

**THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF GARY IVANY
SWORN BEFORE ME THIS _____
DAY OF JULY, 2014**

**A Notary Public in and for the Province
of Ontario**



Royal Bank of Canada
Commercial Financial Services
16909 103A Avenue NW
Edmonton, Alberta T5P 4Y5
Tel.: 780-409-7675
Fax: 780-448-6203

April 25th, 2013

Private and Confidential

Sprague-Rosser Contracting Co. Ltd.
2nd Floor - 1259-91 Street SW
Edmonton, Alberta, T6X 1E9

ROYAL BANK OF CANADA (the "Bank") hereby confirms the credit facilities described below (the "Credit Facilities") subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the "Agreement"). This Agreement amends and restates without novation, the existing agreement dated April 10th, 2012 and any amendments thereto. Any amount owing by the Borrower to the Bank under such previous agreement is deemed to be a Borrowing under this Agreement. Any and all security that has been delivered to the Bank and is set forth as Security below, shall remain in full force and effect, is expressly reserved by the Bank and unless expressly indicated otherwise, shall apply in respect of all obligations of the Borrower under the Credit Facilities.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or Event of Default.

BORROWER: Sprague-Rosser Contracting Co. Ltd. (the "Borrower")

CREDIT FACILITIES

Facility #1: \$17,500,000 revolving demand facility by way of:

a) RBP based loans ("RBP Loans")

Revolve in increments of:	\$10,000	Minimum retained balance:	\$0
Revolved by:	Bank	Interest rate (per annum):	RBP + 2.15%

b) Letters of Credit ("LCs")

Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts.

c) Letters of Guarantee ("LGs")

Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts. Minimum fee of \$100.

AVAILABILITY

The Borrower may borrow, convert, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

® Registered Trademark of Royal Bank of Canada

Borrowings outstanding under this facility must not exceed at any time the aggregate of the following, less Potential Prior-Ranking Claims including without limitation lienable payables or holdbacks (the "Borrowing Limit"):

- 75% of unencumbered Good Accounts Receivables.
- 85% of Good Private Insured Accounts Receivables.
- 90% of Good EDC Accounts Receivables.
- \$600,000 (until June 30th, 2013; the \$600,000 amount cannot be added to the Borrowing Base after this date).

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, and regardless of the maturities of any outstanding instruments or contracts, Borrowings under this facility are repayable on demand.

GENERAL ACCOUNT

The Borrower shall establish a current account with the Bank (the "General Account") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of the General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans under this facility;
- b) if such position is a credit balance, where the facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans under this facility.

Facility #2: \$1,636,000 non-revolving term facility by way of:

- | | | |
|--------------|----------------------------|-------------|
| a) RBP Loans | Interest rate (per annum): | RBP + 2.15% |
|--------------|----------------------------|-------------|

AVAILABILITY

The Borrower may borrow up to the amount of this term facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time from time to time without notice.

Total amount of Facility #1 and Facility #2 not to exceed \$17,500,000 at any time.

REPAYMENT

Repayable in full on receipt by the Borrower of the net proceeds of sale of Maple Ridge Business Park Property
--

OTHER FACILITIES

The Credit Facilities are in addition to the following facilities (the "Other Facilities"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

- a) VISA Business to a maximum amount of \$150,000.

FEES

One Time Fee:

Payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Application Fee: \$17,680

Monthly Fee:

Payable in arrears on the same day of each month.

Account Management Fee: \$650

SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank (collectively, the "Security"), shall include:

- a) Collateral mortgage in the amount of \$2,100,000 signed by the Borrower constituting a first fixed charge on the lands and improvements located at 104, 204 and 304 - 69th Avenue NW, Edmonton, Alberta, described as Plan 0821861, Block 2, Lot 13, 14 and 15 (the "Maple Ridge Business Park Property"); [Held]
- b) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$5,100,000 signed by Jeff Jessamine; [Held]
- c) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$3,600,000 signed by Sprague-Rosser Developments Inc., supported by general security agreement – floating charge on land on the Bank's form 923 constituting a first floating charge on all present and after-acquired real property of Sprague-Rosser Developments Inc. and a first ranking security interest in all personal property of Sprague-Rosser Developments Inc.; [Held]
- d) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$13,750,000 signed by Pacific Federation Equity Group Inc., supported by general security agreement – floating charge on land on the Bank's form 923 signed by Pacific Federation Equity Group Inc., constituting a first floating charge on all present and after-acquired property of Pacific Federation Equity Group Inc., and a first ranking security interest in all personal property of Pacific Federation Equity Group Inc.; [Held]
- e) General security agreement – floating charge on land on the Bank's form 923 signed by the Borrower constituting a first floating charge on all present and after-acquired real property of the Borrower and a first ranking security interest in all personal property of the Borrower; [Held]
- f) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$1,615,000 signed by Mathew Mackay, [Held]
- g) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$1,190,000 signed by Daniel Edwards, [Held]
- h) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$595,000 signed by Jeffery Jessamine; [Held]
- i) Postponement and assignment of claim on the Bank's form 918 signed by Pacific Federation Equity Group; [Held]
- j) Postponement and assignment of claim on the Bank's form 918 signed by Jeffery Jessamine, together with a letter signed by the Bank whereby the Bank agrees that notwithstanding the terms and conditions of the postponement and assignment of claim, the Borrower may make payments of principal and interest to Jeffery Jessamine in respect of related party loans provided (i) the Borrower is in compliance with all terms and conditions of this Agreement and with all terms and conditions of the Security both before and after the making of any such payment and (ii) the making of any such payment would not cause the aggregate principal amount owing by the Borrower to Jeffery Jessamine to fall below \$1,800,000.00; [Held]
- k) Postponement and assignment of claim on the Bank's form 918 signed by 1063878 Alberta Ltd., together with a letter signed by the Bank whereby the Bank agrees that notwithstanding the terms and conditions of the postponement and assignment of claim, the Borrower may make payments of principal and interest to 1063878 Alberta Ltd. in respect of related party loans provided (i) the Borrower is in compliance with all terms and conditions of this Agreement and with all terms and conditions of the Security both before and after the making of any such payment and (ii) the making of any such payment would not cause the aggregate principal amount owing by the Borrower to 1063878 Alberta Ltd. to fall below \$1,800,000.00.; [Held]

- l) Postponement and assignment of claim on the Bank's form 918 signed by Matthew MacKay, together with a letter signed by the Bank whereby the Bank agrees that notwithstanding the terms and conditions of the postponement and assignment of claim, the Borrower may make payments of principal and interest to Matthew MacKay in respect of related party loans provided (i) the Borrower is in compliance with all terms and conditions of this Agreement and with all terms and conditions of the Security both before and after the making of any such payment and (ii) the making of any such payment would not cause the aggregate principal amount owing by the Borrower to Matthew MacKay to fall below \$585,000.00; [Held] and
- m) Postponement and assignment of claim on the Bank's form 918 signed by Daniel Edwards, together with a letter signed by the Bank whereby the Bank agrees that notwithstanding the terms and conditions of the postponement and assignment of claim, the Borrower may make payments of principal and interest to Daniel Edwards in respect of related party loans provided (i) the Borrower is in compliance with all terms and conditions of this Agreement and with all terms and conditions of the Security both before and after the making of any such payment and (ii) the making of any such payment would not cause the aggregate principal amount owing by the Borrower to Daniel Edwards to fall below \$464,000.00; . [Held]

FINANCIAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower will:

- a) maintain on a consolidated basis, to be measured as at the end of each fiscal quarter:
 - i. a ratio of Funded Debt to EBITDA, calculated on a rolling 4 quarters basis for the fiscal quarter then ended and the immediately preceding 3 fiscal quarters, of not greater than 3.00:1.
- b) maintain on a consolidated basis, to be measured as at the end of each fiscal year:
 - i. a ratio of Current Assets to Current Liabilities of not less than 1.25:1;
 - ii. Fixed Charge Coverage of not less than 1.25:1.

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) Monthly Borrowing Limit Certificate, substantially in the form of Schedule "D", including separate aged list of insured receivables and a credit approval listing issued by the insurer detailing approved limits, signed on behalf of the Borrower by any one of the Chief Executive Officer, the President, the Vice-President Finance, the Treasurer, the Comptroller, the Chief Accountant or any other employee of the Borrower holding equivalent office, within 30 days of each month end;
- b) monthly company prepared financial statements for the Borrower, within 30 days of each month end;
- c) quarterly company-prepared consolidated financial statements for the Borrower, within 30 days of each fiscal quarter end;
- d) Compliance Certificate, substantially in the form of Schedule "E" signed by an authorized signing officer of the Borrower, within 30 days of each fiscal quarter end and within 90 days of each fiscal year end, certifying compliance with this Agreement including the financial covenants set forth in the Agreement;
- e) annual audited consolidated financial statements for the Borrower, within 90 days of each fiscal year end;
- f) annual notice to reader financial statements for each of Sprague-Rosser Developments Inc., Pacific Federation Equity Group, and 1063878 Alberta Ltd., within 90 days of each fiscal year end;
- g) biennial personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every second fiscal year of the Borrower; and
- h) such other financial and operating statements and reports as and when the Bank may reasonably require.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) a Client Environmental Questionnaire completed by the Borrower in respect of the Maple Ridge Business Park Property, and containing findings satisfactory to the Bank; [Held]
- d) Borrowing Limit Certificate, substantially in the form of Schedule "E" signed on behalf of the Borrower by any one of the Chief Executive Officer, the President, the Vice-President Finance, the Treasurer, the Comptroller, the Chief Accountant or any other employee of the Borrower holding equivalent office; [Held]
- e) payment by the Borrower of all applicable fees and expenses;
- f) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; [Held] and
- g) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally;

- h) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank;

GOVERNING LAW JURISDICTION

Province of Alberta.

ACCEPTANCE

This Agreement is open for acceptance until May 3rd, 2013, after which date it will be null and void, unless extended in writing by the Bank.

ROYAL BANK OF CANADA

Per: 

Name: Emile Marx

Title: Vice President, National Client Group - Finance

We acknowledge and accept the terms and conditions of this Agreement on this 6 day of May, 2013.

SPRAGUE-ROSSER CONTRACTING CO. LTD.

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

I/We have the authority to bind the Borrower

As Guarantor, we acknowledge and confirm our agreement with the terms and conditions of this Agreement on this 6 day of May, 2013.

SPRAGUE-ROSSER DEVELOPMENTS INC.

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

I/We have the authority to bind the Guarantor

As Guarantor, we acknowledge and confirm our agreement with the terms and conditions of this Agreement on this 6 day of May, 2013.

PACIFIC FEDERATION EQUITY GROUP INC.

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

I/We have the authority to bind the Guarantor

I acknowledge and confirm my agreement with the foregoing terms and conditions, as Guarantor, as of May 6, 2013.

JEFF JESSAMINE

I acknowledge and confirm my agreement with the foregoing terms and conditions, as Guarantor, as of May 6, 2013.

MATHEW MACKAY

I acknowledge and confirm my agreement with the foregoing terms and conditions, as Guarantor, as of May 6, 2013, 2013.

DAN EDWARDS

TERMS AND CONDITIONS

The Bank is requested by the Borrower to make the Credit Facilities available to the Borrower in the manner and at the rates and times specified in this Agreement. Terms defined elsewhere in this Agreement and not otherwise defined in the Terms and Conditions below or the Schedules attached hereto have the meaning given to such terms as so defined. In consideration of the Bank making the Credit Facilities available, the Borrower agrees, and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

REPAYMENT

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Borrowing. Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment. In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand including, without limitation, an amount equal to the face amount of all LCs and LGs which are unmatured or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such Borrowings. Where any Borrowings are repayable by scheduled blended payments, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be. Borrowings repayable by way of scheduled payments of principal and interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement. The Borrower shall ensure that the maturities of instruments or contracts selected by the Borrower when making Borrowings will be such so as to enable the Borrower to meet its repayment obligations.

In the case of any reducing term loan and/or reducing term facility ("Reducing Term Loan/Facility"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("Renewal Letter") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the Maturity Date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings are by way of RBP Loans, the Borrower may prepay such Borrowings in whole or in part without fee or premium.

Where Borrowings are by way of FRT Loans, provided an Event of Default shall not have occurred and be continuing, the Borrower may prepay such Borrowings on a non-cumulative basis up to the percentage, as selected by the Borrower for each FRT Loan, of the outstanding principal balance on the day of prepayment, without fee or premium, once per year during the 12 month period from each anniversary date of the Borrowing. Prepayments greater than the amounts provided for herein may be made only with the prior written consent of the Bank and will be subject to a prepayment fee determined by the Bank, in its sole discretion.

The prepayment of any Borrowings under a term facility and/or any term loan will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "Accounts") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual

means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure and it will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

EXPENSES, ETC.

The Borrower agrees to pay the Bank all fees, as stipulated in this Agreement. The Borrower also agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with preparation, negotiation and documentation of this Agreement and any Security and the operation, enforcement or termination of this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall

be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower or any Guarantor and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

No amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrower's account.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrower and any Guarantor if applicable, (including, any such information provided by the Borrower, and any Guarantor if applicable, to the Bank) and shall not be liable for any such disclosure.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles in effect from time to time, applied on a consistent basis from period to period. Any change in accounting principles or the application of accounting principles, including, without limitation, the use of differential reporting (or any changes to the selection of differential reporting options) is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province identified in the Governing Law Jurisdiction section of this Agreement and the laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower, or a Guarantor if applicable, in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the

indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

NON-MERGER

The provisions of this Agreement shall not merge with any Security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

JOINT AND SEVERAL

Where more than one Person is liable as Borrower or Guarantor if applicable for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidarily) with each other such Person.

LIFE AND DISABILITY INSURANCE

Business Loan Insurance Plan premiums, if applicable, are taken with your scheduled loan payments. In the case of blended payments of principal and interest, as premiums fluctuate based on various factors such as, by way of example, the age of the insured and changes to the insured loan balance, a part of the premium payment may be deducted and taken from the scheduled blended loan payment with the result that the amortization period may increase in the case of any such loan to which this coverage applies. Refer to the Business Loan Insurance Plan application (form 3460 Eng or 53460 Fr) for further explanation and disclosure.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

- a) it is duly incorporated, validly existing and duly registered or qualified to carry on business in each jurisdiction in which its business or assets are located;
- b) the execution, delivery and performance by it of this Agreement have been duly authorized by all necessary actions and do not violate its constituting documents or any Applicable Laws or agreements to which it is subject or by which it is bound;
- c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default;
- d) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which relates to any non-

- compliance with any Environmental Laws which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Bank; and
- e) it has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than as may be provided for herein.

Representations and warranties are deemed to be repeated as at the time of each Borrowing hereunder.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "Event of Default" which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition contained in this Agreement, the Security, or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower, or any Guarantor if applicable, under this Agreement or in any other document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.

INCREASED COSTS

The Borrower shall reimburse the Bank for any additional cost or reduction in income arising as a result of (i) the imposition of, or increase in, taxes on payments due to the Bank hereunder (other than taxes on the overall net income of the Bank), (ii) the imposition of, or increase in, any reserve or other similar requirement, (iii) the imposition of, or change in, any other condition affecting the Credit Facilities imposed by any Applicable Law or the interpretation thereof.

Schedule "A" to the Agreement dated April 25th, 2013, between Sprague-Rosser Contracting Co. Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

DEFINITIONS

For the purpose of this Agreement, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are "Borrowings";

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which banking institutions are closed throughout Canada;

"Capital Expenditures" means, for any fiscal period, any amounts accrued or paid in respect of any purchase or other acquisition for value of capital assets and, for greater certainty, excludes amounts expended in respect of the normal repair and maintenance of capital assets utilized in the ordinary course of business;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental Law;

"Corporate Distributions" means any payments to any shareholder, director or officer of the Borrower, or to any associate or holder of subordinated debt of the Borrower, or to any shareholder, director or officer of any associate or holder of subordinated debt of the Borrower, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

"Current Assets" means, at any time, those assets ordinarily realizable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year;

"Current Liabilities" means, at any time, amounts payable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year (the operating cycle must correspond with that used for current assets);

"EBITDA" means, for any fiscal period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, Interest Expense and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, the period;

"EDC Accounts Receivable" means trade accounts receivable of the Borrower, where the payment has been insured by Export Development Canada ("EDC"), and the Bank has been provided with a duly executed Direction to Pay on EDC Form E-6 supported by a copy of the applicable insurance policy and any renewals thereof;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

"Equity" means the total of share capital, (excluding preferred shares redeemable within one year) contributed surplus and retained earnings plus Postponed Debt;

"Fixed Charges" means, for any fiscal period, the total of Interest Expense, scheduled principal payments in respect of Funded Debt, payments under operating leases and Corporate Distributions;

"Fixed Charge Coverage" means, for any fiscal period, the ratio of EBITDA plus payments under operating leases less cash income taxes and unfunded Capital Expenditures to Fixed Charges;

"Funded Debt" means, at any time for the fiscal period then ended, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt;

"Good Accounts Receivable" means trade accounts receivable of the Borrower owing by Persons whose chief operating activities are located in Canada excluding EDC Accounts Receivable and excluding Private Insured Accounts Receivable and excluding Special Accounts Receivable and excluding (i) the entire amount of accounts, any portion of which is outstanding more than 90 days after billing date, provided that the under 90 day portion may be included where the over 90 day portion is less than 10% of the amount of those accounts, or the Bank has designated such portion as nevertheless good, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to the Bank's security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, or (vi) any accounts which the Bank has previously advised to be ineligible;

"Good EDC Accounts Receivable" means EDC Accounts Receivable, excluding (i) the portion of accounts which is outstanding more than 120 days after billing date, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to the Bank's security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, or (vi) any accounts which the Bank has previously advised to be ineligible;

"Good Private Insured Accounts Receivable" means Private Insured Accounts Receivable, excluding (i) the portion of accounts which is outstanding more than 120 days after billing date, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to the Bank's security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, or (iv) any accounts which the Bank had previously advised to be ineligible;

"Guarantor" means any Person who has guaranteed the obligations of the Borrower under this Agreement;

"Interest Expense" means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including, without limitation, interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers' acceptances;

"Lease" means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

"Letter of Credit" or "LC" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of paying suppliers of goods;

"Letter of Guarantee" or "LG" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of providing security to a third party that the Borrower or a person designated by the Borrower will perform a contractual obligation owed to such third party;

"Maturity Date" means the date on which a facility is due and payable in full;

"Permitted Encumbrances" means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

"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;

"Postponed Debt" means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder;

"Potential Prior-Ranking Claims" means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

"Private Insured Accounts Receivable" means trade accounts receivable of the Borrower, where the payment has been insured by an insurer acceptable to the Bank, on terms and conditions satisfactory to the Bank, and the Bank has been named as loss payee by way of a duly executed assignment of or a rider/endorsement to the applicable insurance policy from such other insurer, supported by a copy of the applicable insurance policy and any renewals thereof;

"RBP" and **"Royal Bank Prime"** each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

"Release" includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

"Special Accounts Receivable" means trade accounts receivable of the Borrower owing by the City of Edmonton;

"Tangible Net Worth" means the total of Equity less intangibles, deferred charges, leasehold improvements, deferred tax credits and unsecured advances to related parties. For the purpose hereof, intangibles are assets lacking physical substance;

"Total Liabilities" means all liabilities, including, without limitation, net present value of operating leases, exclusive of deferred tax liabilities and Postponed Debt.

Schedule "B" to the Agreement dated April 25th, 2013, between Sprague-Rosser Contracting Co. Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

CALCULATION AND PAYMENT OF INTEREST AND FEES

LIMIT ON INTEREST

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law.

OVERDUE PAYMENTS

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

EQUIVALENT YEARLY RATES

The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

TIME AND PLACE OF PAYMENT

Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgement.

RBP LOANS

The Borrower shall pay interest on each RBP Loan, monthly in arrears, on the 26th day of each month or such other day as may be agreed to between the Borrower and the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days and shall be paid in the currency of the applicable Borrowing.

LETTER OF CREDIT FEES

The Borrower shall pay a LC fee on the date of issuance of any LC calculated on the face amount of the LC issued, based upon the number of days in the term and a year of 365 days.

LETTER OF GUARANTEE FEES

The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable.

FRT LOANS

The Borrower shall pay interest on each loan in arrears at the applicable rate on such date as agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.

Schedule "C" to the Agreement dated April 25th, 2013, between Sprague-Rosser Contracting Co. Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

ADDITIONAL BORROWING CONDITIONS

LCs or LGs:

Borrowings made by way of LCs or LGs will be subject to the following terms and conditions:

- a) each LC and LG shall expire on a Business Day and shall have a term of not more than 365 days;
- b) at least 2 Business Days prior to the issue of an LC or LG, the Borrower shall execute a duly authorized application with respect to such LC or LG and each LC and LG shall be governed by the terms and conditions of the relevant application for such contract;
- c) an LC or LG may not be revoked prior to its expiry date unless the consent of the beneficiary of the LC or LG has been obtained;
- d) any LC or LG issued under a term facility must have an expiry date on or before the Maturity Date of the term facility, unless otherwise agreed by the Bank; and
- e) if there is any inconsistency at any time between the terms of this Agreement and the terms of the application for LC or LG, the terms of the application for LC or LG shall govern.

FRT Loans:

Borrowings made by way of FRT Loans will be subject to the following terms and conditions:

- a) each FRT Loan shall have a minimum term of one year;
- b) the Borrower shall select an amount eligible for prepayment of 10% or 0% for each new FRT Loan prior to the advance of such FRT Loan;
- c) each FRT Loan shall be in an amount not less than \$10,000; and
- d) each FRT Loan shall have a term as outlined in the applicable repayment section of each corresponding credit facility, provided that the maturity date of any FRT Loan issued under any term facility shall not extend beyond the Maturity Date of the term facility.

Schedule "D" to the Agreement dated April 25th, 2013, between Sprague-Rosser Contracting Co. Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

BORROWING LIMIT CERTIFICATE

I, _____, representing the Borrower hereby certify as of month ending _____:

1. I am familiar with and have examined the provisions of the Agreement dated April 20, 2010 and any amendments thereto, between Sprague-Rosser Contracting Co. Ltd., as Borrower, and Royal Bank of Canada, as the Bank and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower. Terms defined in the Agreement have the same meanings where used in this certificate.

2. The Borrowing Limit is \$ _____, calculated as follows:

Total accounts receivable owing by Persons located in Canada		\$ _____
excluding EDC Accounts Receivable excluding Private Insured		
Accounts Receivable and excluding Special Accounts Receivable		
Less:	a) Accounts, any portion of which exceeds 90 days	\$ _____
	b) Accounts due from affiliates	\$ _____
	c) "Under 90 days" accounts where collection is suspect	\$ _____
	d) Accounts subject to prior encumbrances	\$ _____
	e) Holdbacks, contra-accounts or rights of set-off	\$ _____
	f) Other ineligible accounts	\$ _____
Plus:	g) Under 90 day portion of accounts included in a) above, where the over 90 day portion is less than 10% of the amounts of accounts, or b) which the Bank has designated as nevertheless good.	\$ _____
Good Accounts Receivable		A \$ _____
Marginable Good Accounts Receivable at 75% of A		B \$ _____
Total EDC Accounts Receivable		\$ _____
Less:	a) The portion of accounts which exceeds 120 days	\$ _____
	b) Accounts due from affiliates	\$ _____
	c) "Under 120 days" accounts where collection is suspect	\$ _____
	d) Accounts subject to prior encumbrances	\$ _____
	e) Holdbacks, contra-accounts or rights of set-off	\$ _____
	f) Other ineligible accounts	\$ _____
Good EDC Accounts Receivable		C \$ _____
Marginable Good EDC Accounts Receivable at 90% of C		D \$ _____
Private Insured Accounts Receivable		\$ _____
Less:	a) The portion of accounts which exceeds 120 days	\$ _____
	b) Accounts due from affiliates	\$ _____
	c) "Under 120 days" accounts where collection is suspect	\$ _____
	d) Accounts subject to prior encumbrances	\$ _____
	e) Holdbacks, contra-accounts or rights of set-off	\$ _____
	f) Other ineligible accounts	\$ _____
Good Private Insured Accounts Receivable		E \$ _____
Marginable Good Private Insured Accounts Receivable at 85% of E		F \$ _____
Total Special Accounts Receivable		G \$ _____
Less: Potential Prior-Ranking Claims while not limited to these include:		
Sales tax, Excise & GST		\$ _____
Employee source deductions such as E.I., CPP, Income Tax		\$ _____

Workers Compensation Board	\$	_____
Wages, Commissions, Vacation Pay	\$	_____
Unpaid Pension Plan Contributions	\$	_____
Overdue Rent, Property & Business Tax and potential claims from third parties such as subcontractors	\$	_____
Other	\$	_____
Total Potential Prior-Ranking Claims	I	\$ _____
Borrowing Limit (B+D+F-I)		\$ _____
Less: Facility #1 Borrowings		\$ _____
liable payables		\$ _____
Margin Surplus (Deficit)		\$ _____

3. Annexed hereto are the following reports in respect of the Borrower:

- a) aged list of accounts receivable,
- b) aged list of accounts payable and liable payable,
- c) aged list of EDC Accounts Receivable indicating country of origin for each receivable and most recent credit approval listing from EDC supported by Direction to Pay on EDC form E6
- d) aged list of Private Insured Accounts Receivable indicating country of origin for each receivable and most recent credit approval listing from the insurer supported by a loss payable endorsement to or assignment of the applicable insurance policy, and
- e) listing of Potential Prior-Ranking Claims.

4. The reports and information provided herewith are accurate and complete in all respects and all amounts certified as Potential Prior-Ranking Claims are current amounts owing and not in arrears.

Dated this _____ day of _____, 20____.

Per: _____

Name: _____

Title: _____

Schedule "E" to the Agreement dated April 25th, 2013, between Sprague-Rosser Contracting Co. Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

COMPLIANCE CERTIFICATE

I, _____, representing the Borrower hereby certify as of fiscal quarter / fiscal year ending: _____:

1. I am familiar with and have examined the provisions of the Agreement dated April 20, 2010 and any amendments thereto, between Sprague-Rosser Contracting Co. Ltd., as Borrower, and Royal Bank of Canada as the Bank, and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower and any Guarantor if applicable. Terms defined in the Agreement have the same meanings where used in this certificate.
2. The representations and warranties contained in the Agreement are true and correct.
3. No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute an Event of Default and there is no reason to believe that during the next fiscal quarter / fiscal year of the Borrower, any such event or circumstance will occur.
4. The ratio of Funded Debt to EBITDA is _____:1, being not greater than the required ratio of 3.00:1 (tested quarterly).
5. The Fixed Charge Coverage ratio is _____:1, being not less than the required ratio of 1.25:1 (tested annually).
6. The ratio of Current Assets to Current Liabilities is _____:1, being not less than the required ratio of 1.25:1.
6. 7. The detailed calculations of the foregoing ratios and covenants is set forth in the addendum annexed hereto and are true and correct in all respects.

Dated this _____ day of _____, 20____.

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____