. The Creditor shall be entitled to receive for its benefit all dividends or other payments in respect of all of the above referenced claims until all of the Debtor Liabilities are paid and satisfied in full and the Guarantor shall continue to be liable under this Agreement for any unpaid balance of the Debtor Liabilities. If any amount is paid to the Guarantor under any Insolvency Proceeding affecting the Debtor when any of the Debtor Liabilities remain outstanding, such amount shall be received and held in trust by the Guarantor for the benefit of the Creditor and shall be immediately paid to the Creditor to be credited and applied against the Guarantor Liabilities. In any Insolvency Proceeding affecting the Debtor the Creditor may in its discretion value as it sees fit, or may refrain from valuing, any Security held by it.

17. Marshalling. The Guarantor waives to the fullest extent permitted by Applicable Laws, any right or claim of right to cause a marshalling of the Debtor's, a Surety's or any other Person's assets, or to cause the Creditor to proceed against the Debtor, a Surety or any other Person, or any Security, in any particular order. The Creditor shall not have any obligation to marshall any assets in favour of the Debtor, a Surety or any other Person or against or in payment of any of the Debtor Liabilities or any of the obligations of the Guarantor, the Debtor, a Surety or any other Person owed to the Creditor.

18. Enforcing Rights Against Guarantor. This is a guarantee of payment and performance and not of collection. The Creditor shall not be required to take any action or to exhaust its recourse against the Debtor, any Surety or any other Person, or to enforce or value any Security, before being entitled to payment from, and to enforce its rights and remedies against, the Guarantor under this Agreement. The Guarantor hereby renounces to the benefits of division and discussion.

19. Foreign Currency Guarantor Liabilities. The Guarantor shall make payment relative to any Debtor Liabilities in the currency (the "**Original Currency**") in which the Debtor is required to pay such Debtor Liabilities. If the Guarantor makes payment relative to any Debtor Liabilities in a currency (the "**Other Currency**") other than the Original Currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment shall constitute a discharge of the Guarantor Liabilities only to the extent of the amount of the Original Currency which the Creditor is able to purchase at Vancouver, BC with the amount it receives on the date of receipt. If the amount of the Original Currency which the Creditor is able to purchase is less than the amount of such currency originally due to it in respect to the relevant Debtor Liabilities, the Guarantor shall indemnify and save the Creditor harmless from and against any loss or damage arising as a result of such deficiency. This indemnity constitutes an obligation separate and independent from the other obligations contained in this Agreement, gives rise to a separate and independent cause of action, applies irrespective of any indulgence granted by the Creditor and continues in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order.

20. Taxes and Set-Off. All payments to be made by the Guarantor hereunder shall be made without set-off, compensation, deduction or counterclaim and without deduction for any taxes, levies, duties, fees, deductions, withholdings, restrictions or conditions of any nature whatsoever. If at any time any Applicable Laws requires the Guarantor to make any such deduction or withholding from any such payment, the sum due from the Guarantor with respect to such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Creditor receives a net sum equal to the sum which it would have received had no deduction or withholding been required.

21. Representations and Warranties. The Guarantor represents and warrants, upon each of which representations and warranties the Creditor relies, that each of the representations and warranties relative to the Guarantor in each of the other Documents is true and correct when made or deemed made.

22. Covenants. The Guarantor shall comply with all of the provisions, covenants and agreements contained in each of the Documents to the extent that such provisions, covenants and agreements apply to the Guarantor or its subsidiaries and shall, and shall cause each of its subsidiaries to, take, or refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in any of the Documents, and so that no Default or Event of Default under any of the Documents, is caused by the actions or inactions of the Guarantor or any of its subsidiaries.

23. Communication. Any notice or other communication required or permitted to be given under this Agreement shall be made in accordance with the terms of the Credit Agreement.

24. Waiver. The Guarantor shall not assert, and hereby waives, any claim against the Creditor (or any director, officer or employee thereof), on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement.

25. Additional Security. This Agreement is in addition to, and not in substitution of, any and all other Security previously or concurrently delivered by the Guarantor or any other Person to the Creditor, all of which other Security shall remain in full force and effect.

26. Alteration. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Creditor.

27. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

28. **Governing Law; Attornment.** This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia. Without prejudice to the ability of the Creditor to enforce this Agreement in any other proper jurisdiction, the Guarantor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such Province. To the extent permitted by Applicable Laws, the Guarantor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province. The Guarantor hereby irrevocably consents to the service of any and all process in any such action or proceeding by the delivery of copies of such process to the Guarantor at the address as provided for pursuant to Section 23. Nothing in this Section affects the right of the Creditor to serve process in any manner permitted by Applicable Laws.

29. **Time.** Time is of the essence with respect to this Agreement and the time for performance of the obligations of the Guarantor under this Agreement may be strictly enforced by the Creditor. The limitation period applicable to any proceeding relating to a claim under, in connection with, or with respect to this Agreement shall be solely as prescribed in the *Limitation Act* (British Columbia), and any other limitation period in respect of such claim (including that provided for in the *Limitation Act* (British Columbia)) is extended accordingly.

30. **Interpretation.** The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "or" is disjunctive; the word "and" is conjunctive. The word "shall" is mandatory; the word "may" is permissive. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on such amendments, supplements, restatements or modifications set out herein), (b) any reference herein to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, replaced or re-enacted from time to time, (c) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (e) all references herein to Sections and Schedules shall be construed to refer to Sections and Schedules to, this Agreement. Section headings are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement. In accordance with the *Property Law Act* (British Columbia), the doctrine of consolidation applies to this Agreement.

31. **Successors and Assigns.** This Agreement shall enure to the benefit of, and be binding on, the Guarantor and its successors and assigns, and shall enure to the benefit of, and be binding on, the Creditor and its successors and assigns. The Guarantor may not assign this Agreement, or any of its rights or obligations under this Agreement. The Creditor may assign this Agreement and any of their rights and obligations hereunder to any Person that replaces it in its capacity as such. If the Guarantor or the Creditor is an individual, then the term "Guarantor" or "Creditor", as applicable, shall also include his or her heirs, administrators and executors.

32. **Acknowledgment of Receipt.** The Guarantor acknowledges receipt of an executed copy of this Agreement.

33. **Paramountcy.** In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement then, notwithstanding anything contained in this Agreement, the provisions contained in the Credit Agreement shall prevail to the extent of such conflict or inconsistency and the provisions of this Agreement shall be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to the Creditor under the Credit Agreement. If any act or omission of the Guarantor is expressly permitted under the Credit Agreement but is expressly prohibited under this Agreement, such act or omission shall be permitted. If any act or omission is expressly prohibited under this Agreement, but the Credit Agreement does not expressly permit such act or omission, or if any act is expressly required to be performed under this Agreement but the Credit Agreement does not expressly relieve the Guarantor from such performance, such circumstance shall not constitute a conflict or inconsistency between the applicable provisions of this Agreement and the provisions of the Credit Agreement.

34. **Electronic Signature.** Delivery of an executed signature page to this Agreement by the Guarantor by facsimile or other electronic form of transmission shall be as effective as delivery by the Guarantor of a manually executed copy of this Agreement by the Guarantor.

[signatures on the next following page]

IN WITNESS WHEREOF the undersigned has caused this Agreement to be duly executed as of the date first written above.

[FULL LEGAL NAME OF GUARANTOR]

By: _____
Name:
Title:

SCHEDULE G-2

FORM OF
GENERAL SECURITY AGREEMENT

This General Security Agreement is made as of [•], [•].

TO: Name: Bank of Montreal
Address: 595 Burrard Street, 6th Floor, P.O. Box 49500, Vancouver, BC V7X 1L7
Attention: Alex Melnikov, Director, BMO Sponsor Finance
Facsimile: (604) 687-3666
Email: alex.melnikov@bmo.com

RECITALS:

A. Structurlam Mass Timber Corporation and Structurlam Mass Timber U.S., Inc. is, or may become, indebted or liable to Bank of Montreal (the "**Creditor**") pursuant to the terms of a credit agreement dated as of December 3, 2019 (as amended, supplemented, restated or replaced from time to time, the "**Credit Agreement**") or otherwise.

B. To secure the payment and performance of the Secured Liabilities, [•] (the "**Debtor**") has agreed to grant to the Creditor the Security Interests with respect to the Collateral in accordance with the terms of this Agreement.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by the Debtor, the Debtor agrees with and in favour of the Creditor as follows:

1. **Definitions**. In this Agreement capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the Credit Agreement, and, unless otherwise defined in this Agreement, the singular and plural forms of the following terms have the following meanings:

"**Accessions**", "**Account**", "**Chattel Paper**", "**Certificated Security**", "**Consumer Goods**", "**Document of Title**", "**Equipment**", "**Goods**", "**Instrument**", "**Intangible**", "**Inventory**", "**Investment Property**", "**Money**", "**Proceeds**", "**Security**", "**Security Certificate**", and "**Uncertificated Security**" have the meanings given to them in the PPSA.

"**Agreement**" means this agreement, including the Schedules and recitals to this agreement, as it or they may be amended, supplemented, restated or replaced from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement.

"**Books and Records**" means all books, records, files, papers, disks, documents and other repositories of data recording in any form or medium, evidencing or relating to the Personal Property of the Debtor which are at any time owned by the Debtor or to which the Debtor (or any Person on the Debtor's behalf) has access.

"**Collateral**" means all of the present and future:

(a) undertaking;

(b) Personal Property (including any Personal Property that may be described in any Schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time provide to the Creditor in connection with this Agreement); and

(c) real property (including any real property that may be described in any Schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time provide to the Creditor in connection with this Agreement and including all fixtures, improvements, buildings and other structures placed, installed or erected from time to time on any such real property),

of the Debtor, including Books and Records, Contracts, Intellectual Property Rights and Governmental Authorizations, and including all such property in which the Debtor now or in the future has any right, title or interest whatsoever, whether owned, leased, licensed, possessed or otherwise held by the Debtor, and all Proceeds of any of the foregoing, wherever located.

"**Contracts**" means all contracts and agreements to which the Debtor is at any time a party or pursuant to which the Debtor has at any time acquired rights, and includes (i) all rights of the Debtor to receive money due and to become due to it in connection with a contract or agreement, (ii) all rights of the Debtor to damages arising out of, or for breach or default with respect to, a contract or agreement, and (iii) all rights of the Debtor to perform and exercise all remedies in connection with a contract or agreement.

"**Credit Agreement**" has the meaning set out in the recitals hereto.

"**Creditor**" has the meaning set out in the recitals hereto.

"**Debtor**" has the meaning set out in the recitals hereto.

"**Event of Default**" means any "**Event of Default**" as defined in the Credit Agreement.

"**Intellectual Property Rights**" means all industrial and intellectual property rights of the Debtor or in which the Debtor has any right, title or interest, including copyrights, patents, inventions (whether or not patented), trade-marks, get-up and trade dress, industrial designs, integrated circuit topographies, plant breeders' rights, know how and trade secrets, registrations and applications for registration for any such industrial and intellectual property rights, and all Contracts related to any such industrial and intellectual property rights.

"**Issuer**" has the meaning given to that term in the STA.

"**Lien**" means, (a) with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothec (whether movable or immovable), hypothecation, encumbrance, charge, security interest, royalty interest, adverse claim, defect to title or right of set off in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to any asset, (c) any purchase option, call or similar right of a third party with respect to such asset, (d) any netting arrangement, defeasance arrangement or reciprocal fee arrangement, and (e) any other arrangement having the effect of providing security.

"**Person**" includes any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity.

"**Personal Property**" means personal property and includes Accounts, Chattel Paper, Documents of Title, Equipment, Goods, Instruments, Intangibles, Inventory, Investment Property and Money.

"**PPSA**" means the *Personal Property Security Act* (British Columbia), as such legislation may be amended, renamed or replaced from time to time, and includes all regulations from time to time made under such legislation.

"**Receiver**" means an interim receiver, a receiver, a manager or a receiver and manager.

"**Release Date**" means the date on which all the Secured Liabilities have been indefeasibly paid and discharged in full and the Creditor has no further obligations to the Debtor under the Documents pursuant to which further Secured Liabilities might arise.

"**Secured Liabilities**" means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Creditor under, in connection with or with respect to the Documents, and any unpaid balance thereof.

"**Security Interests**" means the Liens created by the Debtor in favour of the Creditor under this Agreement.

"**Schedules**" means the schedules to this Agreement.

"**STA**" means the *Securities Transfer Act* (British Columbia), as such legislation may be amended, renamed or replaced from time to time, and includes all regulations from time to time made under such legislation.

2. **Grant of Security Interests**. As general and continuing collateral security for the due payment and performance of the Secured Liabilities, the Debtor pledges, mortgages, charges and assigns (by way of security) to the Creditor, and grants to the Creditor a security interest in, the Collateral.

3. **Limitations on Grant of Security Interests**. If the grant of the Security Interests with respect to any Contract, Intellectual Property Right or Governmental Authorization under Section 2 would result in the termination or breach of such Contract, Intellectual Property Right or Governmental Authorization or is otherwise prohibited or ineffective (whether by the terms thereof or under Applicable Laws), then such Contract, Intellectual Property Right or Governmental Authorization shall not be subject to the Security Interests but shall be held in trust by the Debtor for the benefit of the Creditor and, on the exercise by the Creditor of any of its rights or remedies under this Agreement following an Event of Default shall be assigned by the Debtor as directed by the Creditor; provided that: (a) the Security Interests shall attach to such Contract, Intellectual Property Right or Governmental Authorization, or applicable portion thereof, immediately at such time as the condition causing such termination or breach is remedied, and (b) if a term in a Contract that prohibits or restricts the grant of the Security Interests in the whole of an Account or Chattel Paper forming part of the Collateral is unenforceable against the Creditor under Applicable Laws, then the exclusion from the Security Interests set out above shall not apply to such Account or Chattel Paper. In addition, the Security Interests do not attach to Consumer Goods or extend to the last day of the term of any lease or agreement for lease of real property. Such last day shall be held by the Debtor in trust for the Creditor and, on the exercise by the Creditor of any of its rights or remedies under this Agreement following an Event of Default, shall be assigned by the Debtor as directed by the Creditor. For greater certainty, no Intellectual Property Right in any trade-mark, get-up or trade dress is presently assigned to the Creditor by sole virtue of the grant of the Security Interests contained in Section 2.

4. **Attachment; No Obligation to Advance**. The Debtor confirms that value has been given by the Creditor to the Debtor, that the Debtor has rights in the Collateral existing at the date of this Agreement and

that the Debtor and the Creditor have not agreed to postpone the time for attachment of the Security Interests to any of the Collateral. The Security Interests shall have effect and be deemed to be effective whether or not the Secured Liabilities or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution and delivery of this Agreement nor the provision of any financial accommodation by the Creditor shall oblige the Creditor to make any financial accommodation or further financial accommodation available to the Debtor or any other Person.

5. **Representations and Warranties**. The Debtor represents and warrants to the Creditor that, as of the date of this Agreement:

(a) Debtor Information. All of the information set out in Schedule A is accurate and complete.

(b) Amount of Accounts. The amount represented by the Debtor to the Creditor from time to time as owing by each account debtor or by all account debtors with respect to its Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Creditor at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Creditor, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Account of the Debtor or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Creditor.

(c) No Consumer Goods. The Debtor does not own any Consumer Goods which are material in value or which are material to the business, operations, property, condition or prospects (financial or otherwise) of the Debtor.

(d) Intellectual Property Rights. All registrations and applications for registration pertaining to any Intellectual Property Rights, all other material Intellectual Property Rights, and the nature of the Debtor's right, title or interest therein, are described in Schedule A to this Agreement. Each Intellectual Property Right is valid, subsisting, unexpired, enforceable, and has not been abandoned.

6. **Survival of Representations and Warranties**. All representations and warranties made by the Debtor in this Agreement (a) are material, (b) shall be considered to have been relied on by the Creditor, and (c) shall survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Creditor and any disposition or payment of the Secured Liabilities until the Release Date.

7. **Covenants**. The Debtor covenants and agrees with the Creditor that:

(a) Further Documentation. The Debtor shall from time to time, at the expense of the Debtor, promptly and duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Creditor may request for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Security Interests). The Debtor acknowledges that this Agreement has been prepared based on the existing laws in the Province referred to in the "Governing Law" section of this Agreement and that a change in such laws, or the laws of other jurisdictions, may require the execution and delivery of different forms of security documentation. Accordingly, the Debtor agrees that the Creditor shall have the

right to require that this Agreement be amended, supplemented, restated or replaced, and that the Debtor shall immediately on request by the Creditor authorize, execute and deliver any such amendment, supplement, restatement or replacement (i) to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions, or (iii) if the Debtor merges or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer on the Creditor Liens similar to, and having the same effect as, the Security Interests.

(b) Limitations on Other Liens. The Debtor shall not create, incur or permit to exist, and shall defend the Collateral against, and shall take such other action as is necessary to remove, any and all Liens in and other claims affecting the Collateral, other than the Permitted Encumbrances, and the Debtor shall defend the right, title and interest of the Creditor in and to the Collateral against the claims and demands of all Persons.

(c) Limitations on Dispositions of Collateral. Except as permitted by the Credit Agreement, the Debtor shall not, without the Creditor's prior written consent, sell, lease or otherwise dispose of any of the Collateral, except that Inventory may be sold, leased or otherwise disposed of and, subject to the terms of this Agreement, Accounts may be collected, in either case in the ordinary course of the Debtor's business. Following an Event of Default, all Proceeds of the Collateral (including all amounts received with respect to Accounts) received by or on behalf of the Debtor, whether or not arising in the ordinary course of the Debtor's business, shall be received by the Debtor as trustee for the Creditor and shall be immediately paid to the Creditor.

(d) Further Identification of Collateral. The Debtor shall promptly furnish to the Creditor such statements and schedules further identifying and describing the Collateral, and such other reports in connection with the Collateral, as the Creditor may from time to time reasonably request, including an updated list of any motor vehicles or other "serial number" goods owned by the Debtor and classified as Equipment, including vehicle identification numbers.

(e) Agreements re Intellectual Property Rights. Promptly upon request from time to time by the Creditor, the Debtor shall authorize, execute and deliver any and all agreements, instruments, documents and papers that the Creditor may request to evidence the Security Interests in any Intellectual Property Rights and, where applicable, the goodwill of the business of the Debtor connected with the use of, and symbolized by, any such Intellectual Property Rights.

(f) Instruments; Documents of Title; Chattel Paper. Promptly upon request from time to time by the Creditor, the Debtor shall deliver to the Creditor, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Creditor may reasonably request, any and all Instruments, Documents of Title and Chattel Paper included in or relating to the Collateral as the Creditor may specify in its request.

(g) Notices. The Debtor shall advise the Creditor promptly, in reasonable detail, of:

(i) any change in the location of the jurisdiction of incorporation or amalgamation, chief executive office or domicile of the Debtor;

(ii) any change in the name of the Debtor;

(iii) any merger, consolidation or amalgamation of the Debtor with any other Person;

(iv) any additional jurisdiction in which the Debtor carries on business or has tangible Personal Property;

(v) any additional jurisdiction in which material account debtors of the Debtor are located;

(vi) any acquisition of any material right, title or interest in real property by the Debtor;

(vii) any acquisition of any Intellectual Property Rights which are the subject of a registration or application with any governmental intellectual property or other governing body or registry, or which are material to the Debtor's business;

(viii) any acquisition of any material Instrument, Document of Title or Chattel Paper;

(ix) any creation or acquisition of any material Subsidiary of the Debtor;

(x) any Lien (other than Permitted Encumbrances) on, or claim asserted against, any of the Collateral;

(xi) the issuance of any order, prohibiting the transfer of any Pledged Securities or the institution of proceedings for such purpose, or if such Debtor has any reason to believe that any such proceedings are pending, contemplated or threatened; or

(xii) any occurrence of any event, claim or occurrence that could reasonably be expected to have a Material Adverse Effect on the value of the Collateral or on the Security Interests.

The Debtor shall not effect or permit any of the changes referred to in clauses (i) through (v) or (vii) above unless all filings have been made and all other actions taken that are required in order for the Creditor to continue at all times following such change to have a valid and perfected first priority Security Interest with respect to all of the Collateral.

8. **Rights on Event of Default**. If an Event of Default has occurred and is continuing, then and in every such case the Security Interests shall become enforceable and the Creditor, in addition to any rights now or hereafter existing under Applicable Laws may, personally or by agent, at such time or times as the Creditor in its discretion may determine, do any one or more of the following:

(a) Rights under PPSA, etc. Exercise all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to the Creditor by contract, at law or in equity.

(b) Demand Possession. Demand possession of any or all of the Collateral, in which event the Debtor shall, at the expense of the Debtor, immediately cause the Collateral designated by the Creditor to be assembled and made available and/or delivered to the Creditor at any place designated by the Creditor, acting reasonably.

(c) Take Possession. Enter on any premises where any Collateral is located and take possession of, disable or remove such Collateral.

(d) Deal with Collateral. Hold, store and keep idle, or operate, lease or otherwise use or permit the use of, any or all of the Collateral for such time and on such terms as the Creditor may determine, and demand, collect and retain all earnings and other sums due or to become due from any Person with respect to any of the Collateral.

(e) Carry on Business. Carry on, or concur in the carrying on of, any or all of the business or undertaking of the Debtor and enter on, occupy and use (without charge by the Debtor) any of the premises, buildings, plant and undertaking of, or occupied or used by, the Debtor.

(f) Enforce Collateral. Seize, collect, receive, enforce or otherwise deal with any Collateral in such manner, on such terms and conditions and at such times as the Creditor deems advisable.

(g) Dispose of Collateral. Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Creditor or elsewhere, with or without advertising or other formality, except as required by Applicable Laws, on such terms and conditions as the Creditor may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.

(h) Court-Approved Disposition of Collateral. Obtain from any court of competent jurisdiction an order for the sale or foreclosure of any or all of the Collateral.

(i) Purchase by Creditor. At any public sale, and to the extent permitted by Applicable Laws on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain, sell or otherwise dispose of such Collateral without any further accountability to the Debtor or any other Person with respect to such holding, retention, sale or other disposition, except as required by Applicable Laws. In any such sale to the Creditor, the Creditor may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for any or all of the Secured Liabilities then due and payable to it as a credit against the purchase price.

(j) Collect Accounts. Notify (whether in its own name or in the name of the Debtor) the account debtors and other Persons obligated under any Accounts or on any other Collateral of the Debtor of the assignment of such Accounts to the Creditor and direct such account debtors and other Persons to make payment of all amounts due or to become due to the Debtor with respect to such Accounts or other Collateral directly to the Creditor and, upon such notification and at the expense of the Debtor, enforce collection of any such Accounts and other Collateral, and adjust, settle or compromise the amount or payment of such Accounts or other Collateral, in such manner and to such extent as the Creditor deems appropriate in the circumstances.

(k) Dealing with Contracts and Governmental Authorizations. Deal with any and all Contracts and Governmental Authorizations to the same extent as the Debtor might (including the enforcement, realization, sale, assignment, transfer, and requirement for continued performance), all on such terms and conditions and at such time or times as may seem advisable to the Creditor.

(l) Payment of Liabilities. Pay any liability secured by any Lien against any Collateral. The Debtor shall immediately on demand reimburse the Creditor for all such payments and, until paid, any such reimbursement obligation shall form part of the Secured Liabilities and shall be secured by the Security Interests.

(m) Borrow and Grant Liens. Borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Debtor and grant Liens on any Collateral (in priority to the Security Interests or otherwise) as security for the money so borrowed. The Debtor shall immediately on demand reimburse the Creditor for all such borrowings and, until paid, any such reimbursement obligations shall form part of the Secured Liabilities and shall be secured by the Security Interests.

(n) Appoint Receiver. Appoint by instrument in writing one or more Receivers of the Debtor or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of the Creditor under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by Applicable Laws, any Receiver appointed by the Creditor shall (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the agent of the Debtor and not of the Creditor.

(o) Court-Appointed Receiver. Obtain from any court of competent jurisdiction an order for the appointment of a Receiver of the Debtor or of any or all of the Collateral.

(p) Consultants. Require the Debtor to engage a consultant of the Creditor's choice, or engage a consultant on its own behalf, such consultant to receive the full cooperation and support of the Debtor and its agents and employees, including unrestricted access to the premises of the Debtor and the Books and Records; all reasonable fees and expenses of such consultant shall be for the account of the Debtor and the Debtor hereby authorizes any such consultant to report directly to the Creditor and to disclose to the Creditor any and all information obtained in the course of such consultant's employment.

The Creditor may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by Applicable Laws) to or on the Debtor or any other Person, and the Debtor hereby waives each such demand, presentment, protest, advertisement and notice to the extent permitted by Applicable Laws. None of the above rights or remedies shall be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. The Debtor acknowledges and agrees that any action taken by the Creditor hereunder following the occurrence and during the continuance of an Event of Default shall not be rendered invalid or ineffective as a result of the curing of the Event of Default on which such action was based.

9. **Realization Standards**. To the extent that Applicable Laws imposes duties on the Creditor to exercise remedies in a commercially reasonable manner and without prejudice to the ability of the Creditor to dispose of the Collateral in any such manner, the Debtor acknowledges and agrees that it is not commercially unreasonable for the Creditor to (or not to) (a) incur expenses reasonably deemed significant by the Creditor to prepare the Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) fail to obtain third party consents for access to the Collateral to be disposed of, (c) fail to exercise collection remedies against account debtors or other Persons obligated on the Collateral or to remove Liens against the Collateral, (d) exercise collection remedies against account debtors and other Persons obligated on the Collateral directly or through the use

of collection agencies and other collection specialists, (e) dispose of Collateral by way of public auction, public tender or private contract, with or without advertising and without any other formality, (f) contact other Persons, whether or not in the same business of the Debtor, for expressions of interest in acquiring all or any portion of the Collateral, (g) hire one or more professional auctioneers to assist in the disposition of the Collateral, whether or not the Collateral is of a specialized nature or an upset or reserve bid or price is established, (h) dispose of the Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (i) dispose of assets in wholesale rather than retail markets, (j) disclaim disposition warranties, such as title, possession or quiet enjoyment, (k) purchase insurance or credit enhancements to insure the Creditor against risks of loss, collection or disposition of the Collateral or to provide to the Creditor a guaranteed return from the collection or disposition of the Collateral, (l) to the extent deemed appropriate by the Creditor, obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Creditor in the collection or disposition of any of the Collateral, (m) dispose of Collateral in whole or in part, (n) dispose of Collateral to a customer of the Creditor, and (o) establish an upset or reserve bid price with respect to Collateral.

10. **Grant of Licence**. For the purpose of enabling the Creditor to exercise its rights and remedies under this Agreement when the Creditor is entitled to exercise such rights and remedies, and for no other purpose, the Debtor grants to the Creditor an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to the Debtor) to use, assign or sublicense any or all of the Intellectual Property Rights, including in such licence reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of the same. For any trade-marks, get-up and trade dress and other business indicia, such licence includes an obligation on the part of the Creditor to maintain the standards of quality maintained by the Debtor or, in the case of trade-marks, get-up and trade dress or other business indicia licensed to the Debtor, the standards of quality imposed upon the Debtor by the relevant licence. For copyright works, such licence shall include the benefit of any waivers of moral rights and similar rights.

11. **Application of Proceeds**. Except as otherwise required by Applicable Laws, all Proceeds of Collateral received by the Creditor or a Receiver may be applied to discharge or satisfy any expenses (including the Receiver's remuneration and other expenses of enforcing the Creditor's rights under this Agreement), Liens on the Collateral in favour of Persons other than the Creditor, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Creditor or the Receiver to protect, preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Liens on the Collateral ranking in priority to any of the Security Interests, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds may, at the sole discretion of the Creditor, be held as collateral security for the Secured Liabilities or be applied to such of the Secured Liabilities (whether or not the same are due and payable) in such manner and at such times as the Creditor considers appropriate and thereafter shall be accounted for as required by Applicable Laws.

12. **Continuing Liability of Debtor**. The Debtor shall remain liable for any Secured Liabilities that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.

13. **Creditor's Appointment as Attorney-in-Fact**. Effective upon the occurrence and during the continuance of an Event of Default, the Debtor constitutes and appoints the Creditor and any officer or agent of the Creditor, with full power of substitution, as the Debtor's true and lawful attorney-in-fact with full power and authority in the place of the Debtor and in the name of the Debtor or in its own name, from time to time in the Creditor's discretion, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney, may be necessary or desirable to accomplish the purposes of this Agreement. These powers are coupled with an interest and are irrevocable until the

Release Date. Nothing in this Section affects the right of the Creditor as secured party or any other Person on the Creditor's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification statements and other documents relating to the Collateral and this Agreement as the Creditor or such other Person considers appropriate. The Debtor hereby ratifies and confirms, and agrees to ratify and confirm, whatever lawful acts the Creditor or any of the Creditor's sub-agents, nominees or attorneys do or purport to do in exercise of the power of attorney granted to the Creditor pursuant to this Section.

14. **Performance by Creditor of Debtor's Obligations**. If the Debtor fails to perform or comply with any of the obligations of the Debtor under this Agreement, the Creditor may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance shall not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Creditor incurred in connection with any such performance or compliance shall be payable by the Debtor to the Creditor immediately on demand, and until paid, any such expenses shall form part of the Secured Liabilities and shall be secured by the Security Interests.

15. **Interest**. If any amount payable by the Debtor to the Creditor under this Agreement is not paid when due, the Debtor shall pay to the Creditor, immediately on demand, interest on such amount from the date due until paid, at a nominal annual rate equal at all times to the Prime Rate plus 2%, which annual rate shall change automatically without notice to the Debtor as and when the Prime Rate changes. All amounts payable by the Debtor to the Creditor under this Agreement, and all interest on all such amounts, compounded monthly on the last Banking Day of each month, shall form part of the Secured Liabilities and shall be secured by the Security Interests.

16. **Severability**. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

17. **Rights of Creditor; Limitations on Creditor's Obligations**.

(a) Limitations on Creditor's Liability. The Creditor shall not be liable to the Debtor or any other Person for any failure or delay in exercising any of the rights of the Debtor under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral, or to preserve rights against prior parties). Neither the Creditor, a Receiver nor any agent of the Creditor (including, in Alberta or British Columbia, any sheriff) is required to take, or shall have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral in its possession. Neither the Creditor, any Receiver nor any agent of the Creditor shall be liable for any, and the Debtor shall bear the full risk of all, loss or damage to any and all of the Collateral (including any Collateral in the possession of the Creditor, any Receiver or any agent of the Creditor) caused for any reason other than the gross negligence or wilful misconduct of the Creditor, such Receiver or such agent of the Creditor.

(b) Debtor Remains Liable under Accounts and Contracts. Notwithstanding any provision of this Agreement, the Debtor shall remain liable under each of the documents giving rise to the Accounts of the Debtor and under each of the Contracts to observe and perform all the conditions and obligations to be observed and performed by the Debtor thereunder, all in accordance with the terms of each such document and Contract. The Creditor shall have no obligation or liability under any Account of the Debtor (or any document giving rise

thereto) or Contract by reason of or arising out of this Agreement or the receipt by the Creditor of any payment relating to such Account or Contract pursuant hereto, and in particular (but without limitation), the Creditor shall not be obligated in any manner to perform any of the obligations of the Debtor under or pursuant to any Account (or any document giving rise thereto) or under or pursuant to any Contract to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any document giving rise thereto) or under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.

(c) Collections on Accounts and Contracts. The Debtor shall be authorized to, at any time that an Event of Default is not continuing, collect its Accounts and payments under the Contracts in the normal course of the business of the Debtor and for the purpose of carrying on the same. If an Event of Default has occurred and is continuing, any payments of Accounts or under Contracts, when collected by the Debtor, shall be forthwith (and, in any event, within two Banking Days) deposited by the Debtor in the exact form received, duly endorsed by the Debtor to the Creditor if required, in a special collateral account maintained by the Creditor, and until so deposited, shall be held by the Debtor in trust for the Creditor, segregated from the other funds of the Debtor. All such amounts while held by the Creditor (or by the Debtor in trust for the Creditor) and all income with respect thereto shall continue to be collateral security for the Secured Liabilities and shall not constitute payment thereof until applied as hereinafter provided. If an Event of Default has occurred and is continuing, the Creditor may apply all or any part of the amounts on deposit in such special collateral account on account of the Secured Liabilities in such order as the Creditor may elect. At the Creditor's request, the Debtor shall deliver to the Creditor any documents evidencing and relating to the agreements and transactions which gave rise to its Accounts and the Contracts, including all original orders, invoices and shipping receipts.

(d) Analysis of Accounts. At any time and from time to time, the Creditor shall have the right to analyze and verify the Accounts of the Debtor in any manner and through any medium that it reasonably considers advisable, and the Debtor shall furnish all such assistance and information as the Creditor may require in connection therewith. At any time and from time to time, the Creditor may in its own name or in the name of others (including the Debtor) communicate with account debtors on the Accounts of the Debtor and parties to the Contracts to verify with them to its satisfaction the existence, status, amount and terms of any Account or any Contract. At any time and from time to time, upon the Creditor's reasonable request and at the expense of the Debtor, the Debtor shall furnish to the Creditor reports showing reconciliations, aging and test verifications of, and trial balances for, its Accounts.

(e) Use of Agents. The Creditor may perform any of its rights or duties under this Agreement by or through agents and is entitled to retain counsel and to act in reliance on the advice of such counsel concerning all matters pertaining to its rights and duties under this Agreement.

18. **Dealings by Creditor**. The Creditor shall not be obliged to exhaust its recourse against the Debtor or any other Person or against any other security it may hold with respect to the Secured Liabilities or any part thereof before realizing upon or otherwise dealing with the Collateral in such manner as the Creditor may consider desirable. The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Debtor and any

other Person, and with any or all of the Collateral, and with other security and sureties, as the Creditor may see fit, all without prejudice to the Secured Liabilities or to the rights and remedies of the Creditor under this Agreement. The powers conferred on the Creditor under this Agreement are solely to protect the interests of the Creditor in the Collateral and shall not impose any duty upon the Creditor to exercise any such powers.

19. **Communication.** Any notice or other communication required or permitted to be given under this Agreement shall be made in accordance with the terms of the Credit Agreement.

20. **Release of Information**. The Debtor authorizes the Creditor to provide a copy of this Agreement and such other information as may be requested of the Creditor (i) to the extent necessary to enforce the Creditor's rights, remedies and entitlements under this Agreement, (ii) to any assignee or prospective assignee of all or any part of the Secured Liabilities, and (iii) as required by Applicable Laws.

21. **Waiver**. The Debtor shall not assert, and hereby waives (to the fullest extent permitted by Applicable Laws), (i) any claim against the Creditor (or any director, officer or employee thereof), on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, and (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute.

22. **Release of Debtor**. Upon the written request of the Debtor given at any time on or after the Release Date, the Creditor shall, at the expense of the Debtor, release the Debtor and the Collateral from the Security Interests and such release shall serve to terminate any licence granted in this Agreement. Upon such release, and at the request and expense of the Debtor, the Creditor shall execute and deliver to the Debtor such releases and discharges as the Debtor may reasonably request.

23. **Additional Security**. This Agreement is in addition to, and not in substitution of, any and all other security previously or concurrently delivered by the Debtor or any other Person to the Creditor, all of which other security shall remain in full force and effect.

24. **Alteration or Waiver**. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Creditor. The Creditor shall not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Creditor, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Creditor of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Creditor would otherwise have on any future occasion. Neither the taking of any judgment nor the exercise of any power of seizure or sale shall extinguish the liability of the Debtor to pay the Secured Liabilities, nor shall the same operate as a merger of any covenant contained in this Agreement or of any other liability, nor shall the acceptance of any payment or other security constitute or create any novation.

25. **Amalgamation**. If the Debtor is a corporation, the Debtor acknowledges that if it amalgamates or merges with any other corporation or corporations, then (i) the Collateral and the Security Interests shall extend to and include all the property and assets of the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired, (ii) the term "Debtor", where used in this Agreement, shall extend to and include the amalgamated corporation, and (iii) the term "Secured

Liabilities", where used in this Agreement, shall extend to and include the Secured Liabilities of the amalgamated corporation.

26. **Governing Law; Attornment**. This Agreement shall be governed by and construed in accordance with the Applicable Laws of the Province of British Columbia. Without prejudice to the ability of the Creditor to enforce this Agreement in any other proper jurisdiction, the Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such Province. To the extent permitted by Applicable Laws, the Debtor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province.

27. **Interpretation**. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "or" is disjunctive; the word "and" is conjunctive. The word "shall" is mandatory; the word "may" is permissive. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set out herein), (b) any reference herein to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, (c) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (e) all references herein to Sections and Schedules shall be construed to refer to Sections and Schedules to, this Agreement, Section headings are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement. Any reference in this Agreement to a Permitted Encumbrance is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Security Interest to any Permitted Encumbrance. In accordance with the *Property Law Act* (British Columbia), the doctrine of consolidation applies to this Agreement.

28. **Paramountcy**. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement then, notwithstanding anything contained in this Agreement, the provisions contained in the Credit Agreement shall prevail to the extent of such conflict or inconsistency and the provisions of this Agreement shall be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to the Creditor under the Credit Agreement. If any act or omission of the Debtor is expressly permitted under the Credit Agreement but is expressly prohibited under this Agreement, such act or omission shall be permitted. If any act or omission is expressly prohibited under this Agreement, but the Credit Agreement does not expressly permit such act or omission, or if any act is expressly required to be performed under this Agreement but the Credit Agreement does not expressly relieve the Debtor from such performance, such circumstance shall not constitute a conflict or inconsistency between the applicable provisions of this Agreement and the provisions of the Credit Agreement.

29. **Successors and Assigns**. This Agreement shall enure to the benefit of, and be binding on, the Debtor and its successors and permitted assigns, and shall enure to the benefit of, and be binding on, the Creditor and its successors and assigns. The Debtor may not assign this Agreement, or any of its rights or obligations under this Agreement. The Creditor may assign this Agreement and any of its rights and obligations hereunder to any Person. If the Debtor or the Creditor is an individual, then the term "Debtor" or "Creditor", as applicable, shall also include his or her heirs, administrators and executors.

30. **Acknowledgment of Receipt/Waiver; Authorization to File Financing Statements**. The Debtor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by Applicable Laws, waives the right to receive a copy of any financing statement or financing change statement registered in connection with this Agreement or any verification statement issued with respect to any such financing statement or financing change statement. The Debtor authorizes the Creditor to file initial financing statements, and amendments and continuations of financing statements, covering the Collateral and any property that becomes collateral as identifiable proceeds of the Collateral, including financing statements describing the Collateral or any other collateral securing the Secured Liabilities as "all personal property of Debtor" or "all assets of Debtor" or words of similar effect. The Debtor hereby ratifies its authorization for the Creditor to file any initial financing statements or amendments thereto relating to the Collateral if filed prior to the date of this Agreement.

31. **Electronic Signature**. Delivery of an executed signature page to this Agreement by the Debtor by facsimile or other electronic form of transmission shall be as effective as delivery by the Debtor of a manually executed copy of this Agreement by the Debtor.

[signatures on the next following page]

IN WITNESS WHEREOF the undersigned has caused this Agreement to be duly executed as of the date first written above.

[FULL LEGAL NAME OF DEBTOR]

By: _____
Name:
Title:

[FULL LEGAL NAME OF DEBTOR]

By: _____
Name:
Title:

SCHEDULE A

DEBTOR INFORMATION

Full legal name:

Prior names:

Predecessor companies:

Jurisdiction of incorporation or organization:

Address of chief executive office:

Addresses of all places where business is carried on or tangible Personal Property is kept:

Jurisdictions in which all material account debtors are located:

Addresses of all owned real property:

Addresses of all leased real property:

Description of all "serial number" goods (i.e. motor vehicles, trailers, aircraft, boats and outboard motors for boats):

Description of all material Governmental Authorizations:

Subsidiaries of the Debtor:

Instruments, Documents of Title and Chattel Paper of the Debtor:

Pledged Certificated Securities:

Registered trade-marks and applications for trademark registrations:

Country	*Trade-mark*	*Application No.*	*Application Date*	*Registration No.*	*Registration Date*	*Licensed to or by Debtor*
						[Y/N]

Patents and patent applications:

Country	*Title*	*Patent No.*	*Application Date*	*Date of Grant*	*Licensed to or by Debtor*
					[Y/N]

Copyright registrations and applications for copyright registrations:

Country	*Work*	*Application No.*	*Application Date*	*Registration No.*	*Licensed to or by Debtor*
					[Y/N]

Industrial designs/registered designs and applications for registered designs:

Country	*Design*	*Application No.*	*Application Date*	*Registration No.*	*Issue Date*	*Licensed to or by Debtor*
						[Y/N]

U.S. SECURITY AGREEMENT

This Security Agreement is made as of [•].

TO:	**Bank of Montreal**
Address:	595 Burrard Street, 6th Floor, P.O. Box 49500, Vancouver BC V7X 1L7
Attention:	Alex Melnikov, Director, BMO Sponsor Finance
Facsimile:	(604) 687-3666
Email:	alex.melnikov@bmo.com

RECITALS:

A. Structurlam Mass Timber Corporation and Structurlam Mass Timber U.S., Inc. are, or may become, indebted or liable to Bank of Montreal (the "**Creditor**") pursuant to the terms of an amended and restated credit agreement dated as of December 3, 2019 (as amended, supplemented, restated or replaced from time to time, the "**Credit Agreement**") or otherwise.

B. To secure the payment and performance of its Secured Liabilities, each Debtor (as defined below) has agreed to grant to the Creditor the Liens with respect to its Collateral in accordance with the terms of this Agreement.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by each Debtor, each Debtor agrees with and in favour of the Creditor as follows:

1. **Definitions.** In this Agreement, capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the Credit Agreement and, unless otherwise defined in this Agreement, the singular and plural forms of the following terms have the following meanings:

"**Account**", "**account debtor**", "**authenticate**", "**bank**", "**Chattel Paper**", "**Commercial Tort Claim**", "**Commodity Account**", "**Commodity Contract**", "**Commodity Intermediary**", "**Consumer Goods**", "**Deposit Account**", "**Document**", "**Equipment**", "**electronic chattel paper**", "**Fixtures**", "**General Intangible**", "**Goods**", "**health-care-insurance receivable**", "**Instrument**", "**Inventory**", "**Investment Property**", "**Letter-of-Credit Right**", "**Money**", "**payment intangible**", "**Proceeds**", "**promissory note**", "**Securities Account**", "**Securities Intermediary**", "**software**", "**State**", "**Supporting Obligation**", "**tangible chattel paper**" and "**writing**" have the respective meanings assigned to those terms (whether in initial upper or lower case letters) in the UCC; provided that any such term will have the meaning assigned to such term in Article 9 (or the equivalent) of the UCC if such term also is defined differently in another Article of the UCC.

"**Agreement**" means this Security Agreement, including the Exhibits and recitals to this agreement, the Supplements and the Schedules, as it or they may be amended, supplemented, restated or replaced from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement.

"**Books and Records**" means, with respect to any Debtor, all books, records, files, papers, disks, documents and other repositories of data recording in any form or medium, evidencing or relating to the Personal Property of such Debtor which are at any time owned by such Debtor or to which such Debtor (or any Person on such Debtor's behalf) has access.

"**Collateral**" means, with respect to any Debtor, all of the present and future:

(a) undertaking;

(b) Personal Property (including any Personal Property that may be described in any Schedule to this Agreement or any schedules, documents or listings that such Debtor may from time to time provide to the Creditor in connection with this Agreement); and

(c) real property (including any real property that may be described in any Schedule to this Agreement or any schedules, documents or listings that such Debtor may from time to time provide to the Creditor in connection with this Agreement and including all fixtures, improvements, buildings and other structures placed, installed or erected from time to time on any such real property),

of such Debtor, including Books and Records, Contracts, Intellectual Property Rights and Permits, and including all such property in which such Debtor now or in the future has any right, title or interest whatsoever, whether owned, leased, licensed, possessed or otherwise held by such Debtor, and all Proceeds of any of the foregoing, wherever located.

"**Contracts**" means, with respect to any Debtor, all contracts and agreements to which such Debtor is at any time a party or pursuant to which such Debtor has at any time acquired rights, and includes (i) all rights of such Debtor to receive money due and to become due to it in connection with a contract or agreement, (ii) all rights of such Debtor to damages arising out of, or for breach or default with respect to, a contract or agreement, and (iii) all rights of such Debtor to perform and exercise all remedies in connection with a contract or agreement.

"**Creditor**" has the meaning set out in the recitals hereto.

"**Debtors**" means the Persons delivering a signature page to this Agreement and any other Person which hereafter delivers a Supplement, and "**Debtor**" means any one of them.

"**Deposit Account Control Agreement**" has the meaning set out in Section 7(p).

"**Credit Agreement**" has the meaning set out in the recitals hereto.

"**Intellectual Property Rights**" means, with respect to any Debtor, all industrial and intellectual property rights of such Debtor or in which such Debtor has any right, title or interest, including copyrights, patents, inventions (whether or not patented), trade-marks, get-up and trade dress, industrial designs, integrated circuit topographies, plant breeders' rights, know how and trade secrets, registrations and applications for registration for any such industrial and intellectual property rights, and all Contracts related to any such industrial and intellectual property rights, and, to the extent not otherwise included in the property described in the preceding provisions of this definition, all of such Debtor's right, title and interest in and to: all patents, patent applications and statutory invention registrations; all United States, international and foreign trademarks (including, service marks), certification marks, collective marks, trade dress, logos, domain names, product configurations, trade names, business names, corporate names and other source identifiers, whether or not registered, whether currently in use or not; all United States, international and foreign copyrights, copyright applications, copyright registrations and like protections in each work of authorship, whether statutory or common law, whether published or unpublished, and any renewals or extensions thereof, and all copyrights of works based on, incorporated in, derived from, or relating to works covered by such copyrights; and all confidential and proprietary information, including know-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development

information, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans, and customer and supplier lists and information.

"**Liens**" means, with respect to any Debtor, the Security Interests created by such Debtor in favour of the Creditor under this Agreement.

"**Permits**" means, with respect to any Debtor, all permits, licences, waivers, exemptions, consents, certificates, authorizations, approvals, franchises, rights-of-way, easements and entitlements that such Debtor has, requires or is required to have, to own, possess or operate any of its property or to operate and carry on any part of its business.

"**Person**" means and includes any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity.

"**Personal Property**" means all Accounts (including health-care-insurance receivables), Chattel Paper (including tangible chattel paper and electronic chattel paper), Deposit Accounts, Documents, Equipment, Fixtures, General Intangibles (including payment intangibles, software and things in action), Goods, Instruments (including promissory notes), Inventory, Investment Property, Letter-of-Credit Rights, Money, Supporting Obligations, the Commercial Tort Claims described in Schedule A as such Schedule may be amended or supplemented from time to time, all Commercial Tort Claims as to which any Debtor complies with the requirements of Section 7(n), and all other personal property to the extent not included in the property described in this definition.

"**Receiver**" means a receiver, a manager or a receiver and manager.

"**Release Date**" means the date on which all the Secured Liabilities of each Debtor have been indefeasibly paid and discharged in full (other than contingent indemnification obligations for which no claims have been asserted) and the Creditor has no further obligations under the Credit Agreement or the other Documents (as defined in the Credit Agreement) pursuant to which further Secured Liabilities of any Debtor might arise.

"Schedules" means the schedules to this Agreement.

"**Secured Liabilities**" means, with respect to any Debtor, all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of such Debtor to the Creditor under, in connection with or with respect to the Documents, including but not limited to the Obligations, all Financial Instrument Obligations owing to the Creditor or its Hedging Affiliates and all obligations, liabilities and indebtedness of the Debtor or any Guarantor (as defined in the Credit Agreement) to the Creditor and its Affiliates under the Other Secured Agreements, and any unpaid balance thereof.

"**Supplement**" has the meaning given to that term in Section 30.

"**UCC**" means the Uniform Commercial Code in effect in the State of Arkansas on the date of this Agreement, as the same may be amended from time to time.

"**United States**" means the United States of America.

2. **Grant of Liens.** As general and continuing collateral security for the due payment and performance of its Secured Liabilities, each Debtor pledges, mortgages, charges and assigns (by way of security) to the Creditor, and grants to the Creditor a Security Interest in, the Collateral of such Debtor.

3. **Limitations on Grant of Liens.** If the grant of the Liens with respect to any Contract, Intellectual Property Right or Permit under Section 2 would result in the termination or breach of such Contract (including, without limitation, any Contracts related to fixed assets, including with respect to purchase money security indebtedness and capital leases), Intellectual Property Right or Permit, or is otherwise prohibited or ineffective (whether by the terms thereof or under Applicable Law), then any proceeds relating to such Contract, Intellectual Property Right or Permit shall not be subject to the Liens but shall be held in trust by the applicable Debtor for the benefit of the Creditor and, on the exercise by the Creditor of any of its rights or remedies under this Agreement following an Event of Default shall be assigned by such Debtor as directed by the Creditor; provided that: (a) the Liens of such Debtor shall attach to such Contract, Intellectual Property Right or Permit, or applicable portion thereof, immediately at such time as the condition causing such termination or breach is remedied, and (b) if a term in a Contract that prohibits or restricts the grant of the Liens in any of the Collateral is unenforceable against the Creditor under Applicable Law, then the exclusion from the Liens set out above shall not apply to such Collateral. In addition, the Liens: (i) do not attach to, and the term "Collateral" does not include, (A) Consumer Goods or (B) leasehold interests in real property or (C) any United States intent-to-use trademark application to the extent that, and only during the period in which, the grant of a security interest in such intent-to-use trademark application would impair the validity or enforceability, or result in the cancellation, of such intent-to-use trademark application; or (ii) extend to the last day of the term of any lease or agreement for lease of real property. Such last day shall be held by the applicable Debtor in trust for the Creditor and, on the exercise by the Creditor of any of its rights or remedies under this Agreement following an Event of Default, shall be assigned by such Debtor as directed by the Creditor.

4. **Attachment; No Obligation to Advance.** Each Debtor confirms that value has been given by the Creditor to such Debtor, that such Debtor has rights in its Collateral existing at the date of this Agreement or the date of any Supplement, as applicable, and that such Debtor and the Creditor have not agreed to postpone the time for attachment of the Liens to any of the Collateral of such Debtor. The Liens with respect to the Collateral of each Debtor created by this Agreement shall have effect and be deemed to be effective whether or not the Secured Liabilities of such Debtor or any part thereof are owing or in existence before or after or upon the date of this Agreement or the date of any Supplement, as applicable. Neither the execution and delivery of this Agreement or any Supplement nor the provision of any financial accommodation by the Creditor shall oblige the Creditor to make any financial accommodation or further financial accommodation available to any Debtor or any other Person.

5. **Representations and Warranties.** Each Debtor represents and warrants to the Creditor that, as of the date of this Agreement or the date of any Supplement, as applicable:

(a) Debtor Information. All of the information set out in the Schedules and Supplements, as applicable, with respect to such Debtor is accurate and complete.

(b) Title; No Other Security Interests. Except for Permitted Encumbrances, such Debtor owns (or, with respect to any leased or licensed property forming part of the Collateral of such Debtor, holds a valid leasehold or licensed interest in) its Collateral free and clear of any Security Interests. No security agreement, financing statement or other notice with respect to any or all of the Collateral of such Debtor is on file or on record in any public office, except for filings with respect to Permitted Encumbrances.

(c) Amount of Accounts. The amount represented by such Debtor to the Creditor from time to time as owing by each account debtor or by all account debtors with respect to the Accounts of such Debtor will at such time be the correct amount so owing by such account debtor or account debtors and, unless disclosed in writing by such Debtor to the Creditor at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by such Debtor to the Creditor, neither such Debtor nor (to the best of such Debtor's knowledge) any other party to any Account of such Debtor or any Contract of such Debtor is in default or is likely to become in default in the performance or observance of any of the terms of such Account or Contract where such default is or could reasonably be expected to be materially adverse to such Debtor or any of the Creditor.

(d) Authority. Such Debtor has full power and authority to grant to the Creditor the Liens granted by such Debtor, subject to Permitted Liens.

(e) Consents. Except for any consent that has been obtained and is in full force and effect, no material consent of any Person (including any counterparty with respect to any Contract, any account debtor with respect to any Account, Chattel Paper or General Intangible, or any Governmental Authority with respect to any Permit) is required, or is purported to be required, for the execution, delivery, performance and enforcement of this Agreement (this representation being given without reference to the exclusions contained in Section 3).

(f) No Consumer Goods. Such Debtor does not own any Consumer Goods which are material in value or which are material to the business, operations, property, condition or prospects (financial or otherwise) of such Debtor.

(g) Intellectual Property Rights. All registrations and applications for registration pertaining to any Intellectual Property Rights of such Debtor, all other material Intellectual Property Rights of such Debtor, and the nature of such Debtor's right, title or interest therein, are described in the Schedules and Supplements as applicable, with respect to such Debtor. Each Intellectual Property Right of such Debtor is valid, subsisting, unexpired, enforceable, and has not been abandoned. In the case of copyright works of such Debtor, such Debtor has obtained full and irrevocable waivers of all moral rights or similar rights pertaining to such works. Except as set out in the Schedules and Supplements, as applicable, none of the Intellectual Property Rights of such Debtor have been licensed or franchised by such Debtor to any Person or, to the best of such Debtor's knowledge, infringed or otherwise misused by any Person. Except as set out in the Schedules and Supplements, as applicable, the exercise of any Intellectual Property Right of such Debtor, or any licensee or franchisee thereof, has not infringed or otherwise misused any intellectual property right of any other Person, and such Debtor has not received and is not aware of any claim of such infringement or other misuse.

(h) Deposit Accounts. Schedule A (as such schedule may be amended or supplemented from time to time) sets forth under the appropriate headings all of such Debtor's Deposit Accounts.

6. **Survival of Representations and Warranties.** All representations and warranties made by each Debtor in this Agreement (a) are material, (b) shall be considered to have been relied on by the Creditor, and (c) shall survive the execution and delivery of this Agreement and any Supplement or any investigation made at any time by or on behalf of the Creditor and any disposition or payment of the Secured Liabilities until the Release Date.

7. **Covenants.** Each Debtor covenants and agrees with the Creditor that:

(a) Further Documentation. Such Debtor shall from time to time, at the expense of such Debtor, promptly and duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Creditor may request for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Liens). Such Debtor agrees that the Creditor shall have the right to require that this Agreement be amended, supplemented, restated or replaced, and that such Debtor shall immediately on request by the Creditor authorize, execute and deliver any amendment, supplement, restatement or replacement (i) to reflect any changes in Applicable Laws, whether arising as a result of statutory amendments, court decisions or otherwise, (ii) to facilitate the creation, perfection and registration of appropriate security in all appropriate jurisdictions, or (iii) if such Debtor merges, consolidates or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer on the Creditor Security Interests similar to, and having the same effect as, the Liens.

(b) Maintenance of Records. Such Debtor shall keep and maintain accurate and complete records of the Collateral of such Debtor, including a record of all payments received and all credits granted with respect to the Accounts and Contracts of such Debtor. At the written request of the Creditor, such Debtor shall mark any Collateral of such Debtor specified by the Creditor to evidence the existence of the Liens.

(c) Right of Inspection. The Creditor may, at all times during normal business hours, without charge, examine and make copies of all Books and Records, and may discuss the affairs, finances and accounts of such Debtor with its officers and accountants. The Creditor may also, without charge, enter the premises of such Debtor where any of the Collateral of such Debtor is located for the purpose of inspecting such Collateral, observing its use or otherwise protecting its interests in such Collateral. Such Debtor, at its expense, shall provide the Creditor with such clerical and other assistance as may be reasonably requested by the Creditor to exercise any of its rights under this paragraph.

(d) Limitations on Other Security Interests. Such Debtor shall not create, incur or permit to exist, and shall defend the Collateral of such Debtor against, and shall take such other action as is necessary to remove, any and all Security Interests in and other claims affecting the Collateral of such Debtor, other than the Permitted Encumbrances, and such Debtor shall defend the right, title and interest of the Creditor in and to the Collateral of such Debtor against the claims and demands of all Persons.

(e) Limitations on Dispositions of Collateral. Subject to the rights provided under the Credit Agreement, such Debtor shall not, without the Creditor's prior written consent, sell, lease or otherwise dispose of any of its Collateral, except that Inventory of such Debtor may be sold, leased or otherwise disposed of and, subject to the terms of this Agreement, Accounts of such Debtor may be collected, in either case in the ordinary course of such Debtor's business. Following the occurrence and continuation of an Event of Default, all Proceeds of the Collateral of such Debtor (including all amounts received with respect to Accounts) received by or on behalf of such Debtor, whether or not arising in the ordinary course of such Debtor's business, shall be received in trust by such Debtor as trustee for the Creditor,

shall be segregated from other funds and property of such Debtor and shall be immediately paid to the Creditor in the same form as so received (with any necessary indorsements).

(f) Limitations on Modifications, Waivers, Extensions. Other than as not prohibited by paragraph (g) below, such Debtor shall not (i) amend, modify, terminate, permit to expire or waive any provision of any of such Debtor's Permits, Contracts or any documents giving rise to an Account in any manner which is or could reasonably be expected to be materially adverse to such Debtor or the Creditor, or (ii) fail to exercise promptly and diligently its rights under each of such Debtor's Contracts and documents giving rise to an Account if such failure is or could reasonably be expected to be materially adverse to such Debtor or the Creditor.

(g) Limitations on Discounts, Compromises, Extensions of Accounts. Other than in the ordinary course of business of such Debtor consistent with previous practices, such Debtor shall not (i) grant any extension of the time for payment of any Account of such Debtor, (ii) compromise, compound or settle any Account of such Debtor for less than its full amount, (iii) release, wholly or partially, any Person liable for the payment of any Account of such Debtor, or (iv) allow any credit or discount of any Account of such Debtor.

(h) Maintenance of Intellectual Property. Such Debtor shall maintain in good standing all registrations and applications with respect to the Intellectual Property Rights of such Debtor except to the extent that any failure to do so could not reasonably be expected to be materially adverse to such Debtor or any of the Creditor.

(i) Further Identification of Collateral. Such Debtor shall promptly furnish to the Creditor such statements and schedules further identifying and describing the Collateral of such Debtor, and such other reports in connection with the Collateral of such Debtor, as the Creditor may from time to time reasonably request, including an updated list of any motor vehicles or other "serial number" goods owned by such Debtor and classified as Equipment, including vehicle identification numbers.

(j) Agréements re Intellectual Property Rights. Promptly upon request from time to time by the Creditor, such Debtor shall authorize, execute and deliver any and all agreements, instruments, documents and papers that the Creditor may reasonably request to evidence the Liens in any Intellectual Property Rights of such Debtor and, where applicable, the goodwill of the business of such Debtor connected with the use of, and symbolized by, any such Intellectual Property Rights.

(k) Instruments; Documents; Chattel Paper. Promptly upon request from time to time by the Creditor, such Debtor shall deliver to the Creditor, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Creditor may reasonably request, any and all Instruments, Documents and Chattel Paper of such Debtor included in or relating to the Collateral of such Debtor as the Creditor may specify in its request.

(l) Commodity Contracts. Such Debtor shall deliver to the Creditor any and all such documents, agreements, certificates and other materials as may be required from time to time to provide the Creditor with, and otherwise shall cooperate with the Creditor in obtaining, control with respect to all Commodity Contracts, other Investment Property,

Deposit Accounts, electronic chattel paper, electronic documents and Letter-of-Credit Rights of such Debtor in the manner provided under the UCC.

(m) Notices. Such Debtor shall advise the Creditor promptly, in reasonable detail, of any:

(i) change in the jurisdiction as determined under the UCC of any bank, issuer, nominated person, Securities Intermediary or Commodity Intermediary in respect of any Deposit Accounts, Letter-of-Credit Rights or Investment Property of such Debtor;

(ii) change in the location of the jurisdiction of incorporation, chief executive office or domicile of such Debtor;

(iii) change in the name of such Debtor;

(iv) merger, consolidation or amalgamation of such Debtor with any other Person;

(v) additional jurisdiction in which such Debtor carries on business or has tangible Personal Property;

(vi) additional jurisdiction in which material account debtors of such Debtor are located;

(vii) acquisition of any right, title or interest in real property by such Debtor;

(viii) acquisition of any Intellectual Property Rights which are the subject of a registration or application with any governmental intellectual property or other governing body or registry, or which are material to such Debtor's business;

(ix) Deposit Accounts, Securities Accounts and Commodity Accounts established by such Debtor;

(x) acquisition of any Instrument, Document or Chattel Paper;

(xi) creation or acquisition of any Subsidiary of such Debtor;

(xii) Security Interest (other than Permitted Encumbrances) on, or claim asserted against, any of the Collateral of such Debtor; or

(xiii) occurrence of any event, claim or occurrence that could reasonably be expected to have a Material Adverse Effect on the value of the Collateral of such Debtor or on the Liens.

Such Debtor shall not effect or permit any of the changes referred to in clauses (ii) through (ix) above unless all filings have been made and all other actions taken that are required in order for the Creditor to continue at all times following such change to have a valid and perfected first priority Lien with respect to all of the Collateral of such Debtor, subject to Permitted Encumbrances.

(n) Intellectual Property Rights. If the Creditor requests, such Debtor shall execute or otherwise authenticate an agreement, in form and substance reasonably satisfactory to and requested by the Creditor, for filing or recording the Liens in the Intellectual Property Rights of such Debtor with the U.S. Patent and Trademark Office, the U.S. Copyright Office, any similar office in Canada or any other foreign office necessary to perfect the Liens in such Intellectual Property Rights, to the extent perfection may be achieved by making such filing or recording.

(o) Commercial Tort Claims. If such Debtor acquires a Commercial Tort Claim, such Debtor promptly shall notify the Creditor of the general details of such Commercial Tort Claim and shall grant to the Creditor a security interest in such Commercial Tort Claim and in the proceeds of such Commercial Tort Claim, all in form and substance reasonably satisfactory to the Creditor.

(p) Deposit Account Control Agreements. Without limiting the generality of Section 7(l), commencing on the date that is sixty days following the date of this Agreement (or such later date as the Creditor may reasonably agree in writing), such Debtor shall maintain Deposit Accounts only with a bank that has agreed, in an authenticated record (a "**Deposit Account Control Agreement**") among such bank, such Debtor and the Creditor and in form and substance reasonably satisfactory to the Creditor, that such bank shall comply with instructions originated by the Creditor directing the disposition of funds in such Deposit Accounts without the further consent by such Debtor, which Deposit Account Control Agreement shall provide, among other things, that the Creditor may exercise exclusive control with respect to any Deposit Accounts that are subject to such Deposit Account Control Agreement if any Event of Default has occurred and is continuing.

8. **Rights on Event of Default.** If an Event of Default has occurred and is continuing, then and in every such case the Liens of each Debtor shall become enforceable and the Creditor, in addition to any rights now or hereafter existing under Applicable Law may, personally or by agent, at such time or times as the Creditor in its discretion may determine, do any one or more of the following:

(a) Rights under UCC, etc. Exercise against any or all Debtors all of the rights and remedies granted to secured parties under the UCC and any other applicable statute, or otherwise available to the Creditor by contract, at law or in equity.

(b) Demand Possession. Demand possession of any or all of the Collateral of any or all Debtors, in which event each such Debtor shall, at the expense of such Debtor, immediately cause the Collateral of such Debtor designated by the Creditor to be assembled and made available and/or delivered to the Creditor at any place designated by the Creditor, acting reasonably.

(c) Take Possession. Enter on any premises where any Collateral of any or all Debtors is located and take possession of, disable or remove such Collateral.

(d) Deal with Collateral. Hold, store and keep idle, or operate, lease or otherwise use or permit the use of, any or all of the Collateral of any or all Debtors for such time and on such terms as the Creditor may determine, and demand, collect and retain all earnings and other sums due or to become due from any Person with respect to any of the Collateral of any or all Debtors.

(e) Carry on Business. Carry on, or concur in the carrying on of, any or all of the business or undertaking of any or all Debtors and enter on, occupy and use (without charge by such Debtor) any of the premises, buildings, plant and undertaking of, or occupied or used by, any or all Debtors.

(f) Enforce Collateral. Seize, collect, receive, enforce or otherwise deal with any Collateral of any or all Debtors in such manner, on such terms and conditions and at such times as the Creditor deems advisable.

(g) Dispose of Collateral. Realize on any or all of the Collateral of any or all Debtors and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral of any or all Debtors (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Creditor or elsewhere, with or without advertising or other formality, except as required by Applicable Law, on such terms and conditions as the Creditor may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.

(h) Court-Approved Disposition of Collateral. Obtain from any court of competent jurisdiction an order for the sale or foreclosure of any or all of the Collateral of any or all Debtors.

(i) Purchase by Creditor. At any public sale, and to the extent permitted by Applicable Law on any private sale, bid for and purchase any or all of the Collateral of any or all Debtors offered for sale and, upon compliance with the terms of such sale, hold, retain, sell or otherwise dispose of such Collateral without any further accountability to any Debtor or any other Person with respect to such holding, retention, sale or other disposition, except as required by Applicable Law. In any such sale to the Creditor, the Creditor may, for the purpose of making payment for all or any part of the Collateral of any Debtor so purchased, use any claim for any or all of the Secured Liabilities of such Debtor then due and payable as a credit against the purchase price.

(j) Collect Accounts and Other Collateral. Notify (whether in its own name or in the name of any Debtor) the account debtors and other Persons obligated under any Accounts or on any other Collateral of any or all Debtors of the Liens or the assignment of such Accounts or other Collateral to the Creditor and direct such account debtors and other Persons to make payment of all amounts due or to become due to any or all Debtors with respect to such Accounts or other Collateral directly to the Creditor and, upon such notification and at the expense of any such Debtor, enforce collection of any such Accounts and other Collateral, and adjust, settle or compromise the amount or payment of such Accounts or other Collateral, in such manner and to such extent as the Creditor deems appropriate in the circumstances.

(k) Dealing with Contracts and Permits. Deal with any and all Contracts and Permits of any or all Debtors to the same extent as any such Debtor might (including the enforcement, realization, sale, assignment, transfer, and requirement for continued performance), all on such terms and conditions and at such time or times as may seem advisable to the Creditor.

(l) Payment of Liabilities. Pay any liability secured by any Security Interest against any Collateral of any or all Debtors. Each such Debtor shall immediately on demand reimburse the Creditor for all such payments and, until paid, any such reimbursement obligation shall

form part of the Secured Liabilities of such Debtor and shall be secured by the Liens of such Debtor.

(m) Borrow and Grant Security Interests. Borrow money for the maintenance, preservation or protection of any Collateral of any or all Debtors or for carrying on any of the business or undertaking of any or all Debtors and grant Security Interests on any Collateral of any or all Debtors (in priority to the Liens of any or all Debtors or otherwise) as security for the money so borrowed. Each such Debtor shall immediately on demand reimburse the Creditor for all such borrowings and, until paid, any such reimbursement obligations shall form part of the Secured Liabilities of such Debtor and shall be secured by the Liens of such Debtor.

(n) Appoint Receiver. Appoint by instrument in writing one or more Receivers of any or all Debtors or any or all of the Collateral of any or all Debtors with such rights, powers and authority (including any or all of the rights, powers and authority of the Creditor under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by Applicable Law, any Receiver appointed by the Creditor shall (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the agent of any such Debtor and not of the Creditor.

(o) Court-Appointed Receiver. Obtain from any court of competent jurisdiction an order for the appointment of a Receiver of any or all Debtors or of any or all of the Collateral of any or all Debtors.

(p) Consultants. Require any or all Debtors to engage a consultant of the Creditor's choice, or engage a consultant on its own behalf, such consultant to receive the full cooperation and support of each such Debtor and its agents and employees, including unrestricted access to the premises of each such Debtor and the Books and Records of each such Debtor; all reasonable fees and expenses of such consultant shall be for the account of each such Debtor and each such Debtor hereby authorizes any such consultant to report directly to the Creditor and to disclose to the Creditor and such Debtor any and all information obtained in the course of such consultant's employment.

The Creditor may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by Applicable Law) to or on any Debtor or any other Person, and each Debtor hereby waives each such demand, presentment, protest, advertisement and notice to the extent permitted by Applicable Law. None of the above rights or remedies shall be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. Each Debtor acknowledges and agrees that any action taken by the Creditor hereunder following the occurrence and during the continuance of an Event of Default shall not be rendered invalid or ineffective as a result of the curing of the Event of Default on which such action was based.

9. **Realization Standards.** To the extent that Applicable Law imposes duties on the Creditor to exercise remedies in a commercially reasonable manner and without prejudice to the ability of the Creditor to dispose of the Collateral in any such manner, each Debtor acknowledges and agrees that it is not commercially unreasonable for the Creditor to (or not to) (a) incur expenses reasonably deemed significant by the Creditor to prepare the Collateral of such Debtor for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) fail to obtain

third party consents for access to the Collateral of such Debtor to be disposed of, (c) fail to exercise collection remedies against account debtors or other Persons obligated on the Collateral of such Debtor or to remove Security Interests against the Collateral of such Debtor, (d) exercise collection remedies against account debtors and other Persons obligated on the Collateral of such Debtor directly or through the use of collection agencies and other collection specialists, (e) dispose of Collateral of such Debtor by way of public auction, public tender or private contract, with or without advertising and without any other formality, (f) contact other Persons, whether or not in the same business of such Debtor, for expressions of interest in acquiring all or any portion of the Collateral of such Debtor, (g) hire one or more professional auctioneers to assist in the disposition of the Collateral of such Debtor, whether or not such Collateral is of a specialized nature or an upset or reserve bid or price is established, (h) dispose of the Collateral of such Debtor by utilizing internet sites that provide for the auction of assets of the types included in such Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (i) dispose of assets in wholesale rather than retail markets, (j) disclaim disposition warranties, such as title, possession or quiet enjoyment, (k) purchase insurance or credit enhancements to insure the Creditor against risks of loss, collection or disposition of the Collateral of such Debtor or to provide to the Creditor a guaranteed return from the collection or disposition of such Collateral, (l) to the extent deemed appropriate by the Creditor, obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Creditor in the collection or disposition of any of the Collateral of such Debtor, (m) dispose of Collateral of such Debtor in whole or in part, (n) dispose of Collateral of such Debtor to a customer of the Creditor, and (o) establish an upset or reserve bid price with respect to Collateral of such Debtor.

10. **Grant of Licence.** For the purpose of enabling the Creditor to exercise its rights and remedies under this Agreement when the Creditor is entitled to exercise such rights and remedies, and for no other purpose, each Debtor grants to the Creditor an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to such Debtor) to use, assign or sublicense any or all of the Intellectual Property Rights of such Debtor, including in such licence reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of the same. For any trademarks, get up and trade dress and other business indicia, such licence includes an obligation on the part of the Creditor to maintain the standards of quality maintained by such Debtor or, in the case of trademarks, get-up and trade dress or other business indicia licensed to such Debtor, the standards of quality imposed upon such Debtor by the relevant licence. For copyright works, such licence shall include the benefit of any waivers of moral rights and similar rights.

11. **Application of Proceeds.** Except as otherwise required by Applicable Law, all Proceeds of Collateral of any Debtor received by the Creditor shall be applied by the Creditor to payment of expenses in connection with the Collateral, including reasonable attorneys' fees and legal expenses, and thereafter to the payment of such of the Secured Liabilities of the applicable Debtor (whether or not the same are due and payable) in such manner and at such times as the Creditor considers appropriate and thereafter shall be accounted for as required by Applicable Law.

12. **Continuing Liability of Debtor.** Each Debtor shall remain liable for any Secured Liabilities of such Debtor that are outstanding following realization of all or any part of the Collateral of such Debtor and the application of the Proceeds thereof.

13. **Creditor's Appointment as Attorney-in-Fact.** Each Debtor constitutes and appoints the Creditor and any officer or agent of the Creditor, with full power of substitution, as such Debtor's true and lawful attorney-in-fact with full power and authority in the place of such Debtor and in the name of such Debtor or in its own name, from time to time in the Creditor's discretion upon the occurrence and during the continuance of an Event of Default, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney, may be necessary or desirable to accomplish

the purposes of this Agreement. These powers are coupled with an interest and are irrevocable until the Release Date. Nothing in this Section affects the right of the Creditor as secured party or any other Person on the Creditor's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification statements and other documents relating to the Collateral and this Agreement as the Creditor or such other Person considers appropriate. Each Debtor hereby ratifies and confirms, and agrees to ratify and confirm, whatever lawful acts the Creditor or any of the Creditor's sub-agents, nominees or attorneys do or purport to do in exercise of the power of attorney granted to the Creditor pursuant to this Section.

14. **Performance by Creditor of Debtor's Obligations.** If any Debtor fails to perform or comply with any of the obligations of such Debtor under this Agreement, the Creditor may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance shall not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Creditor incurred in connection with any such performance or compliance shall be payable by such Debtor to the Creditor immediately on demand, and until paid, any such expenses shall form part of the Secured Liabilities of such Debtor and shall be secured by the Liens of such Debtor.

15. **Interest.** If any amount payable by any Debtor to the Creditor under this Agreement is not paid when due, such Debtor shall pay to the Creditor, immediately on demand, interest on such amount from the date due until paid, at an annual rate equal at all times to the applicable rate specified in Section 4.7(1) of the Credit Agreement. All amounts payable by such Debtor to the Creditor under this Agreement, and all interest on all such amounts, compounded monthly on the last Banking Day of each month, shall form part of the Secured Liabilities of such Debtor and shall be secured by the Liens of such Debtor.

16. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

17. **Rights of Creditor; Limitations on Creditor's Obligations.**

(a) Limitations on Liability of Creditor. The Creditor shall not be liable to any Debtor or any other Person for any failure or delay in exercising any of the rights of such Debtor under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral of such Debtor, or to take necessary steps to preserve rights against prior parties with respect to any Chattel Paper, any Instrument or any other Collateral). Neither the Creditor, a Receiver, nor any agent thereof (including any sheriff) is required to take, or shall have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral of any Debtor in its possession. Neither the Creditor, any Receiver, nor any agent thereof shall be liable for any, and each Debtor shall bear the full risk of all, loss or damage to any and all of the Collateral of such Debtor (including any Collateral of such Debtor in the possession of the Creditor, any Receiver, or any agent thereof) caused for any reason other than the gross negligence or wilful misconduct of the Creditor, such Receiver or such agent thereof.

(b) Debtors Remain Liable under Accounts and Contracts. Notwithstanding any provision of this Agreement, each Debtor shall remain liable under each of the documents giving rise to the Accounts of such Debtor and under each of the Contracts of such Debtor to observe and perform all the conditions and obligations to be observed and performed by such

Debtor thereunder, all in accordance with the terms of each such document and Contract. The Creditor shall not have any obligation or liability under any Account of any Debtor (or any document giving rise thereto) or Contract of any Debtor by reason of or arising out of this Agreement or the receipt by the Creditor of any payment relating to such Account or Contract pursuant hereto, and in particular (but without limitation), the Creditor shall not be obligated in any manner to perform any of the obligations of any Debtor under or pursuant to any Account of such Debtor (or any document giving rise thereto) or under or pursuant to any Contract of such Debtor, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account of such Debtor (or any document giving rise thereto) or under any Contract of such Debtor, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.

(c) Collections on Accounts and Contracts. Each Debtor shall be authorized to, at any time that an Event of Default is not continuing, collect the Accounts of such Debtor and payments under the Contracts of such Debtor in the normal course of the business of such Debtor and for the purpose of carrying on the same. If an Event of Default has occurred and is continuing, any payments of Accounts of such Debtor or under Contracts of such Debtor, when collected by such Debtor, shall be forthwith (and, in any event, within two Banking Days) deposited by such Debtor in the exact form received, duly endorsed by such Debtor to the Creditor if required, in a special collateral account maintained by the Creditor, and until so deposited, will be held by such Debtor in trust for the Creditor, segregated from the other funds of such Debtor. All such amounts while held by the Creditor (or by such Debtor in trust for the Creditor) and all income with respect thereto shall continue to be collateral security for the Secured Liabilities and shall not constitute payment thereof until applied as hereinafter provided. If an Event of Default has occurred and is continuing, the Creditor may apply all or any part of the amounts on deposit with respect to such Debtor in said special collateral account on account of the Secured Liabilities of such Debtor in such order as the Creditor may elect. At the Creditor's request, such Debtor shall deliver to the Creditor any documents evidencing and relating to the agreements and transactions which gave rise to the Accounts and the Contracts of such Debtor, including all original orders, invoices and shipping receipts.

(d) Analysis of Accounts. At any time and from time to time, the Creditor shall have the right to analyze and verify the Accounts of any Debtor in any manner and through any medium that it reasonably considers advisable, and each Debtor shall furnish all such assistance and information as the Creditor may require in connection therewith. At any time and from time to time, the Creditor may in its own name or in the name of others (including any Debtor) communicate with account debtors on the Accounts of any Debtor and parties to the Contracts of any Debtor to verify with them to the Creditor's satisfaction the existence, status, amount and terms of any Account or any Contract of any Debtor. At any time and from time to time, upon the Creditor's reasonable request and at the expense of the applicable Debtor, such Debtor shall furnish to the Creditor reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts of such Debtor.

(e) Use of Agents. The Creditor may perform any of its rights or duties under this Agreement by or through agents and is entitled to retain counsel and to act in reliance on the advice of

such counsel concerning all matters pertaining to its rights and duties under this Agreement.

18. **Dealings by Creditor.** The Creditor shall not be obliged to exhaust its recourse against any Debtor or any other Person or against any other security it may hold with respect to the Secured Liabilities of such Debtor or any part thereof before realizing upon or otherwise dealing with the Collateral of such Debtor in such manner as the Creditor may consider desirable. The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with any Debtor and any other Person, and with any or all of the Collateral of any Debtor, and with other security and sureties, as the Creditor may see fit, all without prejudice to the Secured Liabilities of any Debtor or to the rights and remedies of the Creditor under this Agreement. The powers conferred on the Creditor under this Agreement are solely to protect the interests of the Creditor in the Collateral of each Debtor and shall not impose any duty upon the Creditor to exercise any such powers.

19. **Communication.** Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission, e-mail or other similar means of electronic communication, in each case to the address, facsimile number or e-mail address of the Debtors or Creditor set out in this Agreement. Any communication so given shall be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a Banking Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication shall be deemed to have been given and to have been received on the following Banking Day. Any communication sent by mail shall be deemed to have been given and to have been received on the fifth Banking Day following mailing, provided that no disruption of postal service is in effect. The Debtors and the Creditor may from time to time change their respective addresses, facsimile numbers or e-mail addresses for notice by giving notice to the other in accordance with the provisions of this Section. The address, facsimile number and e-mail address of all Debtors are set out below or in a Supplement hereto, as applicable:

STRUCTURLAM MASS TIMBER U.S., INC.

Address: _____

_____

_____

Attention: _____

Facsimile: _____

E-mail: _____

20. **Release of Information.** Subject to Section 14.7 of the Credit Agreement, each Debtor authorizes the Creditor to provide a copy of this Agreement and such other information as may be requested of the Creditor (i) to the extent necessary to enforce the Creditor's rights, remedies and entitlements under this Agreement, (ii) to any assignee or prospective assignee of all or any part of its Secured Liabilities, and (iii) as required by Applicable Law.

21. **Expenses; Indemnity; Waiver.**

(a) Each Debtor shall pay (i) all reasonable out-of-pocket expenses incurred by the Creditor, including the reasonable fees, charges and disbursements of counsel for the Creditor and all applicable taxes, in connection with the preparation and administration of this Agreement, (ii) all reasonable out-of-pocket expenses incurred by the Creditor, including the fees, charges and disbursements of counsel for the Creditor and applicable taxes, in connection with any amendments, modifications or waivers of the provisions hereof, and (iii) all out-of-pocket expenses incurred by the Creditor, including the reasonable fees, charges and disbursements of any counsel for the Creditor and all applicable taxes, in connection with the assessment, enforcement or protection of their rights in connection with this Agreement, including their rights under this Section, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations with respect to the Secured Liabilities of such Debtor.

(b) Each Debtor shall indemnify the Creditor against, and hold the Creditor harmless from, any and all losses, claims, cost recovery actions, damages, expenses and liabilities of whatsoever nature or kind and all reasonable out-of-pocket expenses and all applicable taxes to which the Creditor may become subject arising out of or in connection with (i) the execution or delivery of this Agreement and the performance by such Debtor of its obligations hereunder, (ii) any actual or prospective claim, litigation, investigation or proceeding relating to this Agreement or the Secured Liabilities of such Debtor, whether based on contract, tort or any other theory and regardless of whether the Creditor is a party thereto, (iii) any other aspect of this Agreement, or (iv) the enforcement of the Creditor's rights hereunder and any related investigation, defence, preparation of defence, litigation and enquiries; provided that such indemnity shall not, as to the Creditor, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence (it being acknowledged that ordinary negligence does not necessarily constitute gross negligence) or wilful misconduct of or material breach of this Agreement by such Creditor.

(c) No Debtor shall assert, and each Debtor hereby waives (to the fullest extent permitted by Applicable Law), (i) any claim against the Creditor (or any director, officer or employee thereof), on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, and (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute.

(d) All amounts due under this Section shall be payable not later than three Banking Days after written demand therefor.

(e) The indemnifications set out in this Section shall survive the Release Date and the release or extinguishment of the Liens.

22. **Release of Debtor.** Upon the written request of any Debtor given at any time on or after the Release Date, the Creditor shall, at the expense of such Debtor, release such Debtor and the Collateral of such Debtor from the Liens and such release shall serve to terminate any licence granted in this Agreement.

Upon such release, and at the request and expense of such Debtor, the Creditor shall execute and deliver to such Debtor such releases and discharges as such Debtor may reasonably request.

23. **Additional Security.** This Agreement is in addition to, and not in substitution of, any and all other security previously or concurrently delivered by any Debtor or any other Person to the Creditor, all of which other security shall remain in full force and effect.

24. **Alteration or Waiver.** None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a writing executed by the Creditor. The Creditor shall not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Creditor, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Creditor of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Creditor would otherwise have on any future occasion. Neither the taking of any judgment nor the exercise of any power of seizure or sale shall extinguish the liability of any Debtor to pay the Secured Liabilities of such Debtor, nor shall the same operate as a merger of any covenant contained in this Agreement or of any other liability, nor shall the acceptance of any payment or other security constitute or create any novation.

25. **Amalgamation.** If any Debtor is a corporation, such Debtor acknowledges that if it amalgamates, merges or consolidates with any other corporation or corporations, then (i) the Collateral and the Liens of such Debtor shall extend to and include all the property and assets of the surviving corporation and to any property or assets of the surviving corporation thereafter owned or acquired, (ii) the term "Debtor", where used in this Agreement, shall extend to and include the surviving corporation, and (iii) the term "Secured Liabilities", where used in this Agreement, shall extend to and include the Secured Liabilities of the surviving corporation.

26. **Governing Law; Attornment; etc.** With respect to each Debtor, this Agreement shall be governed by and construed in accordance with the Laws of the State of Arkansas. Without prejudice to the ability of the Creditor to enforce this Agreement in any other proper jurisdiction, each Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the State of Arkansas, or any federal court in such state, and any appellate court from any of such courts, in any action or proceeding arising from or by reason of, or otherwise relating to, this Agreement. To the extent permitted by Applicable Law, each Debtor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in such courts. EACH DEBTOR AND THE CREDITOR (AND, BY ACCEPTING THE BENEFITS HEREOF, THE CREDITOR) HEREBY KNOWINGLY AND IRREVOCABLY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

27. **Interpretation.** The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "or" is disjunctive; the word "and" is conjunctive. The word "shall" is mandatory; the word "may" is permissive. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or

modifications set out herein), (b) any reference herein to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, (c) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Sections and Schedules shall be construed to refer to Sections and Schedules to this Agreement, and (f) Section headings are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement. Any reference in this Agreement to a Permitted Encumbrance is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Lien to any Permitted Encumbrance.

28. **Paramountcy.** In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement then, notwithstanding anything contained in this Agreement, the provisions contained in the Credit Agreement shall prevail to the extent of such conflict or inconsistency and the provisions of this Agreement shall be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to the Creditor under the Credit Agreement. If any act or omission of any or all Debtors is expressly permitted under the Credit Agreement but is expressly prohibited under this Agreement, such act or omission shall be permitted. If any act or omission is expressly prohibited under this Agreement, but the Credit Agreement does not expressly permit such act or omission, or if any act is expressly required to be performed under this Agreement but the Credit Agreement does not expressly relieve any or all Debtors from such performance, such circumstance shall not constitute a conflict or inconsistency between the applicable provisions of this Agreement and the provisions of the Credit Agreement.

29. **Successors and Assigns.** This Agreement shall enure to the benefit of, and be binding on, each Debtor and its successors and permitted assigns, and shall enure to the benefit of, and be binding on, the Creditor and its successors and assigns. No Debtor may assign this Agreement, or assign or delegate any of its rights or obligations under this Agreement. The Creditor may assign this Agreement and any of its rights and obligations hereunder to any Person that replaces it in its capacity as such.

30. **Additional Debtors.** Additional Persons may from time to time after the date of this Agreement become Debtors under this Agreement by executing and delivering to the Creditor a supplemental agreement (together with all schedules thereto, a "**Supplement**") to this Agreement, in substantially the form attached hereto as Exhibit A. Effective from and after the date of the execution and delivery by any Person to the Creditor of a Supplement:

(a) such Person shall be, and shall be deemed for all purposes to be, a Debtor under this Agreement with the same force and effect, and subject to the same agreements, representations, indemnities, liabilities, obligations and Liens, as if such Person had been an original signatory to this Agreement as a Debtor; and

(b) all Collateral of such Person shall be subject to the Lien from such Person as security for the due payment and performance of the "Secured Liabilities" of such Person in accordance with the provisions of this Agreement.

The execution and delivery of a Supplement by any additional Person shall not require the consent of any Debtor and all of the Secured Liabilities of each Debtor and the Liens granted thereby shall remain in full force and effect, notwithstanding the addition of any new Debtor to this Agreement.

31. **Acknowledgment of Receipt/Waiver; Authorization to File Financing Statements.** Each Debtor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by Applicable Law, waives the right to receive a copy of any financing statement or financing change statement registered or filed in connection with this Agreement or any verification or acknowledgment statement issued with respect to any such financing statement or financing change statement. Each Debtor authorizes the Creditor to file initial financing statements, and amendments and continuations of financing statements, covering the Collateral and any property that becomes collateral as identifiable proceeds of the Collateral, including financing statements describing the Collateral or any other collateral securing the Obligations as "all personal property of Debtor" or "all assets of Debtor" or words of similar effect. Each Debtor hereby ratifies such Debtor's authorization for the Creditor to file any initial financing statements or amendments thereto relating to the Collateral if filed prior to the date of this Agreement.

32. **Electronic Signature and Counterparts.** Delivery of an executed signature page to this Agreement by any Debtor by facsimile or other electronic form of transmission shall be as effective as delivery by such Debtor of a manually executed copy of this Agreement by such Debtor. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

IN WITNESS WHEREOF the undersigned has caused this Security Agreement to be duly executed as of the date first written above.

STRUCTURLAM MASS TIMBER U.S., INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

DEBTOR INFORMATION

Full legal name:

Prior names:

Predecessor companies:

Jurisdiction of incorporation or organization:

Address of chief executive office and mailing address:

Addresses of all places where business is carried on or tangible Personal Property is kept:

Addresses of all owned real property:

Addresses of all leased real property:

Description of all "serial number" goods (i.e. motor vehicles, trailers, aircraft, boats and outboard motors for boats):

Description of all material Permits:

Instruments, Documents and Chattel Paper of Debtor:

Commodity Accounts:

Commodity Intermediary	Commodity Account Number	Commodity Intermediary's Jurisdiction	Commodity Contracts

Registered trademarks and applications for trademark registrations:

Country	*Trademark*	*Application No.*	*Application Date*	*Registration No.*	*Registration Date*	*Licensed to or by Debtor*[1]

Patents and patent applications:

Country	*Title*	*Patent No.*	*Application Date*	*Date of Grant*	*Licensed to or by Debtor*

Copyright registrations and applications for copyright registrations:

Country	*Work*	*Application No.*	*Application Date*	*Registration No.*	*Licensed to or by Debtor*

Industrial designs/registered designs and applications for registered designs:

Country	*Design*	*Application No.*	*Application Date*	*Registration No.*	*Issue Date*	*Licensed to or by Debtor*

Deposit Accounts:

Name of Depositary Bank	*Account Number*	*Account Name*

[1] If the answer to this or any corresponding column is "yes", describe the particulars of each such licence.

Commercial Tort Claims:

EXHIBIT A

FORM OF SUPPLEMENT
TO
SECURITY AGREEMENT

TO:	**Bank of Montreal**
Address:	595 Burrard Street, 6th Floor, P.O. Box 49500, Vancouver BC V7X 1L7
Attention:	Alex Melnikov, Director, BMO Sponsor Finance
Facsimile:	(604) 687-3666
Email:	alex.melnikov@bmo.com

RECITALS:

A. Reference is made to the Security Agreement (the "**Security Agreement**") dated as of _____, 2019 entered into by **STRUCTURLAM MASS TIMBER U.S., INC.**, and certain of its affiliates which thereafter signs a Supplement, in favour of the Creditor.

B. Capitalized terms used but not otherwise defined in this Supplement have the respective meanings given to such terms in the Security Agreement, including the definitions of terms incorporated in the Security Agreement by reference to other agreements.

C. Section 30 of the Security Agreement provides that additional Persons may from time to time after the date of the Security Agreement become Debtors under the Security Agreement by executing and delivering to the Creditor a supplemental agreement to the Security Agreement in the form of this Supplement.

D. The undersigned (the "**New Debtor**") has agreed to become a Debtor under the Security Agreement by executing and delivering this Supplement to the Creditor.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by the New Debtor, the New Debtor agrees with and in favour of the Creditor as follows:

1. The New Debtor has received a copy of, and has reviewed, the Security Agreement and is executing and delivering this Supplement to the Creditor pursuant to Section 30 of the Security Agreement.

2. Effective from and after the date this Supplement is executed and delivered to the Creditor by the New Debtor:

(a) the New Debtor shall be, and shall be deemed for all purposes to be, a Debtor under the Security Agreement with the same force and effect, and subject to the same agreements, representations, indemnities, liabilities, obligations and Liens, as if the New Debtor had been, as of the date of this Supplement, an original signatory to the Security Agreement as a Debtor; and

(b) all Collateral of the New Debtor shall be subject to the Liens granted by the New Debtor as security for the due payment and performance of the Secured Liabilities of the New Debtor in accordance with the provisions of the Security Agreement.

In furtherance of the foregoing, the New Debtor, as general and continuing collateral security for the due payment and performance of its Secured Liabilities, pledges, mortgages, charges and assigns (by way of security) to the Creditor, and grants to the Creditor a security interest in, the Collateral of the New Debtor. The terms and provisions of the Security Agreement are incorporated by reference in this Supplement.

3. The New Debtor represents and warrants to the Creditor that each of the representations and warranties made or deemed to have been made by the New Debtor under the Security Agreement as a Debtor are true and correct on the date of this Supplement.

4. All of the information set out in Schedule A to this Supplement with respect to the New Debtor is accurate and complete as of the date of this Supplement.

5. Upon this Supplement bearing the signature of any Person claiming to have authority to bind the New Debtor coming into the possession of the Creditor, this Supplement and the Security Agreement shall be deemed to be finally and irrevocably executed and delivered by, and be effective and binding on, and enforceable against, the New Debtor free from any promise or condition affecting or limiting the liabilities of the New Debtor. No statement, representation, agreement or promise by any officer, employee or agent of the Creditor or the Creditor, unless expressly set forth in this Supplement, forms any part of this Supplement or has induced the New Debtor to enter into this Supplement and the Security Agreement or in any way affects any of the agreements, obligations or liabilities of the New Debtor under this Supplement and the Security Agreement.

6. Delivery of an executed signature page to this Supplement by the New Debtor by facsimile or other electronic transmission shall be as effective as delivery by the New Debtor of a manually executed copy of this Supplement by the New Debtor.

7. This Supplement shall be governed by and construed in accordance with the laws of the State of Arkansas.

8. This Supplement and the Security Agreement shall be binding upon the New Debtor and its successors. The New Debtor shall not assign or delegate any of its rights or obligations under this Supplement or the Security Agreement, or any of its interests in this Supplement or the Security Agreement.

IN WITNESS WHEREOF the undersigned has caused this Supplement to the Security Agreement to be duly executed as of the ____ day of _____, _____.

[NEW DEBTOR]

By: _____
Name:
Title:

SCHEDULE A

DEBTOR INFORMATION

Full legal name: Structurlam Mass Timber U.S., Inc.

Prior names:

Predecessor companies:

Jurisdiction of incorporation or organization: Delaware

Address of chief executive office and mailing address:

Addresses of all places where business is carried on or tangible Personal Property is kept:

Addresses of all owned real property:

Addresses of all leased real property:

Description of all "serial number" goods (i.e. motor vehicles, trailers, aircraft, boats and outboard motors for boats):

Description of all material Permits:

Instruments, Documents and Chattel Paper of the New Debtor:

Commodity Accounts:

Commodity Intermediary	Commodity Account Number	Commodity Intermediary's Jurisdiction	Commodity Contracts

Registered trademarks and applications for trademark registrations:

Country	*Trademark*	*Application No.*	*Application Date*	*Registration No.*	*Registration Date*	*Licensed to or by Debtor*
						[Y/N][2]

Patents and patent applications:

Country	*Title*	*Patent No.*	*Application Date*	*Date of Grant*	*Licensed to or by Debtor*
					[Y/N]

Copyright registrations and applications for copyright registrations:

Country	*Work*	*Application No.*	*Application Date*	*Registration No.*	*Licensed to or by Debtor*
					[Y/N]

Industrial designs/registered designs and applications for registered designs:

Country	*Design*	*Application No.*	*Application Date*	*Registration No.*	*Issue Date*	*Licensed to or by Debtor*
						[Y/N]

[2] If the answer to this or any corresponding column is "yes", describe the particulars of each such licence.

Deposit Accounts:

Name of Depositary Bank	*Account Number*	*Account Name*

Commercial Tort Claims:

SCHEDULE G-3

FORM OF
PLEDGE AGREEMENT

This Pledge Agreement is made as of **[•]**, **[•]**.

TO: Name: Bank of Montreal
Address: 595 Burrard Street, 6th Floor, P.O. Box 49500, Vancouver, BC V7X 1L7
Attention: Alex Melnikov, Director, BMO Sponsor Finance
Facsimile: (604) 687-3666
Email: alex.melnikov@bmo.com

RECITALS:

A. Structurlam Mass Timber Corporation and Structurlam Mass Timber U.S., Inc. is, or may become, indebted or liable to Bank of Montreal (the "**Creditor**") pursuant to the terms of a credit agreement dated as of December 3, 2019 (as amended, supplemented, restated or replaced from time to time, the "**Credit Agreement**") or otherwise.

B. **[•]** (the "**Debtor**") has agreed to guarantee the debts, liabilities and obligations of the Pledged Issuer to the Creditor and has granted a guarantee dated on or about the date hereof in favour of the Creditor.

C. To secure the payment and performance of the Secured Liabilities, the Debtor has agreed to grant to the Creditor the Security Interests with respect to the Collateral in accordance with the terms of this Agreement.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by the Debtor, the Debtor agrees with and in favour of the Creditor as follows:

1. Definitions. In this Agreement capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the Credit Agreement, and the following terms have the following meanings:

"**Agreement**" means this agreement, including the Schedules and recitals to this agreement, as it or they may be amended, supplemented, restated or replaced from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement.

"**Certificated Security**", "**Proceeds**", "**Securities Account**", "**Securities Intermediary**" "**Security**", "**Security Certificate**", "**Security Entitlement**", and "**Uncertificated Security**" have the meanings given to them in the PPSA.

"**Collateral**" means:

(a) the Pledged Property;

(b) all certificates and instruments evidencing or representing the Pledged Property;

(c) all interest, dividends and distributions (whether in cash, kind or stock) received or receivable upon or with respect to any of the Pledged Property and all moneys or other

property payable or paid on account of any return or repayment of capital with respect to any of the Pledged Property or otherwise distributed with respect thereto or which will in any way be charged to, or payable or paid out of, the capital of any Pledged Issuer on account of any such Pledged Property;

(d) all other property that may at any time be received or receivable by or otherwise distributed to the Debtor with respect to, or in substitution for, or in exchange or replacement for, any of the foregoing; and

(e) all Proceeds of any of the foregoing.

"**Control Person**" means a "control person", as such term is defined under applicable Canadian securities laws.

"**Credit Agreement**" has the meaning set out in the recitals hereto.

"**Creditor**" has the meaning set out in the recitals hereto.

"**Debtor**" has the meaning set out in the recitals hereto.

"**Event of Default**" means any "Event of Default" as defined in the Credit Agreement.

"**Issuer**" has the meaning given to that term in the STA.

"**Lien**" means, (a) with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothec (whether movable or immovable), hypothecation, encumbrance, charge, security interest, royalty interest, adverse claim, defect to title or right of set off in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to any asset, (c) any purchase option, call or similar right of a third party with respect to such asset, (d) any netting arrangement, defeasance arrangement or reciprocal fee arrangement, and (e) any other arrangement having the effect of providing security.

"**Organizational Documents**" means, with respect to any Person, such Person's articles or other charter documents, by-laws, unanimous shareholder agreement, partnership agreement or trust agreement, as applicable, and any and all other similar agreements, documents and instruments relative to such Person.

"**Person**" includes any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity.

"**Pledged Certificated Securities**" means any and all Collateral that is a Certificated Security.

"**Pledged Issuer**" means **[•]**.

"**Pledged Issuer's Jurisdiction**" means, with respect to any Pledged Issuer, its jurisdiction as determined under section 44 of the STA.

"**Pledged Property**" means all assets, property and undertaking described in Schedule A as well as any property described in a pledge amendment delivered to the Creditor in the form attached as Schedule C.

"**Pledged Securities**" means any and all Collateral that is a Security.

"**Pledged Security Certificates**" means any and all Security Certificates representing the Pledged Certificated Securities.

"**Pledged Uncertificated Securities**" means any and all Collateral that is an Uncertificated Security.

"**PPSA**" means the *Personal Property Security Act* (British Columbia), as such legislation may be amended, renamed or replaced from time to time, and includes all regulations from time to time made under such legislation.

"**Release Date**" means the date on which all the Secured Liabilities have been indefeasibly paid and discharged in full and the Creditor has no further obligations to the Debtor under the Documents pursuant to which further Secured Liabilities might arise.

"**Reporting Pledged Issuer**" means a Pledged Issuer that is a "reporting issuer", as such term is defined under applicable Canadian securities laws.

"**Secured Liabilities**" means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Creditor under, in connection with or with respect to the Documents, and any unpaid balance thereof.

"**Security Interests**" means the Liens created by the Debtor in favour of the Creditor under this Agreement.

"**STA**" means the *Securities Transfer Act* of the Province referred to in the "Governing Law" section of this Agreement, as such legislation may be amended, renamed or replaced from time to time, and includes all regulations from time to time made under such legislation.

"**Voting or Equity Securities**" means (a) any "security" (as defined under applicable Canadian securities laws), other than a bond, debenture, note or similar instrument representing indebtedness (whether secured or unsecured), of an issuer carrying a voting right either under all circumstances or under some circumstances that have occurred and are continuing or (b) a security of an issuer that carries a residual right to participate in the earnings of the issuer and, on liquidation or winding up of the issuer, in its assets.

2. Grant of Security Interests. As general and continuing collateral security for the due payment and performance of the Secured Liabilities, the Debtor pledges to the Creditor, and grants to the Creditor a security interest in, the Collateral.

3. Attachment; No Obligation to Advance. The Debtor confirms that value has been given by the Creditor to the Debtor, that the Debtor has rights in the Collateral existing at the date of this Agreement and that the Debtor and the Creditor have not agreed to postpone the time for attachment of the Security Interests to any of the Collateral. The Security Interests shall have effect and be deemed to be effective whether or not the Secured Liabilities or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution and delivery of this Agreement nor the provision of any financial accommodation by the Creditor shall oblige the Creditor to make any financial accommodation or further financial accommodation available to the Debtor or any other Person.

4. Representations and Warranties. The Debtor represents and warrants to the Creditor that, as of the date of this Agreement:

(a) Debtor Information. All of the information set out in Schedule B is accurate and complete.

(b) Consents and Transfer Restrictions.

(i) Except for any consent that has been obtained and is in full force and effect, no consent of any Person is required, or is purported to be required, for the execution, delivery, performance and enforcement of this Agreement. For the purposes of complying with any transfer restrictions contained in the Organizational Documents of any Pledged Issuer, the Debtor hereby irrevocably consents to any transfer of the Pledged Securities of such Pledged Issuer.

(ii) The Pledged Securities are not subject to any escrow or other agreement, arrangement, commitment or understanding, prohibiting the transfer of the Pledged Securities, including pursuant to applicable Canadian securities laws or the rules, regulations or policies of any marketplace on which the Pledged Securities are listed, posted or traded.

(c) Partnerships, Limited Liability Companies. The terms of any interest in a partnership or limited liability company that is Collateral expressly provide that such interest is a "security" for the purposes of the STA.

(d) Due Authorization. The Pledged Securities have been duly authorized and validly issued and are fully paid and non-assessable.

(e) Warrants, Options, etc. There are no outstanding warrants, options or other rights to purchase, or other agreements outstanding with respect to, or property that is now or hereafter convertible into, or that requires the issuance or sale of, any Pledged Securities.

(f) No Required Disposition. There is no existing agreement, option, right or privilege capable of becoming an agreement or option pursuant to which the Debtor would be required to sell, redeem or otherwise dispose of any Pledged Securities or under which any Pledged Issuer has any obligation to issue any Securities of such Pledged Issuer to any Person.

5. Survival of Representations and Warranties. All representations and warranties made by the Debtor in this Agreement (a) are material, (b) shall be considered to have been relied on by the Creditor, and (c) shall survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Creditor and any disposition or payment of the Secured Liabilities until the Release Date.

6. Covenants. The Debtor covenants and agrees with the Creditor that:

(a) Further Documentation. The Debtor shall from time to time, at the expense of the Debtor, promptly and duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Creditor may request for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Security Interests). The Debtor acknowledges that this Agreement has been prepared based on the existing laws in the Province referred to in the "Governing Law" section of this Agreement and that a change in such laws, or the laws of other jurisdictions, may require the execution and delivery of different forms of security documentation. Accordingly, the Debtor agrees that the Creditor shall have the right to require that this Agreement be amended, supplemented, restated or replaced, and that the Debtor shall immediately on request by the Creditor authorize, execute and deliver

any such amendment, supplement, restatement or replacement (i) to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions, or (iii) if the Debtor merges or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer on the Creditor Liens similar to, and having the same effect as, the Security Interests.

(b) Limitations on Other Liens. The Debtor shall not create, incur or permit to exist, and shall defend the Collateral against, and shall take such other action as is necessary to remove, any and all Liens in and other claims affecting the Collateral, other than the Permitted Encumbrances, and the Debtor shall defend the right, title and interest of the Creditor in and to the Collateral against the claims and demands of all Persons.

(c) Limitations on Dispositions of Collateral. The Debtor shall not, without the Creditor's prior written consent, sell or otherwise dispose of any of the Collateral.

(d) Amalgamation, Merger or Consolidation. The Debtor shall not permit the Pledged Issuer to amalgamate, merge or consolidate unless all of the outstanding capital stock of the surviving or resulting corporation is, upon such amalgamation, merger or consolidation, pledged under this Agreement and no cash, securities or other property is distributed with respect to the outstanding shares of any other constituent corporation.

(e) Pledged Certificated Securities. The Debtor shall deliver to the Creditor any and all Pledged Security Certificates and other materials (including stock powers or assignments separate from certificate executed in blank) as may be required from time to time to provide the Creditor with control over all Pledged Certificated Securities in the manner provided under section 23 of the STA. At the request of the Creditor, the Debtor shall cause all Pledged Security Certificates to be registered in the name of the Creditor or its nominee.

(f) Pledged Uncertificated Securities. The Debtor shall deliver to the Creditor any and all such documents, agreements and other materials as may be required from time to time to provide the Creditor with control over all Pledged Uncertificated Securities in the manner provided under section 24 of the STA.

(g) Partnerships, Limited Liability Companies. The Debtor shall ensure that the terms of any interest in a partnership or limited liability company that is Collateral shall expressly provide that such interest is a "security" for the purposes of the STA.

(h) Transfer Restrictions. If the constating documents of any Pledged Issuer restrict the transfer of the Securities of such Pledged Issuer, then the Debtor shall deliver to the Creditor a certified copy of a resolution of the directors, shareholders, unitholders or partners of such Pledged Issuer, as applicable, consenting to the transfer(s) contemplated by this Agreement, including any prospective transfer of the Collateral by the Creditor upon a realization on the Security Interests.

(i) Notices. The Debtor shall advise the Creditor promptly, in reasonable detail, of:

(i) any acquisition after the date of this Agreement of any right, title or interest in any Pledged Property, together with all applicable information set out in Schedule B with respect thereto;

(ii) any change to the Pledged Issuer's Jurisdiction;

(iii) any change in the location of the jurisdiction of incorporation or amalgamation, chief executive office, or domicile of the Debtor;

(iv) any change in the name of the Debtor;

(v) any merger, consolidation or amalgamation of the Debtor with any other Person;

(vi) any Lien (other than Permitted Encumbrances) on, or claim asserted against, any of the Collateral;

(vii) the Debtor becoming (or if the Debtor could reasonably be determined to have become) a Control Person with respect to any Reporting Pledged Issuer; or

(viii) the issuance of any order ceasing or suspending trading in, or prohibiting the transfer of any Pledged Securities or the institution of proceedings for such purpose, or if such Debtor has any reason to believe that any such proceedings are pending, contemplated or threatened.

The Debtor shall not effect or permit any of the changes referred to in clauses (ii) through (v) above unless all filings have been made and all other actions taken that are required in order for the Creditor to continue at all times following such change to have a valid and perfected first priority Security Interest with respect to all of the Collateral.

(j) Additional Collateral. Without limitation of anything set forth in clauses (a) through (i) above, to the extent the Debtor acquires, by way of amalgamation, merger, consolidation or otherwise, any additional Collateral at any time or from time to time after the date hereof, such Collateral will automatically (and without any further action being required to be taken by the Creditor) be subject to the Security Interest created hereby. The Debtor will take, or cause to be taken, in each case, all steps and actions as the Creditor reasonably deems necessary to ensure that the additional Collateral is delivered to the Creditor, including, without limitation, (i) delivery to the Creditor of a Pledge Amendment, duly executed by such Pledgor, in substantially the form of Schedule C hereto (a "**Pledge Amendment**") and (ii) delivery to the Creditor of any Certificated Securities comprising such additional Collateral, together with stock powers or assignments separate from certificate executed in blank, as promptly as practicable and in accordance with the provisions of the Credit Agreement. The Debtor hereby authorizes the Creditor to attach each Pledge Amendment to this Agreement and agrees that all Pledged Securities listed on any Pledge Amendment delivered to the Lender shall for all purposes hereunder be considered Collateral.

7. **Voting Rights.** Unless an Event of Default has occurred and is continuing, the Debtor shall be entitled to exercise all voting power and rights from time to time exercisable with respect to the Pledged Securities and give consents, waivers and ratifications with respect thereto; provided, however, that no vote shall be cast or consent, waiver or ratification given or action taken which would be, or would have a reasonable likelihood of being, prejudicial to the interests of the Creditor or which would have the effect of reducing the value of the Collateral as security for the Secured Liabilities or imposing any restriction on the transferability of any of the Collateral. Unless an Event of Default has occurred and is continuing, the Creditor shall, from time to time at the request and expense of the Debtor, execute or cause to be executed, with respect to all Pledged Securities that are registered in the name of the Creditor or its nominee, valid

proxies appointing the Debtor as its (or its nominee's) proxy to attend, vote and act for and on behalf of the Creditor or such nominee, as the case may be, at any and all meetings of the applicable Pledged Issuer's shareholders or debt holders, all Pledged Securities that are registered in the name of the Creditor or such nominee, as the case may be, and to execute and deliver, consent to or approve or disapprove of or withhold consent to any resolutions in writing of shareholders or debt holders of the applicable Pledged Issuer for and on behalf of the Creditor or such nominee, as the case may be. Immediately upon the occurrence and during the continuance of any Event of Default, all such powers and rights of the Debtor to vote and give consents, waivers and ratifications shall cease and the Creditor or its nominee shall be entitled to exercise all such voting powers and rights and to give all such consents, waivers and ratifications.

8. Dividends; Interest. Unless an Event of Default has occurred and is continuing, the Debtor shall be entitled to receive any and all cash dividends, interest, principal payments and other forms of cash distribution on the Pledged Securities which it is otherwise entitled to receive, but any and all stock and/or liquidating dividends, distributions of property, returns of capital or other distributions made on or with respect to the Pledged Securities, whether resulting from a subdivision, combination or reclassification of the outstanding capital stock of any Pledged Issuer or received in exchange for the Pledged Securities or any part thereof or as a result of any amalgamation, merger, consolidation, acquisition or other exchange of property to which any Pledged Issuer may be a party or otherwise, and any and all cash and other property received in exchange for any Pledged Securities shall be and become part of the Collateral subject to the Security Interests and, if received by the Debtor, shall forthwith be delivered to the Creditor or its nominee (accompanied, if appropriate, by proper instruments of assignment and/or stock powers of attorney executed by the Debtor in accordance with the Creditor's instructions) to be held subject to the terms of this Agreement; and if any of the Pledged Security Certificates have been registered in the name of the Creditor or its nominee, the Creditor shall execute and deliver (or cause to be executed and delivered) to the Debtor all such dividend orders and other instruments as the Debtor may request for the purpose of enabling the Debtor to receive the dividends, distributions or other payments which the Debtor is authorized to receive and retain pursuant to this Section. If an Event of Default has occurred and is continuing, all rights of the Debtor pursuant to this Section shall cease and the Creditor shall have the sole and exclusive right and authority to receive and retain the cash dividends, interest, principal payments and other forms of cash distribution which the Debtor would otherwise be authorized to retain pursuant to this Section. Any money and other property paid over to or received by the Creditor pursuant to the provisions of this Section shall be retained by the Creditor as additional Collateral hereunder and be applied in accordance with the provisions of this Agreement.

9. Rights on Event of Default. If an Event of Default has occurred and is continuing, then and in every such case all of the Secured Liabilities shall, at the option of the Creditor, become immediately due and payable and the Security Interests shall become enforceable and the Creditor, in addition to any rights now or hereafter existing under Applicable Laws may, personally or by agent, at such time or times as the Creditor in its discretion may determine, do any one or more of the following:

(a) Rights under PPSA, etc. Exercise all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to the Creditor by contract, at law or in equity.

(b) Dispose of Collateral. Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Creditor or elsewhere, with or without advertising or other formality, except as required by Applicable Laws, on such terms and conditions as the Creditor may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.

(c) Court-Approved Disposition of Collateral. Obtain from any court of competent jurisdiction an order for the sale or foreclosure of any or all of the Collateral.

(d) Purchase by Creditor. At any public sale, and to the extent permitted by Applicable Laws on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain, sell or otherwise dispose of such Collateral without any further accountability to the Debtor or any other Person with respect to such holding, retention, sale or other disposition, except as required by Applicable Laws. In any such sale to the Creditor, the Creditor may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for any or all of the Secured Liabilities then due and payable to it as a credit against the purchase price.

(e) Transfer of Collateral. Transfer any Pledged Securities into the name of the Creditor or its nominee.

(f) Voting. Vote any or all of the Pledged Securities (whether or not transferred to the Creditor or its nominee) and give or withhold all consents, waivers and ratifications with respect thereto and otherwise act with respect thereto as though it were the outright owner thereof.

(g) Exercise Other Rights. Exercise any and all rights, privileges, entitlements and options pertaining to any Pledged Securities as if the Creditor were the absolute owner of such Pledged Securities.

The Creditor may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by Applicable Laws) to or on the Debtor or any other Person, and the Debtor hereby waives each such demand, presentment, protest, advertisement and notice to the extent permitted by Applicable Laws. None of the above rights or remedies shall be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. The Debtor acknowledges and agrees that any action taken by the Creditor hereunder following the occurrence and during the continuance of an Event of Default shall not be rendered invalid or ineffective as a result of the curing of the Event of Default on which such action was based.

10. Realization Standards. To the extent that Applicable Laws imposes duties on the Creditor to exercise remedies in a commercially reasonable manner and without prejudice to the ability of the Creditor to dispose of the Collateral in any such manner, the Debtor acknowledges and agrees that it is not commercially unreasonable for the Creditor to (or not to) (a) to the extent deemed appropriate by the Creditor, obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Creditor in the collection or disposition of any of the Collateral, (b) dispose of Collateral in whole or in part, (c) dispose of Collateral to a customer of the Creditor, and (d) establish an upset or reserve bid price with respect to Collateral.

11. Securities Laws. The Creditor is authorized, in connection with any offer or sale of any Pledged Securities, to comply with any limitation or restriction as it may be advised by counsel is necessary to comply with Applicable Laws, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications, and restricting prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such Securities. In addition to and without limiting Section 10, the Debtor further agrees that compliance with any such limitation or restriction shall not result in a sale being considered or deemed not to have been made in a commercially reasonable manner, and the Creditor shall not be liable or accountable to the Debtor

for any discount allowed by reason of the fact that such Pledged Securities are sold in compliance with any such limitation or restriction. If the Creditor chooses to exercise its right to sell any or all Pledged Securities, upon written request, the Debtor shall cause each applicable Pledged Issuer to furnish to the Creditor all such information as the Creditor may request in order to determine the number of shares and other instruments included in the Collateral which may be sold by the Creditor in exempt transactions under any Applicable Laws governing securities, and the rules and regulations of any applicable securities regulatory body thereunder, as the same are from time to time in effect.

12. Application of Proceeds. All Proceeds of Collateral received by the Creditor may be applied to discharge or satisfy any expenses (including expenses of enforcing the Creditor's rights under this Agreement), Liens on the Collateral in favour of Persons other than the Creditor, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Creditor to protect, preserve, repair, process, maintain or enhance the Collateral or prepare it for sale or other disposition, or to keep in good standing any Liens on the Collateral ranking in priority to any of the Security Interests, or to sell or otherwise dispose of the Collateral. The balance of such Proceeds may, at the sole discretion of the Creditor, be held as collateral security for the Secured Liabilities or be applied to such of the Secured Liabilities (whether or not the same are due and payable) in such manner and at such times as the Creditor considers appropriate and thereafter shall be accounted for as required by Applicable Laws.

13. Continuing Liability of Debtor. The Debtor shall remain liable for any Secured Liabilities that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.

14. Creditor's Appointment as Attorney-in-Fact. Effective upon the occurrence and during the continuance of an Event of Default, the Debtor constitutes and appoints the Creditor and any officer or agent of the Creditor, with full power of substitution, as the Debtor's true and lawful attorney-in-fact with full power and authority in the place of the Debtor and in the name of the Debtor or in its own name, from time to time in the Creditor's discretion, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney, may be necessary or desirable to accomplish the purposes of this Agreement. Without limiting the effect of this Section, the Debtor grants the Creditor an irrevocable proxy to vote the Pledged Securities and to exercise all other rights, powers, privileges and remedies to which a holder thereof would be entitled (including giving or withholding written consents of shareholders, calling special meetings of shareholders and voting at such meetings), which proxy shall be effective, automatically and without the necessity of any action (including any transfer of any Pledged Securities on the books and records of a Pledged Issuer or Pledged Securities Intermediary, as applicable), upon the occurrence of an Event of Default. These powers are coupled with an interest and are irrevocable until the Release Date. Nothing in this Section affects the right of the Creditor as secured party or any other Person on the Creditor's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification statements and other documents relating to the Collateral and this Agreement as the Creditor or such other Person considers appropriate. The Debtor hereby ratifies and confirms, and agrees to ratify and confirm, whatever lawful acts the Creditor or any of the Creditor's sub-agents, nominees or attorneys do or purport to do in exercise of the power of attorney granted to the Creditor pursuant to this Section.

15. Performance by Creditor of Debtor's Obligations. If the Debtor fails to perform or comply with any of the obligations of the Debtor under this Agreement, the Creditor may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance shall not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Creditor incurred in connection with any such performance or compliance shall be payable by the Debtor to the Creditor immediately on demand, and until paid, any such expenses shall form part of the Secured Liabilities and shall be secured by the Security Interests.

16. Interest. If any amount payable by the Debtor to the Creditor under this Agreement is not paid when due, the Debtor shall pay to the Creditor, immediately on demand, interest on such amount from the date due until paid, at a nominal annual rate equal at all times to the Prime Rate plus 2%, which annual rate shall change automatically without notice to the Debtor as and when the Prime Rate changes. All amounts payable by the Debtor to the Creditor under this Agreement, and all interest on all such amounts, compounded monthly on the last Banking Day of each month, shall form part of the Secured Liabilities and shall be secured by the Security Interests.

17. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

18. Rights of Creditor; Limitations on Creditor's Obligations.

(a) Limitations on Creditor's Liability. The Creditor shall not be liable to the Debtor or any other Person for any failure or delay in exercising any of the rights of the Debtor under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral, or to preserve rights against prior parties). Neither the Creditor nor any agent of the Creditor (including, in Alberta or British Columbia, any sheriff) is required to take, or shall have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral in its possession. Neither the Creditor nor any agent of the Creditor shall be liable for any, and the Debtor shall bear the full risk of all, loss or damage to any and all of the Collateral (including any Collateral in the possession of the Creditor or any agent of the Creditor) caused for any reason other than the gross negligence or wilful misconduct of the Creditor or such agent of the Creditor.

(b) Use of Agents. The Creditor may perform any of its rights or duties under this Agreement by or through agents and is entitled to retain counsel and to act in reliance on the advice of such counsel concerning all matters pertaining to its rights and duties under this Agreement.

19. Dealings by Creditor. The Creditor shall not be obliged to exhaust its recourse against the Debtor or any other Person or against any other security it may hold with respect to the Secured Liabilities or any part thereof before realizing upon or otherwise dealing with the Collateral in such manner as the Creditor may consider desirable. The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Debtor and any other Person, and with any or all of the Collateral, and with other security and sureties, as the Creditor may see fit, all without prejudice to the Secured Liabilities or to the rights and remedies of the Creditor under this Agreement. The powers conferred on the Creditor under this Agreement are solely to protect the interests of the Creditor in the Collateral and shall not impose any duty upon the Creditor to exercise any such powers.

20. Communication. Any notice or other communication required or permitted to be given under this Agreement shall be made in accordance with the terms of the Credit Agreement.

21. Release of Information. The Debtor authorizes the Creditor to provide a copy of this Agreement and such other information as may be requested of the Creditor (i) to the extent necessary to enforce the Creditor's rights, remedies and entitlements under this Agreement, (ii) to any assignee or prospective assignee of all or any part of the Secured Liabilities, and (iii) as required by Applicable Laws.

22. Waiver. The Debtor shall not assert, and hereby waives (to the fullest extent permitted by Applicable Laws), (i) any claim against the Creditor (or any director, officer or employee thereof), on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, and (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute.

23. Release of Debtor. Upon the written request of the Debtor given at any time on or after the Release Date, the Creditor shall, at the expense of the Debtor, release the Debtor and the Collateral from the Security Interests. Upon such release, and at the request and expense of the Debtor, the Creditor shall execute and deliver to the Debtor such releases and discharges as the Debtor may reasonably request.

24. Additional Security. This Agreement is in addition to, and not in substitution of, any and all other security previously or concurrently delivered by the Debtor or any other Person to the Creditor, all of which other security shall remain in full force and effect.

25. Alteration or Waiver. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Creditor. The Creditor shall not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Creditor, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Creditor of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Creditor would otherwise have on any future occasion. Neither the taking of any judgment nor the exercise of any power of seizure or sale shall extinguish the liability of the Debtor to pay the Secured Liabilities, nor shall the same operate as a merger of any covenant contained in this Agreement or of any other liability, nor shall the acceptance of any payment or other security constitute or create any novation.

26. Amalgamation. If the Debtor is a corporation, the Debtor acknowledges that if it amalgamates or merges with any other corporation or corporations, then (i) the Collateral and the Security Interests shall extend to and include all the Collateral of the amalgamated corporation and to any Collateral of the amalgamated corporation thereafter owned or acquired, (ii) the term "Debtor", where used in this Agreement, shall extend to and include the amalgamated corporation, and (iii) the term "Secured Liabilities", where used in this Agreement, shall extend to and include the Secured Liabilities of the amalgamated corporation.

27. Governing Law; Attornment. This Agreement shall be governed by and construed in accordance with the Laws of the Province of British Columbia. Without prejudice to the ability of the Creditor to enforce this Agreement in any other proper jurisdiction, the Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such Province. To the extent permitted by Applicable Laws, the Debtor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province.

28. Interpretation. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "or" is disjunctive; the word "and" is

conjunctive. The word "shall" is mandatory; the word "may" is permissive. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set out herein), (b) any reference herein to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, (c) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (e) all references herein to Sections and Schedules shall be construed to refer to Sections and Schedules to, this Agreement, Section headings are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement. Any reference in this Agreement to a Permitted Encumbrance is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Security Interest to any Permitted Encumbrance. In accordance with the *Property Law Act* (British Columbia), the doctrine of consolidation applies to this Agreement.

29. Paramountcy. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement then, notwithstanding anything contained in this Agreement, the provisions contained in the Credit Agreement shall prevail to the extent of such conflict or inconsistency and the provisions of this Agreement shall be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to the Creditor under the Credit Agreement. If any act or omission of the Debtor is expressly permitted under the Credit Agreement but is expressly prohibited under this Agreement, such act or omission shall be permitted. If any act or omission is expressly prohibited under this Agreement, but the Credit Agreement does not expressly permit such act or omission, or if any act is expressly required to be performed under this Agreement but the Credit Agreement does not expressly relieve the Debtor from such performance, such circumstance shall not constitute a conflict between the applicable provisions of this Agreement and the provisions of the Credit Agreement.

30. Successors and Assigns. This Agreement shall enure to the benefit of, and be binding on, the Debtor and its successors and permitted assigns, and shall enure to the benefit of, and be binding on, the Creditor and its successors and assigns. The Debtor may not assign this Agreement, or any of its rights or obligations under this Agreement. The Creditor may assign this Agreement and any of its rights and obligations hereunder to any Person that replaces it in its capacity as such. If the Debtor or the Creditor is an individual, then the term "Debtor" or "Creditor", as applicable, shall also include his or her heirs, administrators and executors.

31. Acknowledgment of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by Applicable Laws, waives the right to receive a copy of any financing statement or financing change statement registered in connection with this Agreement or any verification statement issued with respect to any such financing statement or financing change statement.

32. Electronic Signature. Delivery of an executed signature page to this Agreement by the Debtor by facsimile or other electronic form of transmission shall be as effective as delivery by the Debtor of a manually executed copy of this Agreement by the Debtor.

[signatures on the next following page]

IN WITNESS WHEREOF the undersigned has caused this Agreement to be duly executed as of the date first written above.

[FULL LEGAL NAME OF DEBTOR]

By: _____

Name:

Title:

SCHEDULE A

PLEDGED PROPERTY

A. All Securities and other interests in a partnership or limited liability company issued by or with respect to the Pledged Issuer in which the Debtor now or in the future has any right, title or interest.

SCHEDULE B

DEBTOR & PLEDGED PROPERTY INFORMATION

Full legal name:

Prior names:

Predecessor companies:

Jurisdiction of incorporation or organization:

Address of chief executive office:

Pledged Certificated Securities:

Pledged Issuer	Securities Owned	% of issued and outstanding Securities of Pledged Issuer	Security Certificate Numbers	Security Certificate Location
[•]	[•]	[•]	[•]	[•]

SCHEDULE C

PLEDGE AMENDMENT

This Pledge Amendment, dated _____, _____ is delivered pursuant to Section 6(j) of the Pledge Agreement referred to below. All defined terms herein shall have the meanings ascribed thereto or incorporated by reference in the Pledge Agreement. The undersigned hereby certifies that the representations and warranties in Section 4 of the Pledge Agreement (as defined below) are and continue to be true and correct, as if made on the date of this Amendment both as to the shares pledged prior to this Pledge Amendment and as to the shares pledged pursuant to this Pledge Amendment, except to the extent such representations and warranties relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date. The undersigned further agrees that this Pledge Amendment may be attached to that certain Pledge Agreement, dated as of [_____], 20[__] among the undersigned, certain other Debtors and the Creditor (the "**Pledge Agreement**") and that the Collateral listed on this Pledge Amendment shall be and become a part of the Collateral referred to in said Pledge Agreement and shall secure all Secured Obligations referred to in said Pledge Agreement.

[INSERT SUCH PLEDGOR NAME]

By: _____
Name: _____
Title: _____

Pledged Certificated Securities:

Pledged Issuer	**Securities Owned**	**% of issued and outstanding Securities of Pledged Issuer**	**Security Certificate Numbers**

SCHEDULE G-4

LIMITED GUARANTEE OF COLLECTION

This Limited Guarantee of Collection is made as of [•], [•].

TO:	**Bank of Montreal**
Address:	595 Burrard Street, 6th Floor, P.O. Box 49500, Vancouver BC V7X 1L7
Attention:	Alex Melnikov, Director, BMO Sponsor Finance
Facsimile:	(604) 687-3666
Email:	alex.melnikov@bmo.com

RECITALS:

A. Structurlam Mass Timber Corporation (the "**Cdn. Borrower**") and Structurlam Mass Timber U.S., Inc. (the "**Debtor**"), as borrowers, and Bank of Montreal (the "**Creditor**"), as lender, are parties to an amended and restated credit agreement dated as of December 3, 2019 (as amended, supplemented, restated or replaced from time to time, the "**Credit Agreement**").

B. It is in the interests of [•], a Delaware corporation (the "**Guarantor**") that the Creditor extend credit (or continue to extend credit) to the Debtor, and the Guarantor is therefore prepared to issue this Agreement to the Creditor in order to induce the Creditor to do so.

For the sum of ten United States Dollars (U.S. $10) and other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged by the Guarantor, the Guarantor hereby agrees in favour of the Creditor as follows:

1. Definitions. In this Agreement capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the Credit Agreement, and the following terms have the following meanings:

"**Agreement**" means this Limited Guarantee of Collection, including the recitals to this agreement, as it or they may be amended, supplemented, restated or replaced from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement.

"**Applicable Laws**" means, in relation to any Person, transaction or event, (a) all applicable provisions of laws, statutes, rules and regulations from time to time in effect of any Governmental Authority and (b) all Governmental Authorizations to which the Person is a party or by which it or its property is bound or having application to the transaction or event.

"**Banking Day**" means, a day on which banks are open for business in Vancouver, British Columbia, Chicago, Illinois and Bentonville, Arkansas, but does not in any event include a Saturday or a Sunday.

"**Credit Agreement**" has the meaning set out in the recitals hereto.

"**Creditor**" has the meaning set out in the recitals hereto.

"**Debtor**" has the meaning set out in the recitals hereto.

"**Debtor Liabilities**" means all present and future indebtedness of the Debtor to the Creditor under, in connection with or with respect to the Documents (as defined in the Credit Agreement) to the extent such indebtedness arises under the U.S. Term Facility, but excluding the Debtor's indebtedness, liabilities and obligations to the Creditor under the Debtor's guarantee (entered into on or about the date hereof, as the same may be amended, supplemented, restated or replaced from time to time) of the obligations, liabilities and indebtedness of the Cdn. Borrower to the Creditor. In no event shall the Debtor Liabilities include any other indebtedness, liabilities, or obligations, including but not limited to any indebtedness, liabilities, or obligations arising under the Credit Agreement with respect to the Revolving Facility, Cdn. Term Facility, or the L/C Facility, as such terms are defined in the Credit Agreement.

"**Event of Default**" means any "Event of Default" as defined in the Credit Agreement.

"**Governmental Authority**" means any federal, provincial, state, regional, municipal or local government or any department, agency, board, tribunal, accreditation entity or authority thereof or other political subdivision thereof and any entity or Person exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government or the operation thereof.

"**Governmental Authorization**" means an authorization, accreditation, order, permit, approval, grant, license, consent, right, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree or demand or the like issued or granted by law or by rule or regulation of any Governmental Authority.

"**Guarantor**" has the meaning set out in the recitals hereto.

"**Guarantor Liabilities**" means all present and future indebtedness, liabilities and obligations of the Guarantor to the Creditor under this Agreement.

"**Holdco**" means SLP Holdings Ltd.

"**Insolvency Proceeding**" means any proceeding seeking to adjudicate a Person an insolvent, seeking a receiving order against such Person under the *Bankruptcy and Insolvency Act* (Canada), or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief or composition of such Person or its debts or a stay of proceedings of such Person's creditors generally (or any class of creditors) or any other relief, under any federal, provincial, territorial or foreign law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) the *United States Bankruptcy Code* and any similar legislation in any jurisdiction) or at common law or in equity.

"**Organizational Documents**" means, with respect to any Person, such Person's articles or other charter documents, by-laws, unanimous shareholder agreement, partnership agreement or trust agreement, as applicable, and any and all other similar agreements, documents and instruments relative to such Person.

"**Person**" includes any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity.

"**U.S. Obligors**" means the Debtor and any of its Subsidiaries, which from time to time have granted any guarantees of or other Security securing the Debtor Liabilities.

"**U.S. Term Facility**" means the committed, reducing, non-revolving term credit facility in the maximum principal amount of U.S. $40,500,000 to be made available to the Debtor by the Creditor in accordance with the provisions of the Credit Agreement, subject to any reduction in accordance with the provisions of the Credit Agreement.

2. **Limited Guarantee.** Following an Event of Default which is continuing past any applicable cure period and the satisfaction by Creditor of all conditions to the collectability of such amounts as set forth in this Agreement, and further subject to the limitations and other provisions of this Agreement, the Guarantor hereby unconditionally and irrevocably guarantees the prompt payment to the Creditor, forthwith upon demand by the Creditor of an amount of the Debtor Liabilities up to the lesser of (a) U.S. $13,500,000.00 and (b) 33.3% of the outstanding Debtor Liabilities at the time the Debtor Liabilities are accelerated, in each case less, 33.3% of each of the following: (x) any payment on account of the Debtor Liabilities thereafter received by the Creditor from the other U.S. Obligors; (y) proceeds of realization received by the Creditor pursuant to the exercise of its rights and remedies under the Security granted by the Debtor and its Subsidiaries to the Creditor; and (z) proceeds of realization received by the Creditor pursuant to the exercise of its rights and remedies against the Equity Interests in the capital of the Debtor pledged by Holdco to the Creditor. All amounts payable by the Guarantor hereunder will be paid to the Creditor at the address of the Creditor shown above or as otherwise directed in writing by the Creditor. All Guarantor Liabilities shall be payable or performable forthwith upon demand by the Creditor in accordance with this Agreement, and any which are not so paid shall bear interest from the date of such demand at the interest rate applicable to amounts due in United States Dollars as provided for in Section 4.10 of the Credit Agreement.

3. **Guarantee of Collection.** The guarantee of Guarantor hereunder is a guarantee of collection only and is not a guarantee of payment or performance. Guarantor shall not be obligated to make any payment under this Agreement unless and until Creditor has made demand on all other Obligors and taken all commercially reasonable actions to enforce the provisions of the Credit Agreement against all other Obligors and collect all amounts then outstanding and unpaid under the Credit Agreement from all other Obligors. Such commercially reasonable actions to collect from the other Obligors shall require Creditor to undertake commercially reasonable methods to collect the Debtor Liabilities, exercised with reasonable due diligence and using all commercially reasonable legal means, including without limitation the commencement, prosecution and completion of legal proceedings against all such Obligors, obtaining judgments against each such Obligor from a court of competent jurisdiction for all outstanding and unpaid amounts under the Credit Agreement, foreclosure proceedings on and sale of all Security, and execution against and sale of each such Obligor's non-exempt property, all to the extent the same may be accomplished in a commercially reasonable manner. For certainty, the Creditor shall not be required to commence, prosecute or complete any legal proceedings against any Obligor where, in the Creditor's reasonable opinion, having taking reasonable steps to inform itself of anticipated costs and recoveries, it is anticipated that the cost of prosecuting such legal proceedings against such Obligor to the extent required to obtain proceeds of recovery will exceed such proceeds of recovery. With respect to any funds obtained from the Cdn. Borrower or other Guarantors (other than any U.S. Obligor), to the extent any amounts are outstanding and unpaid with respect to the Debtor Liabilities and any other Credit Facility under the Credit Agreement, such funds shall be applied first to the outstanding and unpaid obligations under the Credit Agreement other than the Debtor Liabilities and then to the Debtor Liabilities.

4. **Creditor's Records of Account.** The Creditor's records of account will be accepted by the Guarantor as *prima facie* evidence of the amounts owing by the Debtor and, as applicable, by the Cdn. Borrower to the Creditor from time to time.

5. **Continuing Guarantee.** This Agreement is a continuing guarantee and is binding as a continuing obligation of the Guarantor and the Debtor Liabilities shall be conclusively presumed to have been created in reliance on this Agreement. The Guarantor may not in any manner terminate this Agreement other than by the due and punctual payment in full of the Debtor Liabilities, subject always to the limitations on recovery set forth in Section 2 and the provisions of Section 3.

6. **Reinstatement.** If, at any time, all or any part of any payment previously applied by the Creditor to any of the Debtor Liabilities is or must be rescinded or returned by the Creditor for any reason whatsoever under Applicable Laws (including any Insolvency Proceeding affecting the Debtor or any other Person), such Debtor

Liabilities shall, for the purpose of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Creditor, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such Debtor Liabilities, all as though such application by the Creditor had not been made.

7. **Currency.** The Guarantor shall make payment relative to any Debtor Liabilities in United States Dollars.

8. **Subrogation; Guarantor Rights Against Other Obligors.** Notwithstanding any payment made by the Guarantor under this Agreement or any setoff or application of funds of the Guarantor by the Creditor, the Guarantor shall have no right of subrogation to, and waives, any right to enforce any remedy which the Creditor now has or may hereafter have against the Debtor, until all of the Debtor Liabilities have been indefeasibly paid in full; and until that time, the Guarantor waives any benefit of, and any right to participate in, any Security now or hereafter held by the Creditor for the Debtor Liabilities. In no event shall the provisions of this Agreement in any way limit, restrict, or impair any rights or remedies of Guarantor regarding contribution from any other Obligor whether pursuant to any written agreement or otherwise; provided in no event shall this provision operate to subordinate any judgment of Creditor to any claim of Guarantor.

9. **Insolvency Proceedings.** In any Insolvency Proceeding affecting the Debtor, the Creditor shall have the right, in priority to the Guarantor, to receive its full claim in respect of such Insolvency Proceeding for all of the Debtor Liabilities. The Creditor shall have the right to include in its claim in any Insolvency Proceeding affecting the Debtor all or any part of the payments made by the Guarantor under this Agreement and, to prove and rank for, and receive dividends in respect of, all such claims, all of which rights and privileges as they relate and apply to the Guarantor are hereby assigned by the Guarantor to the Creditor. The provisions of this Section shall be sufficient authority for any Person making payment of any such dividends to pay the same directly to the Creditor for the benefit of the Creditor. The Creditor shall be entitled to receive for its benefit all dividends or other payments in respect of all of the above referenced claims until all of the Debtor Liabilities are paid and satisfied in full and the Guarantor shall continue to be liable under this Agreement for any unpaid balance of the Debtor Liabilities to the extent of Guarantor's obligations under this Agreement. If any amount is paid to the Guarantor under any Insolvency Proceeding affecting the Debtor when any of the Debtor Liabilities remain outstanding, such amount shall be received and held in trust by the Guarantor for the benefit of the Creditor and shall be immediately paid to the Creditor to be credited and applied against the Guarantor Liabilities. In any Insolvency Proceeding affecting the Debtor the Creditor shall value according to reasonable and customary procedures in accordance with all Applicable Laws, all Security held by it.

10. **Costs and Expenses.** The Guarantor agrees to pay within 10 days of written demand by the Creditor all reasonable, actual out-of-pocket costs and expenses in connection with the enforcement of the rights of the Creditor under this Agreement, including, without limitation, all reasonable, actual out-of-pocket costs and expenses sustained by the Creditor as a result of any failure by the Guarantor to perform or observe its obligations hereunder or in connection with any action, suit or proceeding with respect to the Guarantor's obligations, or the Creditor's rights and remedies against the Guarantor, hereunder or pursuant hereto, together with interest thereon from and after such 10th day if such payment is not made by such time, as provided in Section 2.

11. **Alteration; No Amendment of Credit Agreement Without Guarantor Consent.** None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the parties. In no event shall Creditor agree to any amendment, modification or release of the Security granted by any of the Obligors, or any amendment or modification of the Credit Agreement that would adversely affect the Creditor's rights and remedies under the Security, in each case, without the prior written consent of Guarantor. Any such consent shall be set forth in writing and shall refer to this Agreement.

12. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

13. **Representations and Warranties.** As at the date hereof, the Guarantor represents and warrants as follows to the Creditor and acknowledges and confirms that the Creditor is relying upon such representations and warranties:

(1) Existence and Good Standing - It is a corporation validly existing and in good standing under the laws of its jurisdiction of incorporation and has all necessary power and authority to own its properties and carry on its business as presently carried on.

(2) Authority - It has full power, legal right and authority to enter into this Agreement, incur the Guarantor Liabilities and do all such acts and things as are required by this Agreement to be done, observed or performed, in accordance with the terms hereof.

(3) Valid Authorization and Execution - It has taken all necessary corporate action of its directors, shareholders and other Persons (as applicable) to authorize the execution, delivery and performance of this Agreement and to observe and perform the provisions hereof in accordance with the terms herein contained.

(4) Validity of Agreement; Non-Conflict - None of the authorization, execution or delivery of this Agreement or the performance of any obligation pursuant hereto requires or will require, pursuant to Applicable Laws now in effect, any approval or consent of any Governmental Authority having jurisdiction (except such as has already been obtained and are in full force and effect) nor is in conflict with or contravention of its Organizational Documents or any resolutions of directors or shareholders. This Agreement constitutes valid and legally binding obligations of the Guarantor enforceable against the Guarantor in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights and to the fact that equitable remedies are only available in the discretion of the court.

14. **Notices.** Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or FedEx, UPS, or other reputable international delivery service which provides for proof of delivery:

To the Guarantor:

[•]

Attention: [•]

To the Creditor:

Bank of Montreal
595 Burrard Street, 6th Floor
P.O. Box 49500
Vancouver, BC V7X 1L7

Attention: Alex Melnikov, Director,
BMO Sponsor Finance

or to such other address as any party may from time to time notify the others in accordance with this Section. Any demand, notice or communication made or given by personal delivery or such delivery service during normal business hours at the place of receipt on a Banking Day shall be conclusively deemed to have been made or given at the time of actual delivery, as the case may be, on such Banking Day. Any demand, notice or communication made or given by personal delivery or such delivery service after normal business hours at the place of receipt or otherwise than on a Banking Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Vancouver time) on the first Banking Day following actual delivery, as the case may be.

15. **Governing Law; Attornment.** This Agreement shall be governed by and construed in accordance with the laws of the State of Arkansas. Any and all litigation to enforce the provisions of this Agreement shall be commenced, prosecuted, and completed solely in the Arkansas state or U.S. federal courts having jurisdiction over Benton County, Arkansas. The parties irrevocably submit and attorn to the exclusive jurisdiction of such courts. To the extent permitted by Applicable Laws, the parties irrevocably waive any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in such courts. The parties hereby irrevocably consent to the service of any and all process in any such action or proceeding by the delivery of copies of such process to the Guarantor at the address as provided for pursuant to the Section under the heading "Notices". Nothing in this Section affects the right of any party to serve process in any manner permitted by Applicable Laws.

16. **Time.** Time is of the essence with respect to this Agreement and the time for performance of the obligations of the Guarantor under this Agreement may be strictly enforced by the Creditor. The limitations period applicable to any proceeding relating to a claim under, in connection with, or with respect to this Agreement shall be solely as prescribed in the Arkansas Code.

17. **Interpretation.** The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "or" is disjunctive; the word "and" is conjunctive. The word "shall" is mandatory; the word "may" is permissive. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on such amendments, supplements, restatements or modifications set out herein), (b) any reference herein to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, replaced or re-enacted from time to time, (c) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (e) all references herein to Sections and Schedules shall be construed to refer to Sections and Schedules to, this Agreement. Section headings are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

18. **Successors and Assigns.** This Agreement shall inure to the benefit of, and be binding on, the Guarantor and its successors and assigns, and shall inure to the benefit of, and be binding on, the Creditor and its successors and assigns. The Guarantor may not assign this Agreement, or any of its rights or obligations under this Agreement, without the prior written consent of the Creditor. The Creditor may assign this Agreement and any of their rights and obligations hereunder to any Person that replaces it in its capacity as such.

19. **Acknowledgement of Receipt.** The Guarantor acknowledges receipt of an executed copy of this Agreement.

20. **Paramountcy.** In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement then, notwithstanding anything contained in the Credit Agreement, the provisions contained in this Agreement shall prevail to the extent of such conflict or inconsistency and the provisions of the Credit Agreement shall be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency. If any act or omission is expressly prohibited under this Agreement, but the Credit Agreement does not expressly permit such act or omission, or if any act is expressly required to be performed under this Agreement but the Credit Agreement does not expressly relieve the Guarantor from such performance, such circumstance shall not constitute a conflict or inconsistency between the applicable provisions of this Agreement and the provisions of the Credit Agreement. Notwithstanding any other provision of this Agreement, in no event shall this paragraph operate to bind or obligate Guarantor under the provisions of the Credit Agreement except to the extent of Guarantor's obligations under Section 2 of this Agreement, as further limited under this Agreement.

21. **Electronic Signature.** Delivery of an executed signature page to this Agreement by the Guarantor by facsimile or other electronic form of transmission shall be as effective as delivery by the Guarantor of a manually executed copy of this Agreement by the Guarantor.

IN WITNESS WHEREOF the undersigned has caused this Agreement to be duly executed as of the date first written above.

[•]

By: _____

Name:

Title:

AMENDMENT AGREEMENT

Amendment Agreement dated as of September 28, 2018 (this "**Agreement**") among **STRUCTURLAM MASS TIMBER CORPORATION** (formerly named SLP Operations Ltd.) (the "**Borrower**"), a corporation organized under the laws of British Columbia, as borrower, and **SLP HOLDINGS LTD.** ("**Holdco**"), a corporation organized under the laws of British Columbia, as limited recourse guarantor, and **BANK OF MONTREAL** (the "**Lender**"), as lender.

WHEREAS the Borrower has entered into a letter agreement dated as of December 21, 2017 among the Borrower, Holdco and the Lender (as amended, supplemented, extended or otherwise modified or restated at any time or from time to time, the "**Letter Agreement**");

AND WHEREAS to secure the Borrower's indebtedness, liabilities and obligations under the Letter Agreement, Holdco guaranteed the obligations of the Borrower under the Letter Agreement pursuant to a limited recourse guarantee dated December 21, 2017 (as amended, modified, supplemented or restated from time to time, the "**Limited Recourse Guarantee**") and granted certain Security in connection with such Limited Recourse Guarantee;

AND WHEREAS the Borrower has requested that the Lender agree to amend the Letter Agreement so as to (a) increase the maximum principal amount of the Revolving Facility from $5,000,000 to $6,500,000; (b) establish a separate letter of credit facility in the maximum principal amount of $2,000,000; (c) permit a Drawdown under the Revolving Facility of up to $1,435,000 to be used to fund that portion of the 2017 Earnout Consideration that is not eligible to be funded with the proceeds of a Drawdown under the Earnout Facility, provided that the Borrower shall have received from the Sponsor, by no later than October 15, 2018, additional cash equity proceeds in an amount at least equal to the amount of such Drawdown; (d) permit the Sponsor to contribute an additional amount of equity (in addition to the equity referred to in (c) above) of up to $1,000,000, to be contributed into the capital of the Borrower by no later than October 15, 2018, to be included in EBITDA on a trailing four quarters basis, as if received within the fiscal quarter ending as at the September 30, 2018 Quarter End, for the purpose of calculating the financial covenants under Section 9.3 of the Letter Agreement; and (e) to delay the step-down applicable to the Total Funded Debt to EBITDA Ratio as at the March 31, 2019 Quarter End by one fiscal quarter to the June 30, 2019 Quarter End;

AND WHEREAS as a condition of providing such amendments the Borrower and Holdco are to acknowledge and confirm, as set out herein, that any guarantee (including, without limitation, the Limited Recourse Guarantee) and the Security granted by each such Person prior to the date hereof is to continue in full force and effect;

AND WHEREAS the Lender has consented to and agreed to such amendments on the terms and conditions set out herein;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the foregoing premises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereby agree as follows:

Section 1. Definitions. All capitalized terms not otherwise defined herein and defined in the Letter Agreement shall have the same meaning herein as in the Letter Agreement. As used herein, the singular shall include the plural and the plural shall include the singular as the context may require.

Section 2. Letter Agreement Amendment. Subject to satisfaction of the conditions precedent set forth in Section 4 below, the Lender, the Borrower and Holdco agree that, effective as of the date hereof, the Letter Agreement shall be amended and supplemented as follows:

(a) Section 1.2 of the Letter Agreement shall be amended by deleting the second sentence of subsection (1) thereof in its entirety.

(b) Section 1.2 of the Letter Agreement shall be amended by deleting subsection (2) thereof in its entirety and replacing it with the following:

"(2) Under the Term Facility, the Borrower may, in Canadian Dollars, make Drawdowns and Rollovers of and Conversions into Prime Rate Loans and B/As and may, in United States Dollars, make Drawdowns and Rollovers of and Conversions into U.S. Base Rate Loans and Libor Loans.".

(c) Section 1.2 of the Letter Agreement shall be further amended by adding, as a new subsection (4) (and by renumbering the following subsection accordingly), the following:

"(4) Under the LC Facility, the Borrower may, in Canadian Dollars, United States Dollars or other widely traded currencies acceptable to the Lender, make Drawdowns and Rollovers of Letters of Credit.".

(d) Section 1.3 of the Letter Agreement shall be amended by adding, at the end of subsection (1) thereof, the following sentence:

"In connection with the payment of the 2017 Earnout Consideration to the Vendors, the Revolving Facility may be used to fund, on a temporary basis, up to 50% of such payment (the "**Equity Bridge Amount**") (for certainty, in addition to the 50% of such payment funded with proceeds of the Earnout Facility), representing the Sponsor's equity contribution to the Borrower; provided that the Sponsor shall contribute proceeds of new cash equity (in addition to the Equity Cure Proceeds (defined below)) at least equal to such Equity Bridge Amount into the capital of the Borrower by no later than October 15, 2018."

(e) Section 1.3 of the Letter Agreement shall be amended by adding, as a new subsection (4), the following:

"(4) The LC Facility is being made available in connection with the guaranteeing of performance obligations related to its ordinary course business operations."

(f) Section 1.4(1) of the Letter Agreement shall be amended by adding, as a new paragraph (d), the following:

"(d) the Borrower may make Drawdowns under the LC Facility prior to the Maturity Date for the purposes described in Section 1.3(4) above. Prior to the Maturity Date, the LC Facility shall be a revolving Credit Facility: that is, the Borrower may increase or decrease Loans under the LC Facility by making Drawdowns, repayments and further Drawdowns.".

(g) Section 1.8 of the Letter Agreement shall be amended by deleting the reference therein to "the Revolving Facility" and replacing it with "a given Credit Facility".

(h) Section 1.15 of the Letter Agreement shall be deleted in its entirety and replaced with the following:

"1.15 **Currency Excess**

(1) If the Lender shall determine that the aggregate Outstanding Principal of the outstanding Loans under the Revolving Facility exceeds the maximum authorized principal amount of the Revolving Facility (the amount of such excess is herein called the "**Revolving Facility Currency Excess**"), then, upon written request by the Lender (which request shall detail the applicable Revolving Facility Currency Excess), the Borrower shall repay an amount of Prime Rate Loans or U.S. Base Rate Loans under the Revolving Facility within 5 Banking Days after receipt of such request, such that, except as otherwise contemplated in Section 1.15(2), the amount (or the Equivalent Amount thereof) of such repayments is, in the aggregate, at least equal to the Revolving Facility Currency Excess.

(2) If, in respect of any Revolving Facility Currency Excess, the repayments made by the Borrower have not completely removed such Revolving Facility Currency Excess (the remainder thereof being herein called the "**Revolving Facility Currency Excess Deficiency**"), the Borrower shall within the aforementioned 5 Banking Days after receipt of the aforementioned request of the Lender, place an amount in Canadian Dollars, or the Equivalent Amount in United States Dollars, equal to the Revolving Facility Currency Excess Deficiency on deposit with the Lender in an interest bearing account with interest at rates prevailing at the time of deposit for the account of the Borrower, to be assigned to the Lender by instrument satisfactory to the Lender and to be applied to maturing B/As or Libor Loans (converted if necessary at the exchange rate for determining the Equivalent Amount on the date of such application). The Lender is hereby irrevocably directed by the Borrower to apply any such sums on deposit to maturing Loans as provided in the preceding sentence. In lieu of providing funds for the Revolving Facility Currency Excess Deficiency, as provided in the preceding provisions of this Section, the Borrower may within the said period of 5 Banking Days, provide to the Lender an irrevocable standby letter of credit denominated in Canadian Dollars in an amount equal to the Revolving Facility Currency Excess Deficiency and for a term which expires not sooner than 10 Banking Days after the date of maturity of the relevant B/As or Libor Loans, as the case may be; such letter of credit shall be issued by a financial institution, and shall be on terms and conditions, acceptable to the Lender in its sole discretion. The Lender is hereby authorized and directed to draw upon such letter of credit and apply the proceeds of the same to B/As or Libor Loans as they mature. Upon the Currency Excess being eliminated as aforesaid or by virtue of subsequent changes in the exchange rate for determining the Equivalent Amount, then, provided no Default or Event of Default is then continuing, such funds on deposit, together with interest thereon, or such letters of credit shall be returned to the Borrower, in the case of funds on deposit, or shall be cancelled or reduced in amount, in the case of letters of credit.

(3) If the Lender shall determine that the aggregate Outstanding Principal of the outstanding Loans under the LC Facility exceeds the maximum authorized principal amount of the LC Facility (the amount of such excess is herein called the "**LC Facility Currency Excess**"), then, upon written request by the Lender (which request shall detail the applicable LC Facility Currency Excess), the Borrower shall within the aforementioned 5 Banking Days after receipt of the aforementioned request of the Lender, place an amount in Canadian Dollars, or the Equivalent Amount in United States Dollars, equal to the LC Facility Currency Excess Deficiency on deposit with the Lender in an interest bearing account with interest at rates prevailing at the time of deposit for the account of the Borrower, to be assigned to the Lender by instrument satisfactory to the Lender and to be held to provide for the funding of unexpired L/Cs in accordance with Section 1.13(3), which shall apply, *mutatis mutandis*.

(i) Article 6 of the Letter Agreement shall be amended by deleting each reference therein to "the Revolving Facility" and replacing the same with a reference to "the LC Facility".

(j) Section 6.1 of the Letter Agreement shall be amended by deleting the reference to "$2,000,000" and replacing the same with the words "the maximum principal amount of the LC Facility".

(k) Section 9.3(a)(ii) of the Letter Agreement shall be amended by deleting the words "the March 31, 2019 Quarter End, and the next three Quarter Ends thereafter" and replacing the same with "the June 30, 2019 Quarter End, and the next two Quarter Ends thereafter".

(l) Article 9 of the Letter Agreement shall be amended by adding the following as a new Section 9.4 (and by renumbering any subsequent Section accordingly):

"**9.4 Equity Cure**

Subject to the last paragraph of this Section, for the purposes of determining compliance with the financial covenants set forth in Section 9.3, any cash equity contribution (which equity shall be common equity or other equity on terms and conditions reasonably acceptable to the Lenders) made to the Borrower after the end of any fiscal quarter after the Closing Date and on or prior to the day that is ten (10) Banking Days after the day on which financial statements are required to be delivered for such fiscal quarter will, at the irrevocable request of the Borrower, be included in the calculation of EBITDA for the sole purpose under this Agreement of determining compliance with such financial covenants at the end of such fiscal quarter and applicable subsequent periods which include such fiscal quarter) (each such contribution, a "**Specified Equity Contribution**"); provided that:

(a) the amount of any Specified Equity Contribution shall be no greater than the amount required to cause Borrower to be in compliance with such financial covenants;

(b) all Specified Equity Contributions will be disregarded for purposes of the calculation of EBITDA for all other purposes, including calculating any basket levels, pricing and other items governed by reference to EBITDA;

(c) there shall be no more than two (2) Specified Equity Contributions made during any fiscal year or in two consecutive quarters and no more than three (3) Specified Equity Contributions made in the aggregate after the Closing Date;

(d) any Credit Facility prepaid with the proceeds of Specified Equity Contributions shall be deemed outstanding for purposes of determining compliance with the financial covenants for any Financial Covenant Period in which such Specified Equity Contribution is included in the calculation of EBITDA;

(e) proceeds received by the Borrower from all Specified Equity Contributions shall be promptly used by the Borrower either (i) to prepay the Term Facility, or (ii) for any other purpose consented to by the Lenders (such consent not to be unreasonably withheld or delayed); and

(f) the aggregate amount of all Specified Equity Contributions shall not exceed $4,000,000.

Notwithstanding the foregoing, the Borrower and the Lender agree that, with respect to the September 30, 2018 Quarter End, the Sponsor will make a Specified Equity Contribution in the amount of $1,000,000 (subject to a ± 5% variance on account of currency conversion) to the Borrower, such Specified Equity Contribution to be contributed in cash by no later than October 15, 2018. Such Specified Equity Contribution will (i) be included in EBITDA of the Borrower in accordance with the foregoing provisions as if received within the fiscal quarter ending as at the September 30, 2018 Quarter End, (ii) be exempt from the requirement to use the proceeds to prepay the Term Facility set forth in subsection (e) above, and (iii) not be included in any determination of the aggregate amount set forth in subsection (f) above.".

(m) Schedule A to the Letter Agreement shall be amended by deleting the definition of "Credit Facilities" and replacing the same with the following:

""**Credit Facilities**" means, collectively, the Revolving Facility, the Term Facility, the Earnout Facility and the LC Facility."

(n) The definition of "Interest Period" in Schedule A to the Letter Agreement shall be amended by deleting the reference to "Revolving Facility" in clause (iii) of the proviso therein and replacing the same with a reference to "LC Facility".

(o) Schedule A to the Letter Agreement shall be amended by adding, in the appropriate alphabetical order, a definition for "LC Facility" as follows:

""**LC Facility**" means the revolving Letter of Credit credit facility in the maximum principal amount of $2,000,000 or the Equivalent Amount in other widely traded currencies acceptable to the Lender to be made available to the Borrower by the Lender, in accordance with the provisions of the Letter Agreement, subject to any reduction in accordance with the provisions of the Letter Agreement.".

(p) The definition of "Libor Loan" in Schedule A to the Letter Agreement shall be amended by deleting the reference therein to "the Revolving Facility" and replacing with "a given Credit Facility".

(q) Schedule A to the Letter Agreement shall be amended by deleting the definition of "Outstanding Principal" and replacing the same with the following:

> ""**Outstanding Principal**" means, at any time,
>
> (a) in respect of the Revolving Facility, the aggregate of (i) the principal amount of all outstanding Prime Rate Loans, (ii) the Equivalent Amount in Canadian Dollars of the principal amount of all outstanding U.S. Base Rate Loans and Libor Loans, and (iii) the amounts payable at maturity of all outstanding B/As, in each case, advanced or issued and outstanding under the Revolving Facility;
>
> (b) in respect of the Term Facility, the aggregate of (i) the principal amount of all outstanding Prime Rate Loans, (ii) the Equivalent Amount in Canadian Dollars of the principal amount of all outstanding U.S. Base Rate Loans and Libor Loans, and (iii) the amounts payable at maturity of all outstanding B/As, in each case, advanced and outstanding under the Term Facility;
>
> (c) in respect of the Earnout Facility, the aggregate of (i) the principal amount of all outstanding Prime Rate Loans, and (ii) the amounts payable at maturity of all outstanding B/As, in each case, advanced and outstanding under the Earnout Facility; and
>
> (d) in respect of the LC Facility, the aggregate of (i) the maximum amount in Canadian Dollars available to be drawn under all outstanding L/Cs denominated in Canadian Dollars, and (ii) the Equivalent Amount in Canadian Dollars of the maximum amount in United States Dollars available to be drawn under all outstanding L/Cs denominated in United States Dollars, in each case, advanced or issued and outstanding under the Revolving Facility.

Section 3. Compliance and Representations. Each of the Borrower and Holdco hereby represents, warrants, agrees and acknowledges that it is and immediately prior to the amendments as set out in Section 2 hereof it shall be in compliance with the provisions of the Letter Agreement and the representations and warrants set forth in Section 8.1 thereof are now and shall as of such time be true and correct and, after giving effect to the amendment as set out in Section 2 hereof, it shall be in compliance with the provisions of the Letter Agreement and the representations and warranties set forth in Section 8.1 thereof shall be true and correct.

Section 4. Conditions Precedent. The amendments and supplements to the Letter Agreement contained in Section 2 hereof shall be subject to the satisfaction of the following conditions precedent:

(a) the Borrower and Holdco shall have executed and delivered this Agreement;

(b) the Borrower shall have paid to the Lender an amendment fee in the amount of $10,000; and

(c) as at the date hereof, after giving effect to the amendments contemplated herein, the representations and warranties contained in Section 8.1 of the Letter Agreement shall be true and correct in all respects and there shall be no Default or Event of Default which has occurred and is continuing under the Letter Agreement.

Section 5. Confirmation. Each of the Borrower and Holdco hereby consents to the amendments set forth in Section 2 hereof, and the terms and conditions thereof and acknowledges, confirms and agrees that notwithstanding the terms and conditions of this Agreement (including, without limitation, such amendment) and the execution and delivery of this Agreement, by the parties hereto and thereto and whether or not any conditions precedent contained herein have been fulfilled:

(a) all adjustments or modifications to the obligations underlying the Limited Recourse Guarantee granted by Holdco in favour of the Lender have been made and are permitted under the terms and conditions of the Limited Recourse Guarantee;

(b) the Limited Recourse Guarantee granted by Holdco in favour of the Lender (including, without limitation, the obligations of Holdco thereunder) shall, in each case, be and remain in full force and effect as a valid and binding continuing guarantee to the Lender in accordance with its terms without impairment or novation thereof for all present and future debts, liabilities and obligations, direct or indirect or otherwise now or at any time or from time to time hereafter due or owing from the Borrower or Holdco or either of them to the Lender under the Letter Agreement or any other Documents; and

(c) all Security granted by each of the Borrower and Holdco, whether as borrower or guarantor under or in connection with the Letter Agreement or any other Documents, is hereby confirmed to be and shall continue in full force and effect unamended (except as amended hereby) and shall, in each such case, be deemed to be granted as security for all present and future debts, liabilities and obligations, direct or indirect or otherwise, now or at any time or from time to time hereafter due or owing from such Person (in accordance with the terms of such Security) to the Lender under the Letter Agreement or any other Documents to which such Person is a party (provided that nothing herein shall amend any limit on liability of such Person set forth in such Security).

Section 6. Acknowledgements. The parties acknowledge that except as otherwise expressly indicated herein, the Letter Agreement and the other Documents shall continue unamended and without novation and remain in full force and effect and, except as amended and supplemented by this Agreement, the Security and such other Documents are in all respects confirmed, ratified and preserved. The provisions of this Agreement shall not operate to in any way limit or otherwise restrict the rights and remedies of the Lender in respect of payment and performance of any indebtedness, obligations or liabilities of the Borrower or any other Person to it under the Letter Agreement.

Section 7. Further Assurances. Each of the Borrower and Holdco shall at all times hereafter at the reasonable request of the Lender execute and deliver all such further documents and instruments and shall do and perform such acts as may be necessary to give full effect to the intent and meaning of this Agreement including, without limitation, all such further documents, certificates and instruments as may be considered necessary or desirable by the Lender to preserve, protect or perfect the Security.

Section 8. Successors and Assigns. This Agreement shall be binding upon each party hereto and their respective successors and permitted assigns and shall enure to the benefit of the Lender and its successors and assigns.

Section 9. Severability. The provisions of this Agreement are intended to be severable. If any provision hereof is held to be invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 10. Modifications; Waiver. Any amendment or modification or waiver of any right under any provision hereof shall be in writing and signed by the parties hereto. Any waiver hereunder shall be effective only for the specific purpose for which it is given and for the specific time period, if any, contemplated in such waiver. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver of such right, power or privilege and any waiver of any breach of the provisions hereof shall be without prejudice to any rights with respect to any other or further breach.

Section 11. Notices. All notices hereunder shall be given and received as provided in Section 14.8 of the Letter Agreement.

Section 12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

Section 13. Counterparts. This Agreement may be executed in counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed an original and all of which, taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic means including, without limitation, by facsimile or electronic delivery in portable document format ("pdf") shall be equally effective as delivery of a manually executed counterpart thereof.

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IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals as of the day and year first above written.

BORROWER:

STRUCTURLAM MASS TIMBER CORPORATION

By: _____
Name: Christian Dubiel
Title: Director

By: _____
Name:
Title:

I/We have authority to bind the corporation.

HOLDCO:

SLP HOLDINGS LTD.

By: _____
Name: Christian Dubiel
Title: Director

By: _____
Name:
Title:

I/We have authority to bind the corporation.

LENDER:

BANK OF MONTREAL

By: _____
Name: David Ma
Title: Director
Corporate Finance Division

By: _____
Name:
Title: Graeme Weaver
Managing Director

SECOND AMENDMENT AGREEMENT

Second Amendment Agreement dated as of March 21, 2019 (this "**Agreement**") among **STRUCTURLAM MASS TIMBER CORPORATION** (formerly named SLP Operations Ltd.) (the "**Borrower**"), a corporation organized under the laws of British Columbia, as borrower, and **SLP HOLDINGS LTD.** ("**Holdco**"), a corporation organized under the laws of British Columbia, as limited recourse guarantor, and **BANK OF MONTREAL** (the "**Lender**"), as lender.

WHEREAS the Borrower has entered into a letter agreement dated as of December 21, 2017 among the Borrower, Holdco and the Lender, as amended by an amendment agreement dated as of September 28, 2018 (as may be further amended, supplemented, extended or otherwise modified or restated at any time or from time to time, the "**Letter Agreement**");

AND WHEREAS to secure the Borrower's indebtedness, liabilities and obligations under the Letter Agreement, Holdco guaranteed the obligations of the Borrower under the Letter Agreement pursuant to a limited recourse guarantee dated December 21, 2017 (as amended, modified, supplemented or restated from time to time, the "**Limited Recourse Guarantee**") and granted certain Security in connection with such Limited Recourse Guarantee;

AND WHEREAS the Borrower has requested that the Lender agree to amend the Letter Agreement so as to (a) increase the maximum principal amount of the Term Facility from $19,950,000 to $21,333,317 in order to permit the Borrower to repay the Earnout Facility with an additional advance under the Term Facility; (b) upon repayment in full of the Earnout Facility with the additional advance under the Term Facility, cancel the Earnout Facility, (c) permit the Sponsor to contribute an additional amount of equity of up to $2,606,058 by way of a Specified Equity Contribution, to be contributed into the capital of the Borrower by no later than April 15, 2019, to be included in EBITDA on a trailing four quarters basis, as if received within the fiscal quarter ending as at the March 31, 2019 Quarter End, for the purpose of calculating the financial covenants under Section 9.3 of the Letter Agreement and without counting towards the amount or number of Specified Equity Contributions permitted under Section 9.4 of the Letter Agreement; and (d) to permit the Borrower to exclude up to $2,606,058 of Capital Expenditures financed with the proceeds of the Specified Equity Contribution referred to in paragraph (c) above from Unfinanced Capital Expenditures in the calculation of the Fixed Charge Coverage Ratio for each of the March 31, 2019, June 30, 2019, September 30, 2019 and December 31, 2019 Quarter Ends;

AND WHEREAS as a condition of providing such amendments the Borrower and Holdco are to acknowledge and confirm, as set out herein, that any guarantee (including, without limitation, the Limited Recourse Guarantee) and the Security granted by each such Person prior to the date hereof is to continue in full force and effect;

AND WHEREAS the Lender has consented to and agreed to such amendments on the terms and conditions set out herein;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the foregoing premises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereby agree as follows:

Section 1. Definitions. All capitalized terms not otherwise defined herein and defined in the Letter Agreement shall have the same meaning herein as in the Letter Agreement. As used herein, the singular shall include the plural and the plural shall include the singular as the context may require.

Section 2. Letter Agreement Amendment. Subject to satisfaction of the conditions precedent set forth in Section 4 below, the Lender, the Borrower and Holdco agree that, effective as of the date hereof, the Letter Agreement shall be amended and supplemented as follows:

(a) Notwithstanding the provisions of Section 1.4(b) of the Letter Agreement to the contrary, upon satisfaction of the conditions precedent set forth in Section 4 hereunder, one additional Drawdown under the Term Loan in an amount equal to $1,383,317, being the Outstanding Principal under the Earnout Facility, shall be made available by the Lender to the Borrower for the purpose of repaying the Outstanding Principal under the Earnout Facility in full, whereupon, the Earnout Facility shall be fully and irrevocably cancelled.

(b) The text of Section 1.2(3) of the Letter Agreement is hereby deleted in its entirety and replaced with "[Intentionally deleted.]".

(c) The text of Section 1.3(3) of the Letter Agreement is hereby deleted in its entirety and replaced with "[Intentionally deleted.]".

(d) The text of Section 1.4(1)(c) of the Letter Agreement is hereby deleted in its entirety and replaced with "[Intentionally deleted.]".

(e) Section 1.14(2) of the Letter Agreement is hereby deleted in its entirety and replaced with the following:

"(2) In addition to and without limiting the foregoing, on the last Banking Day of each fiscal quarter in each fiscal year of the Borrower, the Borrower shall repay to the Lender the following amounts (collectively, the "**Term Facility Instalments**"):

(a) on each such Banking Day commencing with the last Banking Day of the first full fiscal quarter following the Closing Date and during the period to and including the second anniversary of the Closing Date, an amount of Loans outstanding under the Term Facility equal to 1.25% of the Funded Amount of the Term Facility;

(b) on each such Banking Day during the period from the second anniversary of the Closing Date to and including the third anniversary of the Closing Date, an amount of Loans outstanding under the Term Facility equal to 1.875% of the Funded Amount of the Term Facility;

(c) on each such Banking Day during the period from the third anniversary of the Closing Date to and including the Maturity Date, an amount of Loans outstanding under the Term Facility equal to 2.50% of the Funded Amount of the Term Facility.".

(f) The text of Section 1.14(3) of the Letter Agreement is hereby deleted in its entirety and replaced with "[Intentionally deleted.]".

(g) Section 9.3(a) of the Letter Agreement is hereby deleted in its entirety and replaced with the following:

"(a) Total Funded Debt to EBITDA Ratio

The Obligors shall at all times not permit the Total Funded Debt to EBITDA Ratio to be greater than:

(i) 3.25 to 1.00, tested as at the Closing Date, and 4.25 to 1.00, from the day following the Closing Date until and including December 31, 2018, tested as at each Quarter End during such period;

(ii) 4.50 to 1.00, tested as at the March 31, 2019 Quarter End, and the next two Quarter Ends thereafter;

(iii) 4.25 to 1.00, tested as at the December 31, 2019 Quarter End;

(iv) 4.00 to 1.00, tested as at the March 31, 2020 Quarter End;

(v) 3.75 to 1.00, tested as at the June 30, 2020 Quarter End;

(vi) 3.50 to 1.00, tested as at September 30, 2020; and

(iii) 3.25 to 1.00, tested as at the December 31, 2020 Quarter End, and at each Quarter End thereafter,

in each case, to be calculated on the basis of the trailing twelve month period of the Borrower ending as at the Closing Date or relevant Quarter End, as applicable.".

(h) Notwithstanding Section 9.4 of the Letter Agreement, the Borrower and the Lender agree that, with respect to the March 31, 2019 Quarter End, the Sponsor will make a Specified Equity Contribution in the amount of $2,606,058 (subject to a ± 5% variance on account of currency conversion) to the Borrower, such Specified Equity Contribution to be contributed in cash by no later than April 15, 2019. Such Specified Equity Contribution will (i) be included in EBITDA of the Borrower in accordance with the provisions of Section 9.4 as if received within the fiscal quarter ending as at the March 31, 2019 Quarter End, (ii) not be included in the aggregate number of Specified Equity Contributions set forth in Section 9.4(c), (iii) be exempt from the requirement to use the proceeds to prepay the Term Facility set forth in Section 9.4(e), and (iv) not be included in any determination of the aggregate amount set forth in Section 9.4(f).

(i) Notwithstanding the provisions of the definition of "Fixed Charge Coverage Ratio", the Borrower and the Lender agree that the Borrower may exclude up to $2,606,058 in Capital Expenditures funded from the Specified Equity Contribution referred to in Section 2(h) above from Unfinanced Capital Expenditures in the calculation of the Fixed Charge Coverage Ratio for each of the March 31, 2019, June 30, 2019, September 30, 2019 and December 31, 2019 Quarter Ends.

(j) The definition of "Funded Amount" set forth in Schedule A to the Letter Agreement is hereby deleted in its entirety and replaced with the following:

""**Funded Amount**" means, in respect of the Term Facility, the principal amount of the original Advance funded by the Lender in connection with the Acquisition, plus an amount equal to $1,434,551.25, which represents the original amount funded under the Earnout Facility (and the parties acknowledge that the Earnout Facility has since been repaid with the proceeds of a second Advance under the Term Facility, whereupon the Earnout Facility was cancelled).".

(k) The definition of "Term Facility" set forth in Schedule A to the Letter Agreement is hereby deleted in its entirety and replaced with the following:

""**Term Facility**" means the non-revolving term credit facility initially made available to the Borrower in the maximum principal amount of $21,000,000, and which was subsequently repaid by an amount equal to $1,050,000 pursuant to Section 1.14(2), and which by amendment pursuant to a Second Amendment Agreement dated as of March 21, 2019, was subsequently increased by an amount equal to $1,383,317 and made available, or to be made available, by way of a second Advance, so that such credit facility is available in the aggregate maximum principal amount, after given effect to such second Advance, of $21,333,317, in each case, to be made available to the Borrower by the Lender in accordance with the provisions of the Agreement, subject to any reduction in accordance with the provisions of the Agreement.".

Section 3. Compliance and Representations. Each of the Borrower and Holdco hereby represents, warrants, agrees and acknowledges that it is and immediately prior to the amendments as set out in Section 2 hereof it shall be in compliance with the provisions of the Letter Agreement and the representations and warrants set forth in Section 8.1 thereof are now and shall as of such time be true and correct and, after giving effect to the amendment as set out in Section 2 hereof, it shall be in compliance with the provisions of the Letter Agreement and the representations and warranties set forth in Section 8.1 thereof shall be true and correct.

Section 4. Conditions Precedent. The amendments and supplements to the Letter Agreement contained in Section 2 hereof shall be subject to the satisfaction of the following conditions precedent:

(a) the Borrower and Holdco shall have executed and delivered this Agreement;

(b) the Borrower shall have paid to the Lender an amendment fee in the amount of $10,000; and

(c) as at the date hereof, after giving effect to the amendments contemplated herein, the representations and warranties contained in Section 8.1 of the Letter Agreement shall be true and correct in all respects and there shall be no Default or Event of Default which has occurred and is continuing under the Letter Agreement.

Section 5. Confirmation. Each of the Borrower and Holdco hereby consents to the amendments set forth in Section 2 hereof, and the terms and conditions thereof and acknowledges, confirms and agrees that notwithstanding the terms and conditions of this Agreement (including, without limitation, such amendment) and the execution and delivery of this Agreement, by the parties hereto and thereto and whether or not any conditions precedent contained herein have been fulfilled:

(a) all adjustments or modifications to the obligations underlying the Limited Recourse Guarantee granted by Holdco in favour of the Lender have been made and are permitted under the terms and conditions of the Limited Recourse Guarantee;

(b) the Limited Recourse Guarantee granted by Holdco in favour of the Lender (including, without limitation, the obligations of Holdco thereunder) shall, in each case, be and remain in full force and effect as a valid and binding continuing guarantee to the Lender in accordance with its terms without impairment or novation thereof for all present and future debts, liabilities and obligations, direct or indirect or otherwise now or at any time or from time to time hereafter due or owing from the Borrower or Holdco or either of them to the Lender under the Letter Agreement or any other Documents; and

(c) all Security granted by each of the Borrower and Holdco, whether as borrower or guarantor under or in connection with the Letter Agreement or any other Documents, is hereby confirmed to be and shall continue in full force and effect unamended (except as amended hereby) and shall, in each such case, be deemed to be granted as security for all present and future debts, liabilities and obligations, direct or indirect or otherwise, now or at any time or from time to time hereafter due or owing from such Person (in accordance with the terms of such Security) to the Lender under the Letter Agreement or any other Documents to which such Person is a party (provided that nothing herein shall amend any limit on liability of such Person set forth in such Security).

Section 6. Acknowledgements. The parties acknowledge that except as otherwise expressly indicated herein, the Letter Agreement and the other Documents shall continue unamended and without novation and remain in full force and effect and, except as amended and supplemented by this Agreement, the Security and such other Documents are in all respects confirmed, ratified and preserved. The provisions of this Agreement shall not operate to in any way limit or otherwise restrict the rights and remedies of the Lender in respect of payment and performance of any indebtedness, obligations or liabilities of the Borrower or any other Person to it under the Letter Agreement.

Section 7. Further Assurances. Each of the Borrower and Holdco shall at all times hereafter at the reasonable request of the Lender execute and deliver all such further documents and instruments and shall do and perform such acts as may be necessary to give full effect to the intent and meaning of this Agreement including, without limitation, all such further documents, certificates and instruments as may be considered necessary or desirable by the Lender to preserve, protect or perfect the Security.

Section 8. Successors and Assigns. This Agreement shall be binding upon each party hereto and their respective successors and permitted assigns and shall enure to the benefit of the Lender and its successors and assigns.

Section 9. Severability. The provisions of this Agreement are intended to be severable. If any provision hereof is held to be invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 10. Modifications; Waiver. Any amendment or modification or waiver of any right under any provision hereof shall be in writing and signed by the parties hereto. Any waiver hereunder shall be effective only for the specific purpose for which it is given and for the specific time period, if any, contemplated in such waiver. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver of such right, power or privilege and any waiver of any breach of the provisions hereof shall be without prejudice to any rights with respect to any other or further breach.

Section 11. Notices. All notices hereunder shall be given and received as provided in Section 14.8 of the Letter Agreement.

Section 12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

Section 13. Counterparts. This Agreement may be executed in counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed an original and all of which, taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic means including, without limitation, by facsimile or electronic delivery in portable document format ("pdf") shall be equally effective as delivery of a manually executed counterpart thereof.

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IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals as of the day and year first above written.

BORROWER:

STRUCTURLAM MASS TIMBER CORPORATION

By: _____
Name: HARDY WENTZEL
Title: CHIEF EXECUTIVE OFFICER

By: _____
Name:
Title:

I/We have authority to bind the corporation.

HOLDCO:

SLP HOLDINGS LTD.

By: _____
Name: Kevin A. Macdonald
Title: Director

By: _____
Name:
Title:

I/We have authority to bind the corporation.

LENDER:

BANK OF MONTREAL

By: _____
Name: Alex Melnikov
Title: Director
Canadian Commercial Banking

By: _____
Name: David Ma
Title: Senior Director
Canadian Commercial Banking

WAIVER AND THIRD AMENDMENT AGREEMENT

Third Amendment Agreement dated as of January 24, 2022 (this "**Agreement**") among **STRUCTURLAM MASS TIMBER CORPORATION** (formerly named SLP Operations Ltd.) (the "**Cdn. Borrower**"), a corporation organized under the laws of British Columbia, as Canadian borrower, **STRUCTURLAM MASS TIMBER U.S., INC.** (the "**U.S. Borrower**" and together with the Cdn. Borrower, the "**Borrowers**"), a corporation organized under the laws of Delaware, as US borrower, **SLP HOLDINGS LTD.** ("**Holdco**"), a corporation organized under the laws of British Columbia, as limited recourse guarantor, and **BANK OF MONTREAL** (the "**Lender**"), as lender.

WHEREAS the Borrowers have entered into an amended and restated letter agreement dated as of December 3, 2019, as amended by a first amendment agreement dated as of February 2, 2021 and a second amendment agreement dated as of September 29, 2021, among the Borrowers, Holdco and the Lender (as further amended, supplemented, extended or otherwise modified or restated at any time or from time to time, collectively, the "**Letter Agreement**") which amended and restated the letter agreement dated as of December 21, 2017 among the Cdn. Borrower, Holdco and the Lender (the "**Original Letter Agreement**");

AND WHEREAS to secure the Borrowers' indebtedness, liabilities and obligations under the Letter Agreement, Holdco guaranteed the obligations of the Cdn. Borrower under the Original Letter Agreement pursuant to a limited recourse guarantee dated December 21, 2017, as confirmed by a confirmation of security dated as of May 4, 2020 (as amended, modified, supplemented or restated from time to time, the "**Original Limited Recourse Guarantee**"), and Holdco guaranteed the obligations of the Borrowers under the Letter Agreement pursuant to a limited recourse guarantee dated May 4, 2020 (as amended, modified, supplemented or restated from time to time, the "**Additional Limited Recourse Guarantee**" and together with the Original Limited Recourse Guarantee, the "**Limited Recourse Guarantee**") and granted certain Security in connection with such Limited Recourse Guarantee;

AND WHEREAS the Borrowers have requested that the Lender agree to amend the Letter Agreement and waive certain obligations under Sections 9.4(1) and 9.1(l) of the Letter Agreement and the Lender has consented to and agreed to such amendments and such waiver on the terms and conditions set out herein;

AND WHEREAS as a condition of providing such amendments and such waiver the Borrowers and Holdco are to acknowledge and confirm, as set out herein, that any guarantee (including, without limitation, the Limited Recourse Guarantee) and the Security granted by each such Person prior to the date hereof is to continue in full force and effect;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the foregoing premises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereby agree as follows:

Section 1. Definitions. All capitalized terms not otherwise defined herein and defined in the Letter Agreement shall have the same meaning herein as in the Letter Agreement. As used herein, the singular shall include the plural and the plural shall include the singular as the context may require.

Section 2. Letter Agreement Amendment. Subject to satisfaction of the conditions precedent set forth in Section 5 below, the Lender, the Borrowers and Holdco agree that, effective as of the date hereof, the Letter Agreement shall be amended and supplemented as follows:

(a) The definition of "**Cdn. Term Facility**" shall be deleted in its entirety and replaced with the following:

""**Cdn. Term Facility**" means the non-revolving term credit facility in the maximum principal amount of Cdn. $21,333,317, previously made available to the Cdn. Borrower by the Lender in two separate Advances to fund a portion of the consideration payable in connection with the Acquisition and to refinance the Earnout Facility (as defined in the Existing Agreement), Cdn. $17,564,461 of which remains outstanding as at the date of the Agreement, subject to any reduction in accordance with the provisions of the Agreement.".

(b) The definition of "**Maturity Date**" shall be deleted in its entirety and replaced with the following:

""**Maturity Date**" means May 4, 2025.".

(c) Section 9.1(e) shall be amended by adding the following additional subsections immediately following Section 9.1(e)(v), deleting the "and" at the end of subsection (v) and renumbering subsection (vi) as (viii):

"(vi) 13-Week Cashflow Statement - on the 15th and 30th day of each month, or, if such day is not a Banking Day, the immediately preceding Banking Day, consolidated and unconsolidated rolling 13-week cash flow forecasts of the Borrowers, prepared in accordance with GAAP consistently applied;

(vii) U.S. Plant Project Production Report – beginning on February 1, 2022, a bi-weekly detailed production report, each in form and substance satisfactory to the Lender, acting reasonably, in respect of the Project; and".

(d) Section 9.1(e)(i) shall be amended by replacing the ";" at the end of subparagraph (i) and replacing it with the following:

". By no later than January 18, 2022, the Obligors shall deliver forecasts prepared by management of the Borrowers, on a combined consolidated basis, in form reasonably satisfactory to the Lender;".

(e) Section 9.1 shall be amended by adding the following additional subsections immediately following Section 9.1(v):

"(w) By no later than February 28, 2022, the Obligors shall deliver to the Lender an engineering/construction report confirming (i) the first phase of the Finger Joint Line improvements at the U.S. Plant have been completed and (ii) the commencement of the deliveries pursuant to the supply agreement between the Borrowers and Walmart Inc. (the "**Supply Agreement**"), in form and substance satisfactory to the Lender.

(x) By no later than June 30, 2022, the Obligors shall deliver to the Lender an engineering/construction report confirming the second phase of the Finger Joint Line improvements at the U.S. Plant have been completed;

(v) The Borrowers shall promptly provide notice to the Lender of any written notice it receives from Walmart Inc. of an intention to terminate the exclusive sourcing arrangement related to any phase of the Project due to the Borrowers' failure to supply

Goods (as defined in the Supply Agreement) to Walmart Inc. in accordance the Supply Agreement.

(z) The Borrowers shall have completed a site visit of the Project site to be conducted by the Technical Advisor by no later than February 28, 2022.

(aa) By no later than January 26, 2022, the Cdn. Borrower shall have received a Specified Equity Contribution in an amount of no less than Cdn.$1,100,000 (the "**January Equity Contribution**")".

(f) Section 9.2(i) shall be amended by adding the following proviso immediately following Section 9.2(i):

"; and further provided that, no Obligor shall make any Distribution in respect of Management Fees or fees payable to the Sponsor without the prior written consent of the Lender.".

(g) Section 9.4(1)(c) shall be deleted in its entirety and replaced with the following:

"(c) Minimum Quarterly EBITDA – Cdn. Borrower

As at each Quarter End set forth below, the Cdn. Borrower shall ensure that its EBITDA, calculated on a trailing twelve-month basis as at the Quarter End in question in accordance with GAAP, is at least equal to the minimum EBITDA opposite the applicable Quarter End as follows:

Quarter End	EBITDA
September 30, 2021	Waived
December 31, 2021	Waived

(h) Section 9.4(1)(d) shall be deleted in its entirety and replaced with the following:

"(d) Maximum Capital Expenditures – Cdn. Borrower

The Cdn. Borrower shall not make any Capital Expenditures from January 1, 2021 to December 31, 2021 in excess of $1,600,000 in the aggregate (tested as at each Quarter End during such period) without the prior written consent of the Lender.".

(i) Section 11.1 shall be amended by adding the following additional subsection immediately following Section 11.1(x):

"(y) January Equity Contribution: if the January Equity Contribution is not received by the Cdn. Borrower by January 26, 2022.".

(j) Section 12.2 is deleted in its entirety and replaced with the following:

"**12.2 Libor Rate Phase-Out and Benchmark Replacement**: Notwithstanding anything to the contrary herein or in any other Document (and any Financial Instruments shall be deemed not to be a "Document" for purposes of this Section 2.12:

(1) Replacing Libor Rate. On March 5, 2021 the Financial Conduct Authority ("**FCA**"), the regulatory supervisor of the Libor Rate's administrator ("**IBA**"), announced in a public statement the future cessation or loss of representativeness of overnight/Spot Next, 1-month, 3-month, 6-month and 12-month the Libor Rate tenor settings. On the earlier of (i) the date that all Available Tenors of the Libor Rate have either permanently or indefinitely ceased to be provided by IBA or have been announced by the FCA pursuant to public statement or publication of information to be no longer representative and (ii) the Early Opt-in Effective Date, if the then-current Benchmark is the Libor Rate, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Document. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a monthly basis.

(2) Replacing Future Benchmarks. Upon the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder *and* under any Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Banking Day after the date notice of such Benchmark Replacement is provided to the Lender without any amendment to, or further action or consent of any other party to, this Agreement or any other Document. At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrowers may revoke any request for a borrowing of, conversion to or continuation of Loans to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrowers' receipt of notice from the Lender that a Benchmark Replacement has replaced such Benchmark and, failing that, the Borrowers will be deemed to have converted any such request into a request for a borrowing of or conversion to U.S. Base Rate Loans. During the period referenced in the foregoing sentence, the component of U.S. Base Rate based upon the Benchmark will not be used in any determination of U.S. Base Rate.

(3) Benchmark Replacement Conforming Changes. In connection with the implementation and administration of a Benchmark Replacement, the Lender will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(4) Notices; Standards for Decisions and Determinations. The Lender will promptly notify the Borrowers of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Lender pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent

manifest error and may be made in its or their sole discretion and without consent from any other party hereto except, in each case, as expressly required pursuant to this Section.

(5) Unavailability of Tenor of Benchmark. At any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or the Libor Rate), then the Lender may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (ii) the Lender may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.

(6) Definitions:

"**Available Tenor**" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

"**Benchmark**" means, initially, the Libor Rate; provided that if a replacement of the Benchmark has occurred pursuant to this Section titled "Benchmark Replacement Setting", then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to "Benchmark" shall include, as applicable, the published component used in the calculation thereof.

"**Benchmark Replacement**" means, for any Available Tenor:

(1) For purposes of clause (a) of this Section, the first alternative set forth below that can be determined by the Lender:

(a) the sum of: (i) Term SOFR and (ii) 0.11448% (11.448 basis points) for an Available Tenor of one-month's duration, 0.26161% (26.161 basis points) for an Available Tenor of three-months' duration, and 0.42826% (42.826 basis points) for an Available Tenor of six-months' duration, or

(b) the sum of: (i) Daily Simple SOFR and (ii) the spread adjustment selected or recommended by the Relevant Governmental Body for the replacement of the tenor of the Libor Rate with a SOFR-based rate having approximately the same length as the interest payment period specified in clause (a) of this Section; and

(2) For purposes of clause (b) of this Section, the sum of: (a) the alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Lender and the Borrowers as the replacement for such Available Tenor of such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for U.S. dollar-denominated syndicated credit facilities at such time; provided that, if the Benchmark Replacement as determined pursuant to clause (1), or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Documents.

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "U.S. Base Rate," the definition of "Banking Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Lender decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Documents).

"**Benchmark Transition Event**" means, with respect to any then-current Benchmark other than the Libor Rate, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark or (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

"**Daily Simple SOFR**" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Lender in accordance with the conventions for this rate recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for syndicated business loans; provided, that if the Lender decides that any such convention is not administratively feasible for the Lender, then the Lender may establish another convention in its reasonable discretion.

"**Early Opt-in Effective Date**" means, with respect to any Early Opt-in Election, the sixth (6th) Banking Day after the date notice of such Early Opt-in Election is provided to the Lender.

"**Early Opt-in Election**" means the occurrence of:

(1) a determination by the Lender that the Lender has determined that U.S. dollar-denominated credit facilities being executed at such time, or that include language similar to that contained in this Section 12.2 are being executed or amended, as applicable, to incorporate or adopt a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate to replace the Libor Rate; and

(2) the joint election by the Lender and the Borrowers to trigger a fallback from the Libor Rate.

"**Floor**" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Libor Rate.

"**Relevant Governmental Body**" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

"**SOFR**" means a rate per annum equal to the secured overnight financing rate for such Banking Day published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, (or any successor source for the secured overnight financing rate identified as such by the administrator of the secured overnight financing rate from time to time).

"**Term SOFR**" means, for the applicable corresponding tenor, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

Section 3. Waiver. The Lender hereby agrees to waive any Default or Event of Default that may have arisen under (i) Section 9.4(1)(c) of the Letter Agreement as a result of the failure of the Cdn. Borrower to comply with the financial covenants set out therein for the September 30, 2021 Quarter End and (ii) Section 9.1(l) of the Letter Agreement as a result of the failure of the Borrowers to provide written confirmation and a construction report to the Lender regarding the substantial completion of the U.S. Plant Project with 90 days of the U.S. Plant Project achieving substantial completion (together, the "**September 2021 Defaults**"). Additionally, the Lender hereby agrees to waive the requirement of the Cdn. Borrower under Section 9.5(e) of the Letter Agreement to repay the Cdn. Term Facility with the proceeds received from the January Equity Contribution (the "**Repayment Waiver**").

Section 4. Compliance and Representations. Each of the Borrowers and Holdco hereby represents, warrants, agrees and acknowledges that, except for the September 2021 Defaults and the Repayment Waiver, it is and immediately prior to the amendments as set out in Section 2 hereof and the waiver as set out in Section 3 hereof, it shall be in compliance with the provisions of the Letter Agreement and the representations and warrants set forth in Section 8.1 thereof are now and shall as of such time be true and correct and, after giving effect to the amendments as set out in Section 2 hereof and the waiver as set out in Section 3 hereof, it shall be in compliance with the provisions of the Letter Agreement and the representations and warranties set forth in Section 8.1 thereof shall be true and correct.

Section 5. Conditions Precedent. The amendments and supplements to the Letter Agreement contained in Section 2 hereof and the waiver contained in Section 3 hereof shall be subject to the satisfaction of the following conditions precedent:

(a) the Borrowers and Holdco shall have executed and delivered this Agreement;

(b) the Borrowers shall have paid to the Lender an amendment fee in the amount of $10,000; and

(c) as at the date hereof, after giving effect to the amendments and waiver contemplated herein, the representations and warranties contained in Section 8.1 of the Letter Agreement shall be true and correct in all respects and there shall be no Default or Event of Default which has occurred and is continuing under the Letter Agreement.

Section 6. Confirmation. Each of the Borrowers and Holdco hereby consents to the amendments set forth in Section 2 hereof and the waiver set forth in Section 3 hereof, and the terms and conditions thereof and acknowledges, confirms and agrees that notwithstanding the terms and conditions of this Agreement (including, without limitation, such amendments and waiver) and the execution and delivery of this Agreement, by the parties hereto and thereto and whether or not any conditions precedent contained herein have been fulfilled:

(a) all adjustments or modifications to the obligations underlying the Limited Recourse Guarantee granted by Holdco in favour of the Lender have been made and are permitted under the terms and conditions of the Limited Recourse Guarantee;

(b) the Limited Recourse Guarantee granted by Holdco in favour of the Lender (including, without limitation, the obligations of Holdco thereunder) shall, in each case, be and remain in full force and effect as a valid and binding continuing guarantee to the Lender in accordance with its terms without impairment or novation thereof for all present and future debts, liabilities and obligations, direct or indirect or otherwise now or at any time or from time to time hereafter due or owing from the Borrowers or Holdco or any of them to the Lender under the Letter Agreement or any other Documents; and

(c) all Security granted by each of the Borrowers and Holdco, whether as borrower or guarantor under or in connection with the Letter Agreement or any other Documents, is hereby confirmed to be and shall continue in full force and effect unamended (except as amended hereby) and shall, in each such case, be deemed to be granted as security for all present and future debts, liabilities and obligations, direct or indirect or otherwise, now or at any time or from time to time hereafter due or owing from such Person (in accordance with the terms of such Security) to the Lender under the Letter Agreement or any other Documents to which such Person is a party (provided that nothing herein shall amend any limit on liability of such Person set forth in such Security).

Section 7. Acknowledgements. The parties acknowledge that except as otherwise expressly indicated herein, the Letter Agreement and the other Documents shall continue unamended and without novation and remain in full force and effect and, except as amended and supplemented by this Agreement, the Security and such other Documents are in all respects confirmed, ratified and preserved. The provisions of this Agreement shall not operate to in any way limit or otherwise restrict the rights and remedies of the Lender in respect of payment and performance of any indebtedness, obligations or liabilities of the Borrowers or any other Person to it under the Letter Agreement.

Section 8. Further Assurances. Each of the Borrowers and Holdco shall at all times hereafter at the reasonable request of the Lender execute and deliver all such further documents and instruments and shall do and perform such acts as may be necessary to give full effect to the intent and meaning of this Agreement including, without limitation, all such further documents, certificates and instruments as may be considered necessary or desirable by the Lender to preserve, protect or perfect the Security.

Section 9. Successors and Assigns. This Agreement shall be binding upon each party hereto and their respective successors and permitted assigns and shall enure to the benefit of the Lender and its successors and assigns.

Section 10. Severability. The provisions of this Agreement are intended to be severable. If any provision hereof is held to be invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 11. Modifications; Waiver. Any amendment or modification or waiver of any right under any provision hereof shall be in writing and signed by the parties hereto. Any waiver hereunder shall be effective only for the specific purpose for which it is given and for the specific time period, if any, contemplated in such waiver. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver of such right, power or privilege and any waiver of any breach of the provisions hereof shall be without prejudice to any rights with respect to any other or further breach.

Section 12. Notices. All notices hereunder shall be given and received as provided in Section 14.8 of the Letter Agreement.

Section 13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

Section 14. Counterparts. This Agreement may be executed in counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed an original and all of which, taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic means including, without limitation, by facsimile or electronic delivery in portable document format ("pdf") shall be equally effective as delivery of a manually executed counterpart thereof.

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IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals as of the day and year first above written.

BORROWERS:

STRUCTURLAM MASS TIMBER CORPORATION

By: 

Name: Hardy Wentzel
Title: Chief Executive Officer

I/We have authority to bind the corporation.

STRUCTURLAM MASS TIMBER U.S., INC.

By: 

Name: Hardy Wentzel
Title: President

I/We have authority to bind the corporation.

HOLDCO:

SLP HOLDINGS LTD.



By: _____

Name: Hardy Wentzel
Title: CEO

I/We have authority to bind the corporation.

LENDER:

BANK OF MONTREAL

By: _____
Name: Kinsley McWhinnie
Title: Managing Director

By: _____
Name: Dominic Fung
Title: Director

FOURTH AMENDMENT AGREEMENT

Fourth Amendment Agreement dated as of June 17, 2022 (this "**Agreement**") among **STRUCTURLAM MASS TIMBER CORPORATION** (formerly named SLP Operations Ltd.) (the "**Cdn. Borrower**"), a corporation organized under the laws of British Columbia, as Canadian borrower, **STRUCTURLAM MASS TIMBER U.S., INC.** (the "**U.S. Borrower**" and together with the Cdn. Borrower, the "**Borrowers**"), a corporation organized under the laws of Delaware, as US borrower, **SLP HOLDINGS LTD.** ("**Holdco**"), a corporation organized under the laws of British Columbia, as limited recourse guarantor, and **BANK OF MONTREAL** (the "**Lender**"), as lender.

WHEREAS the Borrowers have entered into an amended and restated letter agreement dated as of December 3, 2019, as amended by a first amendment agreement dated as of February 2, 2021, a second amendment agreement dated as of September 29, 2021 and a third amendment agreement dated as of January 24, 2022, among the Borrowers, Holdco and the Lender (as further amended, supplemented, extended or otherwise modified or restated at any time or from time to time, collectively, the "**Letter Agreement**") which amended and restated the letter agreement dated as of December 21, 2017 among the Cdn. Borrower, Holdco and the Lender (the "**Original Letter Agreement**");

AND WHEREAS to secure the Borrowers' indebtedness, liabilities and obligations under the Letter Agreement, Holdco guaranteed the obligations of the Cdn. Borrower under the Original Letter Agreement pursuant to a limited recourse guarantee dated December 21, 2017, as confirmed by a confirmation of security dated as of May 4, 2020 (as amended, modified, supplemented or restated from time to time, the "**Original Limited Recourse Guarantee**"), and Holdco guaranteed the obligations of the Borrowers under the Letter Agreement pursuant to a limited recourse guarantee dated May 4, 2020 (as amended, modified, supplemented or restated from time to time, the "**Additional Limited Recourse Guarantee**" and together with the Original Limited Recourse Guarantee, the "**Limited Recourse Guarantee**") and granted certain Security in connection with such Limited Recourse Guarantee;

AND WHEREAS the Borrowers have requested that the Lender agree to amend the Letter Agreement and the Lender has consented to and agreed to such amendments on the terms and conditions set out herein;

AND WHEREAS as a condition of providing such amendments the Borrowers and Holdco are to acknowledge and confirm, as set out herein, that any guarantee (including, without limitation, the Limited Recourse Guarantee) and the Security granted by each such Person prior to the date hereof is to continue in full force and effect;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the foregoing premises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereby agree as follows:

Section 1. Definitions. All capitalized terms not otherwise defined herein and defined in the Letter Agreement shall have the same meaning herein as in the Letter Agreement. As used herein, the singular shall include the plural and the plural shall include the singular as the context may require.

Section 2. Letter Agreement Amendment. Subject to satisfaction of the conditions precedent set forth in Section 5 below, the Lender, the Borrowers and Holdco agree that, effective as of the date hereof, the Letter Agreement shall be amended and supplemented as follows:

(a) The definition of "**Revolving Facility**" shall be deleted in its entirety and replaced with the following:

""**Revolving Facility**" means the committed revolving credit facility in the maximum principal amount of $3,000,000 to be made available to the Cdn. Borrower by the Lender in accordance with the provisions of the Agreement, subject to any reduction in accordance with the provisions of the Agreement; provided that until the earlier of (a) June 30, 2022 and (b) the first date following the date hereof on which a Borrower receives an equity injection made before June 30, 2022 (but for greater certainty, after June 1, 2022) and the proceeds of such equity injection are applied to repay the Revolving Facility, the maximum amount of the Revolving Facility shall be increased to $5,500,000."

(b) The definition of "**Cdn. Term Facility**" of the Letter Agreement shall be amended by deleting the reference therein to "$17,935,541.21" and replacing it with $16,822,301".

(c) The definition of "**U.S. Term Facility**" of the Letter Agreement shall be amended by deleting the reference therein to "$36,000,000" and replacing it with $35,529,007".

Section 3. Reservation of Rights. Pursuant to a notice issued to the Lender dated as of May 24, 2022, the Borrowers have acknowledged that an Event of Default has occurred under Sections 9.4(a)(vii), 9.4(2)(a)(i) and 9.4(2)(b) of the Letter Agreement as a result of the failure of the U.S. Borrower and Cdn. Borrower to comply with the financial covenants set out therein for the March 31, 2022 Quarter End (the "**Default**"). The Lender has not, and shall not be deemed to have, waived the Default. The Lender reserves its rights at any time to exercise any rights, remedies, power and privileges afforded by law or under the Letter Agreement or the other Documents with respect to the Default.

Section 4. Compliance and Representations. Each of the Borrowers and Holdco hereby represents, warrants, agrees and acknowledges that, except for the Default, it is and immediately prior to the amendments as set out in Section 2 hereof, it shall be in compliance with the provisions of the Letter Agreement and the representations and warrants set forth in Section 8.1 thereof are now and shall as of such time be true and correct and, after giving effect to the amendments as set out in Section 2 hereof, it shall be in compliance with the provisions of the Letter Agreement and the representations and warranties set forth in Section 8.1 thereof shall be true and correct.

Section 5. Conditions Precedent. The amendments and supplements to the Letter Agreement contained in Section 2 hereof shall be subject to the satisfaction of the following conditions precedent:

(a) the Borrowers and Holdco shall have executed and delivered this Agreement;

(b) the Borrowers shall have paid to the Lender an amendment fee in the amount of $7,500; and

(c) as at the date hereof, after giving effect to the amendments contemplated herein, the representations and warranties contained in Section 8.1 of the Letter Agreement shall be true and correct in all respects and there shall be no Default or Event of Default which has occurred and is continuing under the Letter Agreement.

Section 6. Confirmation. Each of the Borrowers and Holdco hereby consents to the amendments set forth in Section 2 hereof, and the terms and conditions thereof and acknowledges, confirms and agrees that notwithstanding the terms and conditions of this Agreement (including, without limitation, such amendments) and the execution and delivery of this Agreement, by the parties hereto and thereto and whether or not any conditions precedent contained herein have been fulfilled:

(a) all adjustments or modifications to the obligations underlying the Limited Recourse Guarantee granted by Holdco in favour of the Lender have been made and are permitted under the terms and conditions of the Limited Recourse Guarantee;

(b) the Limited Recourse Guarantee granted by Holdco in favour of the Lender (including, without limitation, the obligations of Holdco thereunder) shall, in each case, be and remain in full force and effect as a valid and binding continuing guarantee to the Lender in accordance with its terms without impairment or novation thereof for all present and future debts, liabilities and obligations, direct or indirect or otherwise now or at any time or from time to time hereafter due or owing from the Borrowers or Holdco or any of them to the Lender under the Letter Agreement or any other Documents; and

(c) all Security granted by each of the Borrowers and Holdco, whether as borrower or guarantor under or in connection with the Letter Agreement or any other Documents, is hereby confirmed to be and shall continue in full force and effect unamended (except as amended hereby) and shall, in each such case, be deemed to be granted as security for all present and future debts, liabilities and obligations, direct or indirect or otherwise, now or at any time or from time to time hereafter due or owing from such Person (in accordance with the terms of such Security) to the Lender under the Letter Agreement or any other Documents to which such Person is a party (provided that nothing herein shall amend any limit on liability of such Person set forth in such Security).

Section 7. Acknowledgements. The parties acknowledge that except as otherwise expressly indicated herein, the Letter Agreement and the other Documents shall continue unamended and without novation and remain in full force and effect and, except as amended and supplemented by this Agreement, the Security and such other Documents are in all respects confirmed, ratified and preserved. The provisions of this Agreement shall not operate to in any way limit or otherwise restrict the rights and remedies of the Lender in respect of payment and performance of any indebtedness, obligations or liabilities of the Borrowers or any other Person to it under the Letter Agreement.

Section 8. Further Assurances. Each of the Borrowers and Holdco shall at all times hereafter at the reasonable request of the Lender execute and deliver all such further documents and instruments and shall do and perform such acts as may be necessary to give full effect to the intent and meaning of this Agreement including, without limitation, all such further documents, certificates and instruments as may be considered necessary or desirable by the Lender to preserve, protect or perfect the Security.

Section 9. Successors and Assigns. This Agreement shall be binding upon each party hereto and their respective successors and permitted assigns and shall enure to the benefit of the Lender and its successors and assigns.

Section 10. Severability. The provisions of this Agreement are intended to be severable. If any provision hereof is held to be invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 11. Modifications; Waiver. Any amendment or modification or waiver of any right under any provision hereof shall be in writing and signed by the parties hereto. Any waiver hereunder shall be effective only for the specific purpose for which it is given and for the specific time period, if any, contemplated in such waiver. No failure or delay by any party in exercising any right, power or privilege hereunder shall

operate as a waiver of such right, power or privilege and any waiver of any breach of the provisions hereof shall be without prejudice to any rights with respect to any other or further breach.

Section 12. Notices. All notices hereunder shall be given and received as provided in Section 14.8 of the Letter Agreement.

Section 13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

Section 14. Counterparts. This Agreement may be executed in counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed an original and all of which, taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic means including, without limitation, by facsimile or electronic delivery in portable document format ("pdf") shall be equally effective as delivery of a manually executed counterpart thereof.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals as of the day and year first above written.

BORROWERS:

STRUCTURLAM MASS TIMBER CORPORATION

By: _____
Name: Nathan Waters
Title: Interim CFO

By: _____
Name:
Title:

I/We have authority to bind the corporation.

STRUCTURLAM MASS TIMBER U.S., INC.

By: _____
Name: Nathan Waters
Title: Interim CFO

By: _____
Name:
Title:

I/We have authority to bind the corporation.

HOLDCO:

SLP HOLDINGS LTD.

By: _____
Name: Nathan Waters
Title: Interim CFO

By: _____
Name:
Title:

I/We have authority to bind the corporation.

LENDER:

BANK OF MONTREAL

By: _____
Name: Kinsley McWhinnie
Title: Managing Director

By: _____
Name: Dominic Fung
Title: Director

FIFTH AMENDMENT AGREEMENT

Fifth Amendment Agreement dated as of June 27, 2022 (this "**Agreement**") among **STRUCTURLAM MASS TIMBER CORPORATION** (formerly named SLP Operations Ltd.) (the "**Cdn. Borrower**"), a corporation organized under the laws of British Columbia, as Canadian borrower, **STRUCTURLAM MASS TIMBER U.S., INC.** (the "**U.S. Borrower**" and together with the Cdn. Borrower, the "**Borrowers**"), a corporation organized under the laws of Delaware, as US borrower, **SLP HOLDINGS LTD.** ("**Holdco**"), a corporation organized under the laws of British Columbia, as limited recourse guarantor, **NATURAL OUTCOMES, LLC** (the "**US Guarantor**"), a limited liability company formed under the laws of Delaware and **BANK OF MONTREAL** (the "**Lender**"), as lender.

WHEREAS the Borrowers have entered into an amended and restated letter agreement dated as of December 3, 2019, as amended by a first amendment agreement dated as of February 2, 2021, a second amendment agreement dated as of September 29, 2021, a third amendment agreement dated as of January 24, 2022 and a fourth amendment agreement dated as of June 17, 2022, among the Borrowers, Holdco and the Lender (as further amended, supplemented, extended or otherwise modified or restated at any time or from time to time, collectively, the "**Letter Agreement**") which amended and restated the letter agreement dated as of December 21, 2017 among the Cdn. Borrower, Holdco and the Lender (the "**Original Letter Agreement**");

AND WHEREAS to secure the Borrowers' indebtedness, liabilities and obligations under the Letter Agreement, Holdco guaranteed the obligations of the Cdn. Borrower under the Original Letter Agreement pursuant to a limited recourse guarantee dated December 21, 2017, as confirmed by a confirmation of security dated as of May 4, 2020 (as amended, modified, supplemented or restated from time to time, the "**Original Limited Recourse Guarantee**"), and Holdco guaranteed the obligations of the Borrowers under the Letter Agreement pursuant to a limited recourse guarantee dated May 4, 2020 (as amended, modified, supplemented or restated from time to time, the "**Additional Limited Recourse Guarantee**" and together with the Original Limited Recourse Guarantee, the "**Limited Recourse Guarantee**") and granted certain Security in connection with such Limited Recourse Guarantee;

AND WHEREAS to secure the Borrowers' indebtedness, liabilities and obligations under the Letter Agreement, the US Guarantor guaranteed the obligations of the Cdn. Borrower under the Letter Agreement pursuant to a guarantee dated May 4, 2020 (as amended, modified, supplemented or restated from time to time, the "**Guarantee**");

AND WHEREAS the Borrowers have requested that the Lender agree to amend the Letter Agreement and the Lender has consented to and agreed to such amendments on the terms and conditions set out herein;

AND WHEREAS as a condition of providing such amendments the Borrowers, Holdco and the US Guarantor are to acknowledge and confirm, as set out herein, that any guarantee (including, without limitation, the Limited Recourse Guarantee and the Guarantee) and the Security granted by each such Person prior to the date hereof is to continue in full force and effect;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the foregoing premises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereby agree as follows:

Section 1. Definitions. All capitalized terms not otherwise defined herein and defined in the Letter Agreement shall have the same meaning herein as in the Letter Agreement. As used herein, the singular shall include the plural and the plural shall include the singular as the context may require.

Section 2. Letter Agreement Amendments. Subject to satisfaction of the conditions precedent set forth in Section 5 below, the Lender, the Borrowers and Holdco agree that, effective as of the date hereof, the Letter Agreement shall be amended and supplemented as follows:

(a) Schedule "A" of the Letter Agreement shall be amended deleting the definition of "**Applicable Pricing Margin**" therein and replacing the same with the following:

""**Applicable Pricing Margin**", as regards any Loan or the standby fees payable in accordance with Section 4.7 means, when the Total Funded Debt to EBITDA Ratio calculated on a combined consolidated basis for the Borrowers (calculated as at the Quarter End for the most recently completed fiscal quarter of the Borrowers and for the twelve-month period ended on such date) is one of the following, the percentage rate set forth opposite such ratio in the column below applicable to the type of Loan in question or such standby fee:

Total Funded Debt to EBITDA Ratio (on a combined consolidated basis)	**Margin on Cdn. Prime Rate Loans, U.S. Base Rate Loans and U.S. Prime Rate Loans**	**Margin on Libor Loans, Acceptance Fees for B/As and Issuance Fees for L/Cs**	**Standby Fee applicable to Revolving Facility and L/C Facility**
<2.00 to 1.00	0.50%	2.00%	0.45%
≥2.00 to 1.00 and <2.50 to 1.00	0.75%	2.25%	0.50%
≥2.50 to 1.00 and <3.00 to 1.00	1.00%	2.50%	0.55%
≥3.00 to 1.00 and <3.50 to 1.00	1.50%	3.00%	0.65%
≥3.50 to 1.00 and <4.00 to 1.00	2.00%	3.50%	0.75%
≥4.00 to 1.00	2.50%	4.00%	1.00%

provided that,

(a) the above rates per annum applicable to Libor Loans are expressed on the basis of a year of 360 days and the above rates per annum applicable to all other Loans and such standby fee are expressed on the basis of a year of 365 or 366 days, as applicable;

(b) if the Obligors or any of them fail to observe or perform any covenants on their part contained herein, then the Total Funded Debt to EBITDA Ratio shall be deemed to be greater than 4.00 to 1.00 for the purposes of determining the Applicable Pricing Margin until the Borrowers have remedied such failure; and

(c) the above rates per annum shall only apply following the delivery of the required Compliance Certificate pursuant to Section 9.1(e)(v) in respect of the September 30, 2023 Quarter End and prior to such delivery, the following per annum rates shall apply:

(i) prior to the delivery of the required Compliance Certificate pursuant to Section 9.1(e)(v) in respect of the December 31, 2022 Quarter End:

Margin on Cdn. Prime Rate Loans, U.S. Base Rate Loans and U.S. Prime Rate Loans	Margin on SOFR/Libor Loans, Acceptance Fees for B/As and Issuance Fees for L/Cs	Standby Fee applicable to Revolving Facility and L/C Facility
3.50%	5.00%	1.25%

(ii) prior to the delivery of the required Compliance Certificate pursuant to Section 9.1(e)(v) in respect of the September 30, 2023 Quarter End:

Margin on Cdn. Prime Rate Loans, U.S. Base Rate Loans and U.S. Prime Rate Loans	Margin on SOFR/Libor Loans, Acceptance Fees for B/As and Issuance Fees for L/Cs	Standby Fee applicable to Revolving Facility and L/C Facility
3.00%	4.50%	1.125%".

(b) Schedule "A" of the Letter Agreement shall be amended deleting paragraphs (c), (d) and (e) of the definition of "**EBITDA**" therein and replacing the same with the following:

"(c) all amounts deducted in the calculation of Net Income in respect of non-cash items, including depletion, depreciation, amortization, unrealized losses on Financial Instruments, foreign exchange losses on intercompany loans, future taxes and accrued but unpaid Management Fees; and in the case of the U.S. Borrower, non-cash rebate expense related to the New Supply Agreement;

(d) losses attributable to minority interests and extraordinary and non-recurring losses, costs and expenses (including, for greater certainty, extraordinary and non-recurring losses, costs and expenses that are subject to an indemnity and all transaction costs, fees and expenses associated with the Credit Facilities, the Project, the Additional Equity, the January Equity Contribution, the May Equity Injection and the 2022 Permitted Equity Injection, the transactions contemplated or referenced in the Agreement and all transactions in connection therewith or relating thereto, including legal fees and expenses), in each case, to the extent deducted in the calculation of Net Income; provided that, all such amounts (excluding costs subject to an indemnity and all transaction costs, fees and expenses associated with the Credit Facilities, the Project, the Additional Equity, the January Equity Contribution, the May Equity Injection, the 2022 Permitted Equity Injection, the amendment of the timber supply agreement, the transactions contemplated or referenced in the Agreement and all transactions in connection therewith or relating thereto, including legal fees and expenses), together with amounts added back to EBITDA pursuant to subparagraph (e) below shall not, in the aggregate, (i) for the twelve month period from July 1, 2022 up to and including June 30, 2023, exceed in the aggregate at any time Management Fees of Cdn. $180,000 and Severance and Restructuring Costs of Cdn. $250,000, exclusive of

severance and other costs related to H. Wentzel and M. Darby (in each case, such amounts to be allocated between the Cdn. Borrower and the U.S. Borrower) and (ii) on and following the September 30, 2023 Quarter End, exceed 10% of EBITDA in any trailing twelve-month period (provided that any Severance and Restructuring Costs permitted by clause (i), above shall be permitted to be carried forward in such twelve-month period, as applicable and shall not form part of, or otherwise reduce, the 10% cap referred to in this clause (ii));

(e) (i) Management Fees and Partnership Expenses, and (ii) reimbursable fees, costs and expenses and other amounts paid to the Sponsor and the other shareholders of Holdco which, together with all amounts (excluding costs subject to an indemnity and all transaction costs, fees and expenses associated with the Credit Facilities, the Project, the Additional Equity, the January Equity Contribution, the May Equity Injection, the 2022 Permitted Equity Injection, the amendment of the timber supply agreement, the transactions contemplated or referenced in the Agreement and all transactions in connection therewith or relating thereto, including legal fees and expenses) added back to EBITDA pursuant to subparagraph (d) above, do not, in the aggregate (A) for the twelve month period from July 1, 2022 up to and including June 30, 2023, exceed in the aggregate at any time Management Fees of Cdn. $180,000 and Severance and Restructuring Costs of Cdn. $250,000, exclusive of severance and other costs related to H. Wentzel and M. Darby (in each case, such amounts to be allocated between the Cdn. Borrower and the U.S. Borrower) and (B) on and following the September 30, 2023 Quarter End, exceed 10% of EBITDA in any trailing twelve-month period (provided that any Severance and Restructuring Costs permitted by clause (A), above shall be permitted to be carried forward in such twelve-month period, as applicable and shall not form part of, or otherwise reduce, the 10% cap referred to in this clause (B)); and".

(c) Schedule "A" of the Letter Agreement shall be amended deleting the definition of "**Floor**" therein and replacing the same with the following:

""**Floor**" means the rate per annum equal to 1%.".

(d) Schedule "A" of the Letter Agreement shall be amended deleting the definition of "**Unfinanced Capital Expenditures**" therein and replacing the same with the following:

"**Unfinanced Capital Expenditures**" means, for any period, the amount of all Capital Expenditures, including Project Capital Expenditures, less any Capital Expenditures funded by Debt (other than the Revolving Facility), Subordinated Debt or by the proceeds of any Excluded Equity Issue, and less, for the 2022 and 2023 fiscal years, the Additional CapEx Amount; each determined, as applicable, (i) on a combined consolidated basis for the Borrowers, or (ii) on an unconsolidated basis for a Borrower.

(e) Schedule "A" of the Letter Agreement shall be amended by adding the following definitions of "in alphabetical order:

"**2022 Permitted Equity Injection**" means an equity injection received by a Borrower or Holdco by no later than June 30, 2022 in an amount of no less than U.S.$11,500,000 (or the equivalent thereof in any other currency) and includes subsequent, additional equity injections received by a Borrower or Holdco during the 2022 year up to an amount of U.S.$1,750,000.

"**Additional CapEx Amount**" means U.S.$3,000,000, which, for certainty, for purposes of Sections 9.4(1)(d) and 9.4(2)(c) shall be the total aggregate amount of additional Capital Expenditures that can be made during the combined 2022 and 2023 fiscal years by the Cdn. Borrower and the U.S. Borrower, collectively.

"**Cash Balance**" means, at any time, the aggregate amount of cash and Cash Equivalents of the U.S. Borrower or Cdn. Borrower, as applicable, determined on an consolidated basis as at such time.

"**Cash Equivalents**" means any of the following:

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

(ii) investments in certificates of deposit, bankers' acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of Canada or of any Canadian province which has a senior unsecured rating of "A-" or better by S&P and "A3" or better by Moody's;

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

(iv) marketable and freely tradeable securities evidencing direct obligations of corporations, hospitals, municipal boards or school boards having, at the date of acquisition, a rating from DBRS of A, from Moody's of A 2 or from S&P of A, in each case maturing within 180 days from the date of acquisition thereof; or

(v) deposits in bank accounts made in the ordinary course of business and otherwise permitted hereunder.

"**Liquidity**" means, at any time, an amount equal to the sum of:

(i) the Unencumbered Cash Balance, plus

(ii) the aggregate amount available to be drawn under the Revolving Facility.

"**May Equity Injection**" means an equity injection received by Holdco on or around May 13, 2022 in the amount of U.S.$ 3,000,000.

"**Month End**" means the last day of each of calendar month.

"**New Supply Agreement**" means the Amended and Restated Walmart Realty Supplier Agreement made by the U.S. Borrower, Holdco and Walmart Inc.

"**Severance and Restructuring Costs**" means any non-recurring or unusual and documented out-of-pocket restructuring and severance costs, charges or expenses.

"**Unencumbered Cash Balance**" means, at any time, that portion of the Cash Balance at such time:

(i) over which there are no Liens other than a first-priority Security Interest in favour of the Lender and involuntary Security Interest arising by operation of Applicable Law; and

(ii) that is on deposit:

(i) with the Lender; or

(ii) with a financial institution with which the Lender has a deposit account control agreement or securities account control agreement, as applicable, with respect thereto.

(f) Sections 1.14(2) and 1.14(3) shall be deleted in their entirety and replaced with the following:

"(2) In addition to and without limiting the foregoing, on the last Banking Day of each fiscal quarter referred to below in each fiscal year of the Cdn. Borrower, the Cdn. Borrower shall repay to the Lender the following amounts (collectively, the "**Cdn. Term Facility Instalments**"):

(a) on the last Banking Day of the fiscal quarter ending September 30, 2022, an amount of Loans outstanding under the Cdn. Term Facility equal to 0.625% of the Funded Amount of the Cdn. Term Facility;

(b) on the last Banking Day of each of the fiscal quarters ending December 31, 2022 and March 31, 2023, an amount of Loans outstanding under the Cdn. Term Facility equal to 1.25% of the Funded Amount of the Cdn. Term Facility; and

(c) on each such Banking Day commencing with the last Banking Day of the fiscal quarter ending June 30, 2023 to and including the Maturity Date, an amount of Loans outstanding under the Cdn. Term Facility equal to 2.5% of the Funded Amount of the Cdn. Term Facility.

(3) In addition to and without limiting the foregoing, on the last Banking Day of each fiscal quarter referred to below in each fiscal year of the U.S. Borrower, the U.S. Borrower shall repay to the Lender the following amounts (collectively, the "**U.S. Term Facility Instalments**"):

(a) on the last Banking Day of the fiscal quarter ending September 30, 2022, an amount of Loans outstanding under the U.S. Term Facility equal to 0.625% of the Funded Amount of the U.S. Term Facility;

(b) on the last Banking Day of each of the fiscal quarters ending December 31, 2022 and March 31, 2023, an amount of Loans outstanding under the U.S. Term Facility equal to 1.25% of the Funded Amount of the U.S. Term Facility;

(c) the last Banking Day of each of the fiscal quarters ending June 30, 2023 and September 30, 2023, an amount of Loans outstanding under the U.S. Term Facility equal to 3.75% of the Funded Amount of the U.S. Term Facility; and

(c) on each such Banking Day commencing with the last Banking Day of the fiscal quarter ending December 31, 2023 to and including the Maturity Date, an amount of Loans outstanding under the U.S. Term Facility equal to 4.375% of the Funded Amount of the U.S. Term Facility.".

(g) Section 1.14(4) shall be amended by deleting each of the references to "3:00 to 1:00" in Sections 1.14(4)(a) and 1.14(b) and replacing the same with "2:50 to 1:00".

(h) Section 1.14(4) shall be further amended by deleting each of the references to "3:00:1:00" in Sections 1.14(4)(a) and 1.14(b) and replacing the same with "2:50:1:00".

(i) Section 1.14(4)(c) shall be amended by deleting it in its entirety and replacing the same with the following:

"(c) the net proceeds of (i) any issuance of Equity Interests of any Obligor, other than Excluded Equity Issues, the January Equity Contribution (including all amounts actually received by the Cdn. Borrower), the May Equity Injection and the 2022 Permitted Equity Injection (provided that the 2022 Permitted Equity Injection shall not be used for purposes of calculating the financial covenants set out in Section 9.4), and (ii) any Debt incurred by any Obligor which does not constitute Permitted Debt (other than Subordinated Debt, unless the Lender has agreed that the proceeds of such Subordinated Debt are not subject to this Section 1.14(4)(c)(ii)0;".

(j) Section 9.1(e)(iii) shall be amended by deleting it in its entirety and replacing the same with the following:

"(iii) Quarterly Financials / Forecast - as soon as available and, in any event within 45 days after each Quarter End of each fiscal year and within 60 days after the fourth Quarter End of each Fiscal Year, (i) unaudited consolidated financial statements of the Borrowers, and unaudited unconsolidated financial statements of each Borrower, in each case, for such fiscal quarter and consisting of a balance sheet, statement of income, statement of cash flows and management discussion and analysis for such period in reasonable detail and stating in comparative form the figures for the corresponding date and period in previous fiscal year, all prepared in accordance with GAAP consistently applied and (ii) commencing with the September 30, 2022 Quarter End, forecasts prepared by management of the Borrowers and assessed by a third party financial advisor, on a combined consolidated basis, and for each Borrower, on an unconsolidated basis, in form reasonably satisfactory to the Lender, consisting of quarterly balance sheets, statements of income, statements of cash flows, a capital expenditures budget, and

pro forma calculations of the financial covenants set forth in Section 9.4, for the following year of the Borrowers;".

(k) Section 9.1(e)(v) shall be amended by deleting it in its entirety and replacing the same with the following:

"(v) Compliance Certificates - concurrently with furnishing the financial statements pursuant to Sections 9.1(e)(ii), (iii) and (iv), a Compliance Certificate that, inter alia, (w) states that the representations and warranties in Section 8.1 are true and accurate in all respects (or, if applicable, specifying those representations and warranties that are not, with particulars thereof), (x) states that no Default or Event of Default has occurred and is continuing (or, if applicable, specifying those defaults or events notified in accordance with Section 9.1(h) below), and (y) sets forth the calculation of the applicable financial covenants set out in Section 9.4;".

(l) Section 9.1(e)(vi) shall be amended by deleting it in its entirety and replacing the same with the following:

"(vi) 13-Week Cashflow Statement – beginning in July 2022, on 30th day of each month, or, if such day is not a Banking Day, the immediately preceding Banking Day, consolidated and unconsolidated rolling 13-week cash flow forecasts of the Borrowers, prepared in accordance with GAAP consistently applied;".

(m) Section 9.1(e)(vii) shall be amended by deleting it in its entirety and replacing the same with the following:

"(vii) U.S. Plant Project Production Report – beginning on June 30, 2022, and thereafter every two (2) weeks, a detailed production report, relative to the delivery requirements set out in the applicable Delivery Schedule (as defined in the Supply Agreement or the New Supply Agreement, as applicable), each in form and substance satisfactory to the Lender, acting reasonably, in respect of the Project; and".

(n) Section 9.1(x) shall be amended by deleting it in its entirety and replacing the same with the following:

"(x) By no later than July 31, 2022, the Obligors shall deliver to the Lender an engineering/construction report confirming the second phase of the Finger Joint Line improvements at the U.S. Plant have been completed;".

(o) Section 9.1(aa) shall be amended by deleting it in its entirety and replacing the same with the following:

"(aa) By no later than June 30, 2022, the Borrowers shall have received U.S.$11,500,000 (or the equivalent thereof in any other currency) forming part of the 2022 Permitted Equity Injection.".

(p) Section 9.1 shall be amended by adding the following additional subsections immediately following Section 9.1(aa):

"(bb) By no later than July 31, 2022, the Obligors shall have executed an engagement letter appointing a third party advisor (such advisor to be appointed by the Lender in its sole discretion). The Obligors shall cooperate with such third party advisor to validate the financial forecasts and financial performance of the Obligors.

(c)(c) The New Supply Agreement shall be substantially in the form provided to the Lender on or around June 20, 2022.".

(q) Section 9.2(i) shall be amended by deleting it in its entirety and replacing the same with the following:

"(i) Limits on Distributions and Payments on account of Subordinated Debt

No Obligor shall make any Distribution, payment of Management Fees, or payment of principal or interest on account of subordinated debt other than (i) Distributions made by any Subsidiary of a Borrower to such Borrower or another Subsidiary of such Borrower; (ii) Management Fees; (iii) reimbursable costs and expenses (including without limitation out-of-pocket third-party fees, costs and expenses and cash management fees) paid by the Borrowers (or either of them) to Holdco, the Sponsor, the New Investor or the Manager, as applicable, including, but not limited to, partnership expenses of the Borrowers in an aggregate amount not exceeding Cdn. $100,000 annually (the "**Partnership Expenses**"); and (iv) other Distributions paid by a Borrower to Holdco or payments by an Obligor of principal or interest on account of subordinated debt; provided that, (A) in the case of clause (iv) above, no such Distributions or payment shall be made or permitted unless the prior written consent of the Lender has been obtained, (B) in the case of clause (ii) above, no such Distributions or payment shall be made or permitted prior to September 30, 2023, and (C) in the case of clauses (ii) and (iii) above, no such Distributions or payment shall be made or permitted to be made during, or if the same would or would reasonably be expected to result in, the occurrence or continuance of a Default or Event of Default.".

(r) Section 9.2 shall be amended by adding the following subsection (r) immediately following subsection (q) thereof:

"(r) Anti-Cash Hoarding. The Borrowers shall not request an Advance for any purpose other than to fund costs and expenses reasonably anticipated to be incurred by a Borrower in the ordinary course of business within 15 days from the date of such Advance. The Borrowers shall not request an Advance unless the Borrowers do not have a sufficient Cash Balance to fund such costs and expenses.".

(s) Section 9.3(1) shall be deleted in its entirety and replaced with the following:

"(1) Upon substantial completion of the U.S. Plant Project and until such time as (a) the U.S. Borrower has maintained a Total Funded Debt to EBITDA Ratio of less than 3.50 to 1.00 for at least two (2) consecutive fiscal quarters or (b) the Borrowers have maintained on a consolidated basis a Total Funded Debt to EBITDA Ratio of less than 3.50 to 1.00 for at least two (2) consecutive fiscal quarters, the U.S. Borrower shall, at its sole expense, establish with the Lender in the name of the U.S. Borrower a current U.S. $ account styled *Structurlam Mass Timber U.S., Inc. Debt Service Reserve Account* (the "**Debt Service Reserve**

Account") and shall deposit therein and thereafter maintain on deposit therein in accordance with this Section 9.3 an amount not less than the Debt Service Reserve Requirement. The initial deposit to the Debt Service Reserve Account may be funded from the same sources used to replenish such account after withdrawals therefrom as referred to in Section 9.3(3) below.".

(t) Section 9.3(4) shall be deleted in its entirety and replaced with the following:

"(4) For certainty, upon (a) the U.S. Borrower having maintained its Total Funded Debt to EBITDA Ratio of less than 3.50 to 1.00 for at least two (2) consecutive fiscal quarters or (b) Holdco and the Obligors having maintained on a consolidated basis a Total Funded Debt to EBITDA Ratio of less than 3.50 to 1.00 for at least two (2) consecutive fiscal quarters, after substantial completion of the U.S. Plant Project, then the U.S. Borrower shall no longer be required to maintain the Debt Service Reserve Account.".

(u) Section 9.4(1)(a) shall be deleted in its entirety and replaced with the following:

"(a) Total Funded Debt to EBITDA Ratio – Cdn. Borrower and the Borrowers

(i) The Obligors shall at all times not permit the Total Funded Debt to EBITDA Ratio of the Cdn. Borrower determined on an unconsolidated basis, to be greater than:

A. from and including the June 30, 2022 Quarter End (tested as at such Quarter End), until but not including September 30, 2023, the Total Funded Debt to EBITDA Ratio shall be waived;

B. 5.50 to 1.00, from and including the September 30, 2023 Quarter End (tested as at such Quarter End), until but not including December 31, 2023; and

C. 4.00 to 1.00, from and including the December 31, 2023 Quarter End (tested as at such Quarter End), until but not including March 31, 2024,

in each case, to be calculated on the basis of the trailing twelve-month period of the Cdn. Borrower ending as at the Closing Date or relevant Quarter End, as applicable.

(ii) The Obligors shall at all times not permit the Total Funded Debt to EBITDA Ratio of the Borrowers determined on an consolidated basis, to be greater than 3.00 to 1.00, from and including the March 31, 2024 Quarter End and thereafter (tested as at each Quarter End during such period), in each case, to be calculated on the basis of the trailing twelve-month period of the Borrowers ending as at the Closing Date or relevant Quarter End, as applicable.".

(v) Section 9.4(1)(b) shall be deleted in its entirety and replaced with the following:

"(b) Minimum Fixed Charge Coverage Ratio – Borrowers

The Obligors shall not permit the Fixed Charge Coverage Ratio of the Borrowers, determined on an consolidated basis, at any time to be less than 1:15 to 1.00, tested as at the September 30, 2023 Quarter End and at each Quarter End thereafter, to be calculated on the basis of the trailing twelve-month period of the Borrowers ending as at such Quarter End. For certainty, the Fixed Charge Coverage Ratio shall be waived from and including the June 30, 2022 Quarter End, until but not including September 30, 2023.".

(w) Section 9.4(1)(d) shall be deleted in its entirety and replaced with the following:

"(d) Maximum Capital Expenditures – Cdn. Borrower

The Cdn. Borrower shall not make any Capital Expenditures in excess of:

(i) for the fiscal year of the Cdn. Borrower ending December 31, 2022, Cdn. $2,000,000 in the aggregate (tested as at each Quarter End during such period); and

(ii) for the fiscal year of the Cdn. Borrower ending December 31, 2023, Cdn. $2,500,000 in the aggregate (tested as at each Quarter End during such period),

in each case, without the prior written consent of the Lender; provided that, the Cdn. Borrower may, during the fiscal years of the Cdn. Borrower ending on December 31, 2022 and December 31, 2023, make additional Capital Expenditures in an amount not to exceed the Additional CapEx Amount. For certainty, the Additional CapEx Amount shall be the total aggregate amount of additional Capital Expenditures that can be made during the combined 2022 and 2023 fiscal years by the Cdn. Borrower and the U.S. Borrower, collectively.".

(x) The following shall be added as new Section 9.4(1)(e) immediately following Section 9.4(1)(d):

"(e) Minimum Monthly EBITDA – Cdn. Borrower

As at each Month End set forth below, the Cdn. Borrower shall ensure that its EBITDA, calculated from July 1, 2022 on a cumulative basis up to and including June 30, 2023, as at the Month End in question in accordance with GAAP, is at least equal to the minimum EBITDA opposite the applicable Month End as follows:

Month End	EBITDA
September 30, 2022	Cdn. $-1,450,000
October 31, 2022	Cdn. $-1,250,000
November 30, 2022	Cdn. $-1,200,000
December 31, 2022	Cdn. $-1,000,000
March 31, 2023	Cdn. $-1,250,000

June 30, 2023	Cdn. $-50,000

For certainty, the Obligors acknowledge that this Section 9.4(1)(e) cannot be cured by a Specified Equity Contribution pursuant to Section 9.5.

(y) The following shall be added as new Section 9.4(1)(f) immediately following Section 9.4(1)(e):

"(f) Minimum Liquidity – Borrowers

From July 1, 2022 and up to and including June 30, 2023, calculated on a consolidated basis, as at each Month End, the Borrowers shall ensure that its Liquidity, as at each Month End in question in accordance with GAAP, is at least equal to Cdn. $1,000,000.".

(z) Section 9.4(2)(a) shall be deleted in its entirety and replaced with the following:

"(a) Total Funded Debt to EBITDA Ratio – U.S. Borrower

The Obligors shall at all times not permit the Total Funded Debt to EBITDA Ratio of the U.S. Borrower determined on an unconsolidated basis, to be greater than:

(i) from and including the June 30, 2022 Quarter End (tested as at such Quarter End), until but not including September 30, 2023, the Total Funded Debt to EBITDA Ratio shall be waived;

(ii) 3.50 to 1.00, from and including the September 30, 2023 Quarter End (tested as at such Quarter End) until but not including December 31, 2023; and

(iii) 3.25 to 1.00, from and including the December 31, 2023 Quarter End (tested as at such Quarter End) until but not including March 31, 2024,

in each case, to be calculated on the basis of the trailing twelve-month period of the U.S. Borrower ending as at the Closing Date or relevant Quarter End, as applicable.".

(aa) Section 9.4(2)(b) shall be deleted in its entirety and replaced with the following: "(b) Reserved.".

(bb) The following shall be added as new Section 9.4(2)(c) immediately following Section 9.4(2)(b):

"(c) Minimum Monthly EBITDA – U.S. Borrower

(i) As at each Month End set forth below, the U.S. Borrower shall ensure that its EBITDA, calculated from July 1, 2022 on a cumulative basis up to and including June 30, 2023, as at the Month End in question in accordance with GAAP, is at least equal to the minimum EBITDA opposite the applicable Month End as follows:

Month End	EBITDA

September 30, 2022	U.S.$ 0
October 31, 2022	U.S.$ 500,000
November 30, 2022	U.S.$ 1,450,000
December 31, 2022	U.S.$ 2,250,000
March 31, 2023	U.S.$ 5,250,000
June 30, 2023	U.S.$ 8,200,000

For certainty, the Obligors acknowledge that this Section 9.4(2)(c) cannot be cured by a Specified Equity Contribution pursuant to Section 9.5.

(cc) The following shall be added as new Section 9.4(2)(d) immediately following Section 9.4(2)(c):

"(d) Maximum Capital Expenditures – U.S. Borrower

The U.S. Borrower shall not make any Capital Expenditures in excess of, for each of the fiscal years of the U.S. Borrower ending on December 31, 2022 and December 31, 2023, U.S. $2,500,000 in the aggregate (tested as at each Quarter End during such period), without the prior written consent of the Lender; provided that, the U.S. Borrower may, during the fiscal years of the U.S. Borrower ending on December 31, 2022 and December 31, 2023, make additional Capital Expenditures in an amount not to exceed the Additional CapEx Amount. For certainty, the Additional CapEx Amount shall be the total aggregate amount of additional Capital Expenditures that can be made during the combined 2022 and 2023 fiscal years by the Cdn. Borrower and the U.S. Borrower, collectively.".

(dd) Section 9.5 shall be amended by:

(i) Deleting from the first sentence the following words, "Subject to the last paragraph of this Section, for the purposes of determining compliance with the financial covenants set forth in Section 9.4" and replacing the same with the following:

"Subject to the last paragraph of this Section, for the purposes of determining compliance with the financial covenants set forth in Section 9.4 (other than Sections 9.4(1)(e)(*Minimum Monthly EBITDA – Cdn. Borrower*) and 9.4(2)(c)(*Minimum Monthly EBITDA – U.S. Borrower*)),";

(ii) Deleting the reference to "and" at the end of Section 9.5(f);

(iii) Deleting the "." at the end of Section 9.5(g) and replacing the same with "; and";

(iv) Adding the following as a new Section 9.5(h):

"(h) a Specific Equity Contribution shall not be used for the purposes of determining compliance with the financial covenants set forth in Sections 9.4(1)(e)(*Minimum Monthly EBITDA – Cdn.*

Borrower) or 9.4(2)(c)(*Minimum Monthly EBITDA – U.S. Borrower*).".

(ee) Section 11.1(y) shall be amended by deleting it in its entirety and replacing the same with the following:

"(y) 2022 Permitted Equity Injection: if U.S.$11,500,000 (or the equivalent thereof in any other currency) forming part of the 2022 Permitted Equity Injection is not received by a Borrower by June 30, 2022.".

(ff) Schedule B of the Letter Agreement shall be deleted and replaced with Exhibit "A" (Compliance Certificate) attached hereto.

Section 3. Waiver. The Lender hereby agrees to (i) waive any Default or Event of Default that may have arisen under Sections 9.4(a)(vii), 9.4(2)(a)(i) and 9.4(2)(b) of the Letter Agreement as a result of the failure of the U.S. Borrower and Cdn. Borrower to comply with the financial covenants set out therein for the March 31, 2022 Quarter End (the "**Financial Covenant Default**") and (ii) waive any Default or Event of Default that may have arisen under Section 1.14(4)(c) of the Letter Agreement as a result of the failure of the U.S. Borrower and Cdn. Borrower to repay the Credit Facilities following receipt of the proceeds of the May Equity Injection (the "**Repayment Default**" and together with the Financial Covenant Default, the "**2022 Defaults**"), provided that the May Equity Injection shall not be used for purposes of calculating the financial covenants set out in Section 9.4.

Section 4. Compliance and Representations. Each of the Borrowers and Holdco hereby represents, warrants, agrees and acknowledges that, except for the 2022 Defaults, it is and immediately prior to the amendments as set out in Section 2 hereof and the waiver set out in Section 3 hereof, it shall be in compliance with the provisions of the Letter Agreement and the representations and warrants set forth in Section 8.1 thereof are now and shall as of such time be true and correct and, after giving effect to the amendments as set out in Section 2 hereof and the waiver set out in Section 3 hereof, it shall be in compliance with the provisions of the Letter Agreement and the representations and warranties set forth in Section 8.1 thereof shall be true and correct.

Section 5. Conditions Precedent. The amendments and supplements to the Letter Agreement contained in Section 2 hereof and the waiver set out in Section 3 hereof shall be subject to the satisfaction of the following conditions precedent:

(a) the Borrowers, Holdco and the US Guarantor shall have executed and delivered this Agreement;

(b) the Borrowers shall have paid to the Lender an amendment fee in the amount of $15bps on Facilities 1, 2, 3 and 6;

(c) the Lender shall have received a Canadian legal opinion from legal counsel to the Borrowers in form and substance as may be required by the Lender;

(d) the Borrowers shall have delivered to the Lender (i) a current certificate of compliance or good standing (or equivalent), as the case may be, in respect of its jurisdiction of incorporation for the U.S. Borrower and the Cdn. Borrower, (ii) certified copies of the constating documents, by-laws and shareholders agreement of the Cdn. Borrower, as applicable, (iii) certified copies of the resolutions of the Cdn. Borrower authorizing this

Agreement and transactions hereunder, and (iv) an Officer's Certificate as to the incumbency of the officers of the Cdn. Borrower signing this Agreement; and

(e) as at the date hereof, after giving effect to the amendments contemplated herein, the representations and warranties contained in Section 8.1 of the Letter Agreement shall be true and correct in all respects and there shall be no Default or Event of Default which has occurred and is continuing under the Letter Agreement.

Section 6. Conditions Subsequent. On or before June 29, 2022, the Borrowers shall have caused to be delivered the following documents:

(a) certified copies of the constating documents, by-laws and shareholders agreement of the U.S. Borrower, as applicable;

(b) certified copies of the resolutions of the U.S. Borrower authorizing this Agreement and transactions hereunder;

(c) an Officer's Certificate as to the incumbency of the officers of the U.S. Borrower signing this Agreement; and

(d) a U.S. legal opinion from legal counsel to the U.S. Borrower in form and substance as may be required by the Lender,

failing which, an Event of Default shall be deemed to have occurred on June 29, 2022.

Section 7. Confirmation. Each of the Borrowers, Holdco and the US Guarantor hereby consents to the amendments set forth in Section 2 hereof and the waiver set out in Section 3 hereof, and the terms and conditions thereof and acknowledges, confirms and agrees that notwithstanding the terms and conditions of this Agreement (including, without limitation, such amendments and waiver) and the execution and delivery of this Agreement, by the parties hereto and thereto and whether or not any conditions precedent contained herein have been fulfilled:

(a) all adjustments or modifications to the obligations underlying (i) the Limited Recourse Guarantee granted by Holdco and (ii) the Guarantee granted by the US Guarantor (together, the "**Guarantees**") in favour of the Lender have been made and are permitted under the terms and conditions of the Guarantees;

(b) the Guarantees (including, without limitation, the obligations of Holdco and the US Guarantor thereunder) shall, in each case, be and remain in full force and effect as a valid and binding continuing guarantee to the Lender in accordance with its terms without impairment or novation thereof for all present and future debts, liabilities and obligations, direct or indirect or otherwise now or at any time or from time to time hereafter due or owing from the Borrowers or Holdco or any of them to the Lender under the Letter Agreement or any other Documents; and

(c) all Security granted by each of the Borrowers, Holdco and the US Guarantor, whether as borrower or guarantor under or in connection with the Letter Agreement or any other Documents, is hereby confirmed to be and shall continue in full force and effect unamended (except as amended hereby) and shall, in each such case, be deemed to be granted as security for all present and future debts, liabilities and obligations, direct or indirect or otherwise, now or at any time or from time to time hereafter due or owing from such Person

(in accordance with the terms of such Security) to the Lender under the Letter Agreement or any other Documents to which such Person is a party (provided that nothing herein shall amend any limit on liability of such Person set forth in such Security).

Section 8. Acknowledgements. The parties acknowledge that except as otherwise expressly indicated herein, the Letter Agreement and the other Documents shall continue unamended and without novation and remain in full force and effect and, except as amended and supplemented by this Agreement, the Security and such other Documents are in all respects confirmed, ratified and preserved. The provisions of this Agreement shall not operate to in any way limit or otherwise restrict the rights and remedies of the Lender in respect of payment and performance of any indebtedness, obligations or liabilities of the Borrowers or any other Person to it under the Letter Agreement.

Section 9. Further Assurances. Each of the Borrowers and Holdco shall at all times hereafter at the reasonable request of the Lender execute and deliver all such further documents and instruments and shall do and perform such acts as may be necessary to give full effect to the intent and meaning of this Agreement including, without limitation, all such further documents, certificates and instruments as may be considered necessary or desirable by the Lender to preserve, protect or perfect the Security.

Section 10. Successors and Assigns. This Agreement shall be binding upon each party hereto and their respective successors and permitted assigns and shall enure to the benefit of the Lender and its successors and assigns.

Section 11. Severability. The provisions of this Agreement are intended to be severable. If any provision hereof is held to be invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 12. Modifications; Waiver. Any amendment or modification or waiver of any right under any provision hereof shall be in writing and signed by the parties hereto. Any waiver hereunder shall be effective only for the specific purpose for which it is given and for the specific time period, if any, contemplated in such waiver. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver of such right, power or privilege and any waiver of any breach of the provisions hereof shall be without prejudice to any rights with respect to any other or further breach.

Section 13. Notices. All notices hereunder shall be given and received as provided in Section 14.8 of the Letter Agreement.

Section 14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

Section 15. Counterparts. This Agreement may be executed in counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed an original and all of which, taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic means including, without limitation, by facsimile or electronic delivery in portable document format ("pdf") shall be equally effective as delivery of a manually executed counterpart thereof.

[Remainder of Page Intentionally Left Blank]

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

BORROWERS:

STRUCTURLAM MASS TIMBER CORPORATION

By: _____
Name: Nathan Waters
Title: Treasurer

By: _____
Name:
Title:

I/We have authority to bind the corporation.

STRUCTURLAM MASS TIMBER U.S., INC.

By: _____
Name: Nathan Waters
Title: Treasurer

By: _____
Name:
Title:

I/We have authority to bind the corporation.

HOLDCO:

SLP HOLDINGS LTD.

By: _____
Name: Nathan Waters
Title: Treasurer

By: _____
Name:
Title:

I/We have authority to bind the corporation.

US GUARANTOR:

NATURAL OUTCOMES, LLC

By: _____
Name: Nathan Waters
Title: Manager

By: _____
Name:
Title:

I/We have authority to bind the limited liability company.

LENDER:

BANK OF MONTREAL

By: _____
Name: Kinsley McWhinnie
Title: Managing Director

By: _____
Name: Dominic Fung
Title: Director

EXHIBIT A

SCHEDULE B

COMPLIANCE CERTIFICATE

TO: Bank of Montreal (the "**Lender**")
595 Burrard Street, 6th Floor
Vancouver, British Columbia V7X 1L7

Attention:
E-mail:
Facsimile:

AND TO: Bank of Montreal
#600 - 595 Burrard Street
Vancouver, British Columbia V7X 1L5

Attention:
E-mail:
Facsimile:

1. Reference is made to the credit agreement made as of December 3, 2019 between Structurlam Mass Timber Corporation (the "**Canadian Borrower**") and Structurlam Mass Timber U.S., Inc. (the "**US Borrower**"), as borrowers (collectively and each individually, the "**Borrower**"), and the Lender and relating to the establishment of certain credit facilities in favour of the Borrower (as amended, modified, supplemented or restated, the "**Credit Agreement**"). Capitalized terms used herein, and not otherwise defined herein, shall have the meanings attributed to such terms in the Credit Agreement.

2. This Compliance Certificate is delivered to the Lender pursuant to Section 9.1(e)(v) of the Credit Agreement.

3. The undersigned, **[name]**, **[title]** of the **[US Borrower/Canadian Borrower]**, hereby certifies that, as of the date of this Compliance Certificate, I have made or caused to be made such investigations as are necessary or appropriate for the purposes of this Compliance Certificate and:

   (a) the consolidated financial statements for the **[Month End or Quarter End OR fiscal year]** ending •, • provided to the Lender pursuant to Section 9.1(e) of the Credit Agreement were prepared in accordance with GAAP and present fairly, in all material respects, the consolidated financial position of the **[US Borrower/Canadian Borrower]** and its Subsidiaries as at the date thereof;

   (b) the representations and warranties made by the **[US Borrower/Canadian Borrower]** in Section 8.1 of the Credit Agreement are true and accurate in all respects as at the date hereof, except as has heretofore been notified to the Lender by the **[US Borrower/Canadian Borrower]** in writing **[or except as described in Schedule • hereto]**;

   (c) no event has occurred or is continuing which would constitute a Default or Event of Default, except as has heretofore been notified to the Lender by the **[US Borrower/Canadian Borrower]** in writing **[or except as described in Schedule • hereto]**;

(d) as at the end of the aforementioned **[Quarter End OR fiscal year]**, the Total Funded Debt to EBITDA Ratio was • to 1; attached hereto as Exhibit A is a determination of such financial ratio as at the end of the aforementioned **[Quarter End OR fiscal year]**, together with particulars of each of the definitions and elements included in the determination of such financial ratio;

(e) as at the end of the aforementioned **[Quarter End OR fiscal year]**, the Fixed Charge Coverage Ratio was • to 1; attached hereto as Exhibit B is a determination of such financial ratio as at the end of the aforementioned **[Quarter End OR fiscal year]**, together with particulars of each of the definitions and elements included in the determination of such financial ratio;

(f) as at the end of the aforementioned **[Quarter End OR fiscal year]**, the Capital Expenditures made by the **[US Borrower/Canadian Borrower]** was:

(g) as at the end of the aforementioned **[Month End]**, the EBITDA of the **[US Borrower/Canadian Borrower]** was:

(h) as at the end of the aforementioned **[Month End]**, the Liquidity of the Borrowers was:

I give this Compliance Certificate on behalf of the **[US Borrower/Canadian Borrower]** and in my capacity as the **[title]** of the **[US Borrower/Canadian Borrower]**, and no personal liability is created against or assumed by me in the giving of this Certificate.

Dated at •, this • day of •, 20•.

_____

Name:
Title:

EXHIBIT A

[insert particulars of Total Funded Debt to EBITDA Ratio calculation]

EXHIBIT B

[insert particulars of Fixed Charge Coverage Ratio calculation]

CONSENT AND SIXTH AMENDMENT AGREEMENT

Consent and Sixth Amendment Agreement dated as of February 7, 2023 (this "**Agreement**") among **STRUCTURLAM MASS TIMBER CORPORATION** (formerly named SLP Operations Ltd.) (the "**Cdn. Borrower**"), a corporation organized under the laws of British Columbia, as Canadian borrower, **STRUCTURLAM MASS TIMBER U.S., INC.** (the "**U.S. Borrower**" and together with the Cdn. Borrower, the "**Borrowers**"), a corporation organized under the laws of Delaware, as US borrower, **SLP HOLDINGS LTD.** ("**Holdco**"), a corporation organized under the laws of British Columbia, as limited recourse guarantor, **NATURAL OUTCOMES, LLC** (the "**US Guarantor**"), a limited liability company formed under the laws of Delaware and **BANK OF MONTREAL** (the "**Lender**"), as lender.

WHEREAS the Borrowers have entered into an amended and restated letter agreement dated as of December 3, 2019, as amended by a first amendment agreement dated as of February 2, 2021, a second amendment agreement dated as of September 29, 2021, a third amendment agreement dated as of January 24, 2022, a fourth amendment agreement dated as of June 17, 2022 and a fifth amendment agreement dated as of June 27, 2022, among the Borrowers, Holdco and the Lender (as further amended, supplemented, extended or otherwise modified or restated at any time or from time to time, collectively, the "**Letter Agreement**") which amended and restated the letter agreement dated as of December 21, 2017 among the Cdn. Borrower, Holdco and the Lender (the "**Original Letter Agreement**");

AND WHEREAS to secure the Borrowers' indebtedness, liabilities and obligations under the Letter Agreement, Holdco guaranteed the obligations of the Cdn. Borrower under the Original Letter Agreement pursuant to a limited recourse guarantee dated December 21, 2017, as confirmed by a confirmation of security dated as of May 4, 2020 (as amended, modified, supplemented or restated from time to time, the "**Original Limited Recourse Guarantee**"), and Holdco guaranteed the obligations of the Borrowers under the Letter Agreement pursuant to a limited recourse guarantee dated May 4, 2020 (as amended, modified, supplemented or restated from time to time, the "**Additional Limited Recourse Guarantee**" and together with the Original Limited Recourse Guarantee, the "**Limited Recourse Guarantee**") and granted certain Security in connection with such Limited Recourse Guarantee;

AND WHEREAS to secure the Borrowers' indebtedness, liabilities and obligations under the Letter Agreement, the US Guarantor guaranteed the obligations of the Cdn. Borrower under the Letter Agreement pursuant to a guarantee dated May 4, 2020 (as amended, modified, supplemented or restated from time to time, the "**Guarantee**");

AND WHEREAS the Borrowers are currently in default of their obligations under the Letter Agreement in each of the following respects (collectively, the "**Disclosed Defaults**"):

(a) Under Section 11.1(x) of the Letter Agreement, a circumstance has occurred with respect to a Material Agreement which has had a Material Adverse Effect, notice of which was provided to the Lender in writing on or around January 18, 2023.

AND WHEREAS the Borrowers have requested that the Lender agree to (a) consent to the utilization by the Borrowers of funds held on deposit in the Debt Service Reserve Account for purposes (including working capital purposes) other than as expressly permitted by the terms of the Letter Agreement, subject to satisfaction by the Borrowers of certain covenants and conditions, including certain additional reporting requirements, as set out in this Agreement, and (b) make certain consequential amendments to the Letter Agreement to give effect to the conditions of the Lender's agreement to provide the foregoing consent, and the Lender has agreed to such consent and amendments on the terms and conditions set out herein;

AND WHEREAS as a condition of providing such amendments the Borrowers, Holdco and the US Guarantor are to acknowledge and confirm, as set out herein, that any guarantee (including, without limitation, the Limited Recourse Guarantee and the Guarantee) and the Security granted by each such Person prior to the date hereof is to continue in full force and effect;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the foregoing premises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereby agree as follows:

Section 1. Definitions. All capitalized terms not otherwise defined herein and defined in the Letter Agreement shall have the same meaning herein as in the Letter Agreement. As used herein, the singular shall include the plural and the plural shall include the singular as the context may require.

Section 2. Consent. The Lender hereby consents to the utilization by the Borrower of the funds held on deposit in the Debt Service Reserve Account (the "**DSRA Funds**"), with effect upon the date of the satisfaction by the Borrowers of the conditions precedent set out in Section 5 hereof (the "**Effective Date**"), subject to the Borrowers' compliance with each of the following covenants and conditions:

(a) Subject to the Borrowers' compliance with the conditions set forth in this Section 2 and with the terms and conditions of the Letter Agreement (as amended by this Agreement), the DSRA Funds will be available to the Borrowers for purposes other than as set forth in Section 9.3 of the Letter Agreement until February 28, 2023, subject to extension in the Lender's sole discretion.

(b) A portion of the DSRA Funds will be made available to the Borrower on a weekly basis, based on a written utilization request by the Borrowers in an amount to finance expenditures detailed in the Weekly Cashflow Report and Updated Cash Flow Projection (each as defined below) provided to the Lender: (i) firstly by no later than February 10, 2023, (ii) secondly on February 15, 2023, and (iii) thereafter on each successive Wednesday, acceptable to the Lender in its sole discretion. For greater certainty, the written utilization request shall relate to the following periods: (x) firstly for the week of February 6, 2023 through the week of February 13, 2023; (y) secondly for the week of February 20, 2023, and (z) thereafter for the week following the week in which the Weekly Cashflow Report and Updated Cash Flow Projection are delivered.

(c) To the extent that the Lender permits the Borrowers (or either of them) to access the DSRA Funds pursuant to a written utilization request hereunder, such funds must be used by the Borrowers solely to finance expenditures as detailed in the applicable written utilization request, Weekly Cashflow Report and Updated Cash Flow Projection submitted to the Lender on a weekly basis pursuant to Section 9.1(e)(vi) of the Letter Agreement, or as otherwise approved in writing by the Lender.

(d) The Lender's consent set forth herein is subject to the following conditions:

(i) the Borrowers shall provide a detailed restructuring plan to the Lender, in form and substance satisfactory to the Lender, by no later than February 21, 2023;

(ii) the Borrowers shall engage a strategic advisor satisfactory to the Lender, by no later than February 17, 2023, to seek strategic alternatives in an

investment banking role, including to attract additional investors in and/or purchasers of all or a part of the business of the Borrowers; and

(iii) FTI Consulting Canada Inc., pursuant to its engagement by Blake, Cassels & Graydon LLP as financial advisor by letter agreement dated January 12, 2023, will (among other things) monitor the Weekly Cashflow Reports and Updated Cash Flow Projections provided to the Lender, all at the cost and expense of the Borrowers.

(e) The Lender's consent set forth herein is subject to the Borrowers being and remaining in compliance with the Letter Agreement, except solely with respect to the Disclosed Defaults, provided that the Lender may revoke its consent in this Section 2 at any time for any or no reason.

Section 3. Letter Agreement Amendments. Subject to satisfaction of the conditions precedent set forth in Section 5 below, the Lender, the Borrowers and Holdco agree that, effective as of the Effective Date, the Letter Agreement shall be amended and supplemented as follows:

(a) Libor Loans. As of the Effective Date, the Borrowers hereby agree:

(i) Advances under the Letter Agreement in United States Dollars, as well as conversions of outstanding Loans denominated in United States Dollars into another type of availment option, will no longer be available by way of the Advance of or Conversion into Libor Loans;

(ii) Any Libor Loan outstanding on the Effective Date will be converted on the later of the Effective Date or the end of the Interest Period applicable thereto to an U.S. Base Rate Loan, and may not be the subject of any Rollover;

(iii) All requests for Drawdowns in United States Dollars (other than for the issue of an L/C) shall be deemed to be requests for a Drawdown of a U.S. Base Rate Loan;

(iv) Except as such provisions are applicable to any Libor Loan outstanding on the Effective Date and then only until each such Libor Loan has been converted to an U.S. Base Rate Loan in accordance with subparagraph (ii) above:

A. all references to "Libor Loans" in the Letter Agreement are hereby deemed to be deleted;

B. Section 1.5(d) of the Letter Agreement is hereby deleted in its entirety;

C. Section 1.8 of the Letter Agreement is hereby deleted in its entirety; and

D. Section 4.4 of the Letter Agreement is hereby deleted in its entirety.

(b) B/As. As of the Effective Date, the Borrowers hereby agree:

(i) Advances under the Letter Agreement in Canadian Dollars, as well as conversions of outstanding Loans denominated in Canadian Dollars into

another type of availment option, will no longer be available by way of the Advance of or Conversion into B/As;

(ii) Any B/A outstanding on the Effective Date will be converted on the later of the Effective Date or the end of the Interest Period applicable thereto to a Cdn. Prime Rate Loan, and may not be the subject of any Rollover;

(iii) All requests for Drawdowns in Canadian Dollars (other than for the issue of an L/C) shall be deemed to be requests for a Drawdown of a Cdn. Prime Rate Loan;

(iv) Except as such provisions are applicable to any B/A outstanding on the Effective Date and then only until each such B/A has been converted to a Cdn. Prime Rate Loan in accordance with subparagraph (ii) above:

A. all references to "B/As" in the Letter Agreement are hereby deemed to be deleted;

B. Section 1.5(c) of the Letter Agreement is hereby deleted in its entirety; and

C. Article 5 of the Letter Agreement is hereby deleted in its entirety.

(c) Section 9.1(e) of the Letter Agreement is hereby amended by deleting paragraph (vi) thereof and replacing it with the following:

"(vi) Weekly Cashflow Reports and Projections – Subject to Section 2(b) in the Consent and Sixth Amendment, commencing February 15, 2023 and on each Wednesday thereafter, by no later than 2:00 pm (Vancouver time) on each such Wednesday:

(A) a written report (the "**Weekly Cashflow Report**"), in form and substance satisfactory to the Lender in its sole discretion, summarizing the Obligors' aggregate actual cash receipts and cash expenditures and outflows ending on Friday of the prior week, including details with respect to any variances, as compared to the projected total cash inflows and cash outflows for such week; and

(B) an Updated Cash Flow Projection for the period commencing at the end of the Friday of the prior week through and including 13 weeks thereafter together with a written summary of any changes to the preceding Updated Cash Flow Projection;"

(d) Schedule A of the Letter Agreement is hereby amended by adding, in appropriate alphabetical order, the following additional definition:

""**Updated Cash Flow Projection**" means the written report delivered by the Borrowers to the Lender summarizing (on a week by week basis) the Obligors' 13-week cash flow, cash requirement projections and budget (including any intended uses of the funds held in the Debt Service Reserve Account in accordance with the Consent and Sixth Amendment), such report to be in form and substance satisfactory to the Lender in its sole discretion.

"**Consent and Sixth Amendment**" means the consent and sixth amendment dated on or around February 3, 2023 between the Borrowers, Holdco, the US Guarantor and the Lender.".

Section 4. Compliance and Representations. Each of the Borrowers and Holdco hereby represents, warrants, agrees and acknowledges that, in each case, except for the Disclosed Defaults, it is and immediately prior to the consent set out in Section 2 and the amendments as set out in Section 3 hereof, it shall be in compliance with the provisions of the Letter Agreement and the representations and warrants set forth in Section 8.1 thereof are now and shall as of such time be true and correct and, after giving effect to the consent set out in Section 2 and the amendments as set out in Section 3 hereof, it shall be in compliance with the provisions of the Letter Agreement and the representations and warranties set forth in Section 8.1 thereof shall be true and correct.

Section 5. Conditions Precedent. The consent set out in Section 2 hereof and amendments and supplements to the Letter Agreement contained in Section 3 hereof shall be subject to the satisfaction of the following conditions precedent:

(a) the Borrowers, Holdco and the US Guarantor shall have executed and delivered this Agreement;

(b) the Borrowers shall have paid to the Lender an amendment fee in the amount of US$10,000;

(c) the Borrowers shall have delivered an initial Weekly Cashflow Report for the week ending on the Friday prior to the Effective Date, and an Updated Cash Flow Projection for the 13-week period commencing at the end of the Friday of the prior week, each in form and substance satisfactory to the Lender;

(d) the Borrowers shall have delivered to the Lender (i) a current certificate of compliance or good standing (or equivalent), as the case may be, in respect of its jurisdiction of incorporation for the U.S. Borrower and the Cdn. Borrower, (ii) certified copies of the constating documents, by-laws and shareholders agreement of the Cdn. Borrower, as applicable, (iii) certified copies of the resolutions of the Cdn. Borrower authorizing this Agreement and transactions hereunder, and (iv) an Officer's Certificate as to the incumbency of the officers of the Cdn. Borrower signing this Agreement; and

(e) as at the date hereof, after giving effect to the amendments contemplated herein, except in each case for the Disclosed Defaults, the representations and warranties contained in Section 8.1 of the Letter Agreement shall be true and correct in all respects and there shall be no Default or Event of Default which has occurred and is continuing under the Letter Agreement.

Section 6. Confirmation. Each of the Borrowers, Holdco and the US Guarantor hereby consents to the amendments set forth in Section 3 hereof and the consent set out in Section 2 hereof, and the terms and conditions thereof and acknowledges, confirms and agrees that notwithstanding the terms and conditions of this Agreement (including, without limitation, such amendments and consent) and the execution and delivery of this Agreement, by the parties hereto and thereto and whether or not any conditions precedent contained herein have been fulfilled:

(a) all adjustments or modifications to the obligations underlying (i) the Limited Recourse Guarantee granted by Holdco and (ii) the Guarantee granted by the US Guarantor (together,

the "**Guarantees**") in favour of the Lender have been made and are permitted under the terms and conditions of the Guarantees;

(b) the Guarantees (including, without limitation, the obligations of Holdco and the US Guarantor thereunder) shall, in each case, be and remain in full force and effect as a valid and binding continuing guarantee to the Lender in accordance with its terms without impairment or novation thereof for all present and future debts, liabilities and obligations, direct or indirect or otherwise now or at any time or from time to time hereafter due or owing from the Borrowers or Holdco or any of them to the Lender under the Letter Agreement or any other Documents; and

(c) all Security granted by each of the Borrowers, Holdco and the US Guarantor, whether as borrower or guarantor under or in connection with the Letter Agreement or any other Documents, is hereby confirmed to be and shall continue in full force and effect unamended (except as amended hereby) and shall, in each such case, be deemed to be granted as security for all present and future debts, liabilities and obligations, direct or indirect or otherwise, now or at any time or from time to time hereafter due or owing from such Person (in accordance with the terms of such Security) to the Lender under the Letter Agreement or any other Documents to which such Person is a party (provided that nothing herein shall amend any limit on liability of such Person set forth in such Security).

Section 7. Acknowledgements. The parties acknowledge that except as otherwise expressly indicated herein, the Letter Agreement and the other Documents shall continue unamended and without novation and remain in full force and effect and, except as amended and supplemented by this Agreement, the Security and such other Documents are in all respects confirmed, ratified and preserved. The provisions of this Agreement shall not operate to in any way limit or otherwise restrict the rights and remedies of the Lender in respect of payment and performance of any indebtedness, obligations or liabilities of the Borrowers or any other Person to it under the Letter Agreement.

Section 8. Further Assurances. Each of the Borrowers and Holdco shall at all times hereafter at the reasonable request of the Lender execute and deliver all such further documents and instruments and shall do and perform such acts as may be necessary to give full effect to the intent and meaning of this Agreement including, without limitation, all such further documents, certificates and instruments as may be considered necessary or desirable by the Lender to preserve, protect or perfect the Security.

Section 9. Successors and Assigns. This Agreement shall be binding upon each party hereto and their respective successors and permitted assigns and shall enure to the benefit of the Lender and its successors and assigns.

Section 10. Severability. The provisions of this Agreement are intended to be severable. If any provision hereof is held to be invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 11. Modifications; Waiver. Any amendment or modification or waiver of any right under any provision hereof shall be in writing and signed by the parties hereto. Any consent or waiver hereunder shall be effective only for the specific purpose for which it is given and for the specific time period, if any, contemplated in such consent or waiver. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver of such right, power or privilege and any waiver of any breach of the provisions hereof shall be without prejudice to any rights with respect to any other or further breach.

Section 12. Notices. All notices hereunder shall be given and received as provided in Section 14.8 of the Letter Agreement.

Section 13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

Section 14. Counterparts. This Agreement may be executed in counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed an original and all of which, taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic means including, without limitation, by facsimile or electronic delivery in portable document format ("pdf") shall be equally effective as delivery of a manually executed counterpart thereof.

[Remainder of Page Intentionally Left Blank]

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

BORROWERS:

STRUCTURLAM MASS TIMBER CORPORATION

By: _____
Name: Nathan Waters
Title: Treasurer

By: _____
Name:
Title:

I/We have authority to bind the corporation.

STRUCTURLAM MASS TIMBER U.S., INC.

By: _____
Name: Nathan Waters
Title: Treasurer

By: _____
Name:
Title:

I/We have authority to bind the corporation.

HOLDCO:

SLP HOLDINGS LTD.

By: _____
Name: Nathan Waters
Title: Treasurer

By: _____
Name:
Title:

I/We have authority to bind the corporation.

US GUARANTOR:

NATURAL OUTCOMES, LLC

By: _____

Name: Nathan Waters
Title: Manager

By: _____

Name:
Title:

I/We have authority to bind the limited liability company.

LENDER:

BANK OF MONTREAL

By: 

Name: Sandy Hayer
Title: Director, SAMU National Accounts

By: _____

Name:
Title:

SEVENTH AMENDMENT AGREEMENT

Seventh Amendment Agreement dated as of March 3, 2023 (this "**Agreement**") among **STRUCTURLAM MASS TIMBER CORPORATION** (formerly named SLP Operations Ltd.) (the "**Cdn. Borrower**"), a corporation organized under the laws of British Columbia, as Canadian borrower, **STRUCTURLAM MASS TIMBER U.S., INC.** (the "**U.S. Borrower**" and together with the Cdn. Borrower, the "**Borrowers**"), a corporation organized under the laws of Delaware, as US borrower, **SLP HOLDINGS LTD.** ("**Holdco**"), a corporation organized under the laws of British Columbia, as limited recourse guarantor, **NATURAL OUTCOMES, LLC** (the "**US Guarantor**"), a limited liability company formed under the laws of Delaware and **BANK OF MONTREAL** (the "**Lender**"), as lender.

WHEREAS the Borrowers have entered into an amended and restated letter agreement dated as of December 3, 2019, as amended by a first amendment agreement dated as of February 2, 2021, a second amendment agreement dated as of September 29, 2021, a third amendment agreement dated as of January 24, 2022, a fourth amendment agreement dated as of June 17, 2022, a fifth amendment agreement dated as of June 27, 2022 and a consent and sixth amendment agreement dated as of February 7, 2023, among the Borrowers, Holdco and the Lender (as further amended, supplemented, extended or otherwise modified or restated at any time or from time to time, collectively, the "**Letter Agreement**") which amended and restated the letter agreement dated as of December 21, 2017 among the Cdn. Borrower, Holdco and the Lender (the "**Original Letter Agreement**");

AND WHEREAS to secure the Borrowers' indebtedness, liabilities and obligations under the Letter Agreement, Holdco guaranteed the obligations of the Cdn. Borrower under the Original Letter Agreement pursuant to a limited recourse guarantee dated December 21, 2017, as confirmed by a confirmation of security dated as of May 4, 2020 (as amended, modified, supplemented or restated from time to time, the "**Original Limited Recourse Guarantee**"), and Holdco guaranteed the obligations of the Borrowers under the Letter Agreement pursuant to a limited recourse guarantee dated May 4, 2020 (as amended, modified, supplemented or restated from time to time, the "**Additional Limited Recourse Guarantee**" and together with the Original Limited Recourse Guarantee, the "**Limited Recourse Guarantee**") and granted certain Security in connection with such Limited Recourse Guarantee;

AND WHEREAS to secure the Borrowers' indebtedness, liabilities and obligations under the Letter Agreement, the US Guarantor guaranteed the obligations of the Cdn. Borrower under the Letter Agreement pursuant to a guarantee dated May 4, 2020 (as amended, modified, supplemented or restated from time to time, the "**Guarantee**");

AND WHEREAS the Borrowers are currently in default of their obligations under the Letter Agreement in each of the following respects (collectively, the "**Disclosed Defaults**"):

(a) Under Section 11.1(x) of the Letter Agreement, a circumstance has occurred with respect to a Material Agreement which has had a Material Adverse Effect, notice of which was provided to the Lender in writing on or around January 18, 2023.

AND WHEREAS the Borrowers have requested that the Lender agree to Drawdowns under the Revolving Facility, notwithstanding the Disclosed Defaults, subject to satisfaction by the Borrowers of certain covenants and conditions, including certain additional reporting requirements, as set out in this Agreement;

AND WHEREAS as a condition of providing such amendments the Borrowers, Holdco and the US Guarantor are to acknowledge and confirm, as set out herein, that any guarantee (including,

without limitation, the Limited Recourse Guarantee and the Guarantee) and the Security granted by each such Person prior to the date hereof is to continue in full force and effect;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the foregoing premises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereby agree as follows:

Section 1. Definitions. All capitalized terms not otherwise defined herein and defined in the Letter Agreement shall have the same meaning herein as in the Letter Agreement. As used herein, the singular shall include the plural and the plural shall include the singular as the context may require.

Section 2. Reservation of Rights. The Borrowers have previously acknowledged the occurrence of and hereby acknowledge the continuance of the Disclosed Defaults. The Lender has not, and shall not be deemed to have, waived the Disclosed Defaults. The Lender reserves its rights at any time to exercise any rights, remedies, power and privileges afforded by law or under the Letter Agreement or the other Documents with respect to the Disclosed Defaults.

Section 3. Letter Agreement Amendments. Subject to satisfaction of the conditions precedent set forth in Section 6 below, the Lender, the Borrowers and Holdco agree that, effective as of the Effective Date, the Letter Agreement shall be amended and supplemented as follows:

(a) Section 1.1 of the Letter Agreement is hereby amended by adding the following sentence at the end of such Section:

"As a consequence of the Disclosed Defaults, further Advances under the Revolving Facility are not automatically available at the request of the Borrowers and any further Drawdowns thereunder are at the sole and unfettered discretion of the Lender.".

(b) Section 1.2(1) of the Letter Agreement is hereby deleted in its entirety and replaced with the following:

"(1) Under the Revolving Facility, the Cdn. Borrower may, in Canadian Dollars, make Drawdowns of Cdn. Prime Rate Loans and may, in United States Dollars, make Drawdowns of U.S. Base Rate Loans.".

(c) Section 1.3(1) of the Letter Agreement is hereby deleted in its entirety and replaced with the following:

"(1) The Revolving Facility is being made available to the Cdn. Borrower solely for the Borrowers' working capital purposes to fund the Borrowers' working capital requirements set forth in a Drawdown Notice, as supported by the Borrowers' Weekly Cash Flow Reports and Updated Cash Flow Projections and Working Capital Forecast, and if and to the extent approved by the Lender.".

(d) Section 1.4(a) of the Letter Agreement is hereby deleted in its entirety and replaced with the following:

"(a) the Cdn. Borrower may make Drawdowns under the Revolving Facility on a weekly basis prior to the Maturity Date to the extent made available and for the purposes described in Sections 1.1 and 1.3(1) above. Prior to the Maturity Date and subject to Sections 1.1 and 1.3(1) above, the Revolving Facility shall be a revolving credit facility:

that is, the Cdn. Borrower may increase or decrease Loans under the Revolving Facility by making Drawdowns, repayments and further Drawdowns;".

(e) Section 1.6 of the Letter Agreement is hereby amended by adding the following sentences at the end of such Section:

"Notwithstanding the foregoing, in respect of each Drawdown under the Revolving Facility after the Seventh Amendment Effective Date, the following provisions shall apply:

(i) in respect of each weekly Drawdown (if any) being requested, a Drawdown Notice, which (for certainty) shall include a disbursement request list detailing the specific expenditures proposed to be funded by such Drawdown, shall be delivered by 4:00 p.m. (Vancouver time) on Monday of such week;

(ii) the Lender and the Financial Advisor shall review such Drawdown Notice, together with the most recently provided (A) Weekly Cashflow Report and (B) Updated Cash Flow Projections and Working Capital Forecast; and

(iii) on Thursday of the week in question, the Lender will advise the Borrowers of the approved amount (if any) of the requested Drawdown, and will fund such approved amount of such Drawdown.".

(f) Section 9.1(e)(vi) of the Letter Agreement is hereby deleted in its entirety and replaced with the following:

(vi) Weekly Cashflow Reports, Projections, Working Capital Forecast and Scenario Analysis – commencing February 15, 2023 and on each Wednesday thereafter, by no later than 2:00 pm (Vancouver time) on each such Wednesday:

(A) a written report (the "**Weekly Cashflow Report**"), in form and substance satisfactory to the Lender in its sole discretion, summarizing the Obligors' aggregate actual cash receipts and cash expenditures and outflows ending on Friday of the prior week, including details with respect to any variances, as compared to the projected total cash inflows and cash outflows for such week;

(B) an Updated Cash Flow Projection and Working Capital Forecast for the period commencing at the end of the Friday of the prior week through and including 13-weeks thereafter together with a written summary of any changes to the preceding Updated Cash Flow Projection and Working Capital Forecast; and

(C) for each such Wednesday commencing March 8, 2023 through and including March 22, 2023, an alternative Weekly Cashflow Report and Updated Cash Flow Projection and Working Capital Forecast, together with detailed written assumptions, assuming a shut-down of Canadian operations by March 24, 2023;".

(g) Schedule A of the Letter Agreement is hereby amended as follows:

(i) by adding, in appropriate alphabetical order, the following definitions:

"**Financial Advisor**" means FTI Consulting Canada Inc., pursuant to its engagement by Blake, Cassels & Graydon LLP as financial advisor by letter agreement dated January 12, 2023."

"**Seventh Amendment**" means the seventh amendment agreement dated as of March 1, 2023 between the Borrowers and the Lender.

"**Seventh Amendment Effective Date**" means the Effective Date under and as defined in the Seventh Amendment.

(ii) by deleting the definition of "Updated Cash Flow Projection" in its entirety and replacing the same with the following:

"**Updated Cash Flow Projections and Working Capital Forecast**" means the written report delivered by the Borrowers to the Lender summarizing (on a week-by-week basis) the following:

(a) the Obligors' rolling 13-week cash flow, cash requirement projections and budget, including (i) a backlog report supporting pending revenue/cash receipts, and (ii) any intended uses of Drawdowns received or to be requested under the Revolving Facility; and

(b) the Obligors' rolling 13-week working capital forecast, including a week by week forecast of accounts receivable and accounts payable for such period,

such report to be in form and substance satisfactory to the Lender in its sole discretion.".

(h) Schedule C of the Letter Agreement is hereby deleted in its entirety and replaced with the form of Drawdown Notice attached as Exhibit 1 hereto.

Section 4. Certain Milestones. In addition to and without derogating from, limiting, or otherwise affecting in any manner the obligations of the Borrowers under the Letter Agreement, the Borrowers shall:

(a) by no later than 4:00 p.m. (Vancouver time) on March 10, 2023, deliver or cause to be delivered to the Lender true and complete copies of:

(i) non-binding letters of intent for the purchase of property and assets of the Obligors; or

(ii) indicative non-binding term sheets in respect of fully underwritten financing commitments for debt and/or equity financing in favour of the Borrowers,

provided that: (A) such letters of intent and such term sheets shall be in form and substance satisfactory to the Lender, in its sole discretion, and shall be with such counterparties (or shall contemplate such other performance assurance), as shall be acceptable to the Lender,

in its sole discretion; and (B) notwithstanding the foregoing or anything else to the contrary, in the case a term sheet for a financing commitment for the issuance of debt which does not provide for the repayment in full of all Obligations and the cancellation of the Credit Facilities, the terms and conditions of such debt financing shall be acceptable to the Lender, in its sole discretion;

(b) by no later than 4:00 p.m. (Vancouver time) on March 24, 2023, deliver or cause to be delivered to the Lender true and complete copies of fully executed:

(i) binding bids for the property and assets of the Obligors; or

(ii) financing commitments (on a fully underwritten basis) for debt and/or equity financing in favour of the Borrowers,

provided that: (A) such binding bids and such financing commitments shall be in form and substance satisfactory to the Lender, in its sole discretion, and shall be with such counterparties (or with such other performance assurance), as shall be acceptable to the Lender, in its sole discretion; and (B) notwithstanding the foregoing or anything else to the contrary, in the case a financing commitment for the issuance of debt which does not provide for the repayment in full of all Obligations and the cancellation of the Credit Facilities, the terms and conditions of such debt financing shall be acceptable to the Lender, in its sole discretion;

(c) by no later than 4:00 p.m. (Vancouver time) on March 31, 2023, deliver or cause to be delivered to the Lender true and complete copies of fully executed definitive purchase and sale agreement for the property and assets of the Obligors; provided that, such purchase and sale agreement shall be in form and substance satisfactory to the Lender, in its sole discretion, and shall be with such counterparties (or with such other performance assurance), as shall be acceptable to the Lender, in its sole discretion; and

(d) commencing on March 1, 2023, the Borrowers shall provide and shall cause their financial advisors, Alvarez and Marsal Canada Inc. and Miller Buckfire & Co., LLC (a Stifel Company), to provide regular updates to the Lender and its advisors with respect to the sale and recapitalization process being undertaken by such advisors on behalf of the Obligors, including updates in a timely manner with respect to prospective bidders identified by the Borrowers or such advisors, communications with such prospective bidders and the identity of any bidders and details of bids received; further, the Borrowers shall provide and shall cause their financial advisors to provide the Lender and its advisors with draft copies of all materials prepared for distribution to potential bidders prior to such distribution, including any invitation or "teaser" letter, confidential information memorandum or management presentation.

If there is a breach or failure of due performance by the Borrowers of any of the provisions of Section 4(a), (b) or (c) hereof and such breach or failure continues unremedied for one (1) Banking Day after notice from the Lender to a Borrower of such breach or failure, then such breach or failure shall constitute, and shall be deemed to constitute, an Event of Default under the Letter Agreement and other Documents for all purposes thereof.

Section 5. Compliance and Representations. Each of the Borrowers and Holdco hereby represents, warrants, agrees and acknowledges that, in each case, except for the Disclosed Defaults, it is and immediately prior to the amendments as set out in Section 3 hereof, it shall be in compliance with the

provisions of the Letter Agreement and, except for the Disclosed Defaults, the representations and warranties set forth in Section 8.1 thereof are now and shall as of such time be true and correct and, after giving effect to the amendments as set out in Section 3 hereof and the other terms and conditions set forth herein, it shall be in compliance with the provisions of the Letter Agreement, and of this Agreement, and except for the Disclosed Defaults, the representations and warranties set forth in Section 8.1 thereof shall be true and correct. For the avoidance of doubt, the Obligors shall not be in breach of Section 8.2 of the Letter Agreement as a result of the delivery of a Drawdown Notice or the taking of any Drawdown because of the existence of the Disclosed Defaults.

Section 6. Conditions Precedent. The amendments and supplements to the Letter Agreement contained in Section 3 hereof shall be subject to the satisfaction of the following conditions precedent:

(a) the Borrowers, Holdco and the US Guarantor shall have executed and delivered this Agreement;

(b) the Borrowers shall have delivered a Drawdown Notice (in the form attached as Exhibit I to this Agreement) in form and substance satisfactory to the Lender;

(c) the Borrowers shall have paid to the Lender an amendment fee in the amount of $25,000;

(d) the Borrowers shall have delivered to the Lender (i) a current certificate of compliance or good standing (or equivalent), as the case may be, in respect of its jurisdiction of incorporation for the U.S. Borrower and the Cdn. Borrower, (ii) certified copies of the constating documents, by-laws and shareholders agreement of the Cdn. Borrower, as applicable, (iii) certified copies of the resolutions of the Cdn. Borrower authorizing this Agreement and transactions hereunder, and (iv) an Officer's Certificate as to the incumbency of the officers of the Cdn. Borrower signing this Agreement; and

(e) as at the date hereof, after giving effect to the amendments contemplated herein, except in each case for the Disclosed Defaults, the representations and warranties contained in Section 8.1 of the Letter Agreement shall be true and correct in all respects and there shall be no Default or Event of Default which has occurred and is continuing under the Letter Agreement.

Section 7. Confirmation. Each of the Borrowers, Holdco and the US Guarantor hereby consents to the amendments set forth in Section 3 hereof, and the terms and conditions thereof and acknowledges, confirms and agrees that notwithstanding the terms and conditions of this Agreement (including, without limitation, such amendments and consent) and the execution and delivery of this Agreement, by the parties hereto and thereto and whether or not any conditions precedent contained herein have been fulfilled:

(a) all adjustments or modifications to the obligations underlying (i) the Limited Recourse Guarantee granted by Holdco and (ii) the Guarantee granted by the US Guarantor (together, the "**Guarantees**") in favour of the Lender have been made and are permitted under the terms and conditions of the Guarantees;

(b) the Guarantees (including, without limitation, the obligations of Holdco and the US Guarantor thereunder) shall, in each case, be and remain in full force and effect as a valid and binding continuing guarantee to the Lender in accordance with its terms without impairment or novation thereof for all present and future debts, liabilities and obligations, direct or indirect or otherwise now or at any time or from time to time hereafter due or

owing from the Borrowers or Holdco or any of them to the Lender under the Letter Agreement or any other Documents; and

(c) all Security granted by each of the Borrowers, Holdco and the US Guarantor, whether as borrower or guarantor under or in connection with the Letter Agreement or any other Documents, is hereby confirmed to be and shall continue in full force and effect unamended (except as amended hereby) and shall, in each such case, be deemed to be granted as security for all present and future debts, liabilities and obligations, direct or indirect or otherwise, now or at any time or from time to time hereafter due or owing from such Person (in accordance with the terms of such Security) to the Lender under the Letter Agreement or any other Documents to which such Person is a party (provided that nothing herein shall amend any limit on liability of such Person set forth in such Security).

Section 8. Acknowledgements. The parties acknowledge that except as otherwise expressly indicated herein, the Letter Agreement and the other Documents shall continue unamended and without novation and remain in full force and effect and, except as amended and supplemented by this Agreement, the Security and such other Documents are in all respects confirmed, ratified and preserved. The provisions of this Agreement shall not operate to in any way limit or otherwise restrict the rights and remedies of the Lender in respect of payment and performance of any indebtedness, obligations or liabilities of the Borrowers or any other Person to it under the Letter Agreement.

Section 9. Further Assurances. Each of the Borrowers and Holdco shall at all times hereafter at the reasonable request of the Lender execute and deliver all such further documents and instruments and shall do and perform such acts as may be necessary to give full effect to the intent and meaning of this Agreement including, without limitation, all such further documents, certificates and instruments as may be considered necessary or desirable by the Lender to preserve, protect or perfect the Security.

Section 10. Successors and Assigns. This Agreement shall be binding upon each party hereto and their respective successors and permitted assigns and shall enure to the benefit of the Lender and its successors and assigns.

Section 11. Severability. The provisions of this Agreement are intended to be severable. If any provision hereof is held to be invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 12. Modifications; Waiver. Any amendment or modification or waiver of any right under any provision hereof shall be in writing and signed by the parties hereto. Any consent or waiver hereunder shall be effective only for the specific purpose for which it is given and for the specific time period, if any, contemplated in such consent or waiver. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver of such right, power or privilege and any waiver of any breach of the provisions hereof shall be without prejudice to any rights with respect to any other or further breach.

Section 13. Notices. All notices hereunder shall be given and received as provided in Section 14.8 of the Letter Agreement.

Section 14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

Section 15. Counterparts. This Agreement may be executed in counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed an original and all of which, taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic means including, without limitation, by facsimile or electronic delivery in portable document format ("pdf") shall be equally effective as delivery of a manually executed counterpart thereof.

[Remainder of Page Intentionally Left Blank]

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

BORROWERS:

STRUCTURLAM MASS TIMBER CORPORATION

By: _____
Name: Nathan Waters
Title: Treasurer

By: _____
Name:
Title:

I/We have authority to bind the corporation.

STRUCTURLAM MASS TIMBER U.S., INC.

By: _____
Name: Nathan Waters
Title: Treasurer

By: _____
Name:
Title:

I/We have authority to bind the corporation.

HOLDCO:

SLP HOLDINGS LTD.

By: _____
Name: Nathan Waters
Title: Treasurer

By: _____
Name:
Title:

I/We have authority to bind the corporation.

US GUARANTOR:

NATURAL OUTCOMES, LLC

By: _____
Name: Nathan Waters
Title: Manager

By: _____
Name: Nathan Waters
Title: Manager

I/We have authority to bind the limited liability company.

LENDER:

BANK OF MONTREAL

By: _____
Name:
Title:

By: _____
Name:
Title: