

**CREDIT AGREEMENT**

**BETWEEN**

**ALVAREZ & MARSAL CANADA INC., solely in its capacity as  
Court Appointed Receiver and Manager and Construction Lien Trustee of  
URBANCORP (LESLIEVILLE) DEVELOPMENTS INC.,  
URBANCORP (RIVERDALE) DEVELOPMENTS INC. and  
URBANCORP (THE BEACH) DEVELOPMENTS INC.  
and not in its personal or corporate capacity  
as Construction Receiver**

**AND**

**CANADIAN IMPERIAL BANK OF COMMERCE  
as Administrative Agent**

**AND**

**THE FINANCIAL INSTITUTIONS  
from time to time parties hereto  
as Lenders**

**MADE AS OF**

**April 18, 2017**

**Gowling WLG (Canada) LLP**

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## CREDIT AGREEMENT

THIS AGREEMENT is made as of April 18, 2017

BETWEEN:

**ALVAREZ & MARSAL CANADA INC., solely in its capacity as Court Appointed Receiver and Manager and Construction Lien Trustee of URBANCORP (LESLIEVILLE) DEVELOPMENTS INC., URBANCORP (RIVERDALE) DEVELOPMENTS INC. and URBANCORP (THE BEACH) DEVELOPMENTS INC. and not in its personal or corporate capacity (the "Construction Receiver"),**

- and -

**CANADIAN IMPERIAL BANK OF COMMERCE,**  
in its capacity as administrative agent for the Lenders  
(the "**Administrative Agent**"),

- and -

**THE FINANCIAL INSTITUTIONS** from time to time party to this Agreement and designated as Lenders on the signatures pages hereto (each, a "**Lender**" and collectively, the "**Lenders**"),

WHEREAS the Construction Receiver has requested the Credit Facility to finance certain costs associated with the development and completion of construction of the Leslieville Project, and the Lenders have agreed to provide the Credit Facility to the Construction Receiver upon and subject to the terms and conditions set out in this Agreement;

AND WHEREAS Canadian Imperial Bank of Commerce will be the Administrative Agent as contemplated by Section 7.1 of Schedule A hereto, namely pursuant to the CBA Model Credit Agreement Provisions as set out therein, as modified in accordance with that schedule;

AND WHEREAS it is a condition of the provision of the Credit Facility that Terra Firma agrees to provide the TF Cost Overrun Guarantee and Terra Firma has agreed to do so;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

### **ARTICLE 1 INTERPRETATION**

#### 1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

**“Administrative Agent’s Office”** means the branch of the Administrative Agent located at 595 Bay Street, Toronto, Ontario, M5G 2C2, or such other office in Canada that the Administrative Agent may from time to time designate by notice to the Construction Receiver and the Lenders.

**“Agreement”** means this credit agreement, including its recitals and schedules.

**“Applicable Law”** has the meaning set out in Schedule A.

**“Applicable Percentage”** has the meaning set out in Schedule A.

**“Architect”** means such architect as may be retained by or on behalf of Craft in connection with the Construction of the Leslieville Project, which architect if other than the architect for the Leslieville Project retained by UC Leslieville prior to the commencement of the UC Receivership Proceedings, shall be subject to the prior approval the Administrative Agent.

**“Architect Contract”** means any contract or agreement between the Architect and Craft relating to the Leslieville Project, as such agreement may be amended, restated or supplemented as permitted hereunder.

**“Architect’s Costs”** means the costs incurred by Craft for the services of the Architect in connection with the Work.

**“Beach Remaining Lands”** means the remaining lands and premises owned by UC Leslieville and/or UC Beach located at 42 Edgewood Avenue, Toronto, Ontario and more particularly described in Schedule D hereto under the heading “Beach Remaining Lands”.

**“Beach Sale Process Order”** means the sale process order to be granted in the UC Receivership Proceedings which will approve, among other things, a sale process for the Beach Remaining Lands, as it may be amended, restated or supplemented from time to time, in each case in form and substance satisfactory to the Construction Receiver, Terra Firma, Craft and the Lenders.

**“Builder”** has the meaning given to such term in the Craft Construction Contract, which Builder if other than Urban Renaissance Inc. shall be subject to the prior approval the Administrative Agent.

**“Budgeted Development Costs”** means (i) all budgeted costs described as a line item in the Initial Development Budget or any subsequent Development Budget, including any Contingency Amount of budgeted costs, and (ii) HST.

**“Business Day”** means a day of the year, other than a Saturday, Sunday or statutory holiday, on which the Administrative Agent is open for business at its executive offices in Toronto, Ontario.

**“Canadian Dollars”** and **“Cdn. \$”** mean the lawful money of Canada.

**“Change Funder”** has the meaning given thereto in the Craft Construction Contract.

**“Change Orders”** has the meaning given thereto in the Craft Construction Contract.

**“City”** means City of Toronto.

“**CO Work**” has the meaning set forth in the TF Cost Overrun Guarantee.

“**Commitment**” means, for each Lender with respect to the Credit Facility, the amount specified with respect to such Lender in Schedule B (which will be amended and distributed to all parties by the Administrative Agent from time to time following the allocation of the Credit Facility between the Tranches and as other Persons become Lenders), being the maximum aggregate amount of Loans that such Lender is obliged to make hereunder, as such amount may be reduced from time to time by such Lender’s Applicable Percentage of the amount of any permanent repayments, reductions or prepayments required or made hereunder.

“**Condominium Act**” means the *Condominium Act*, R.S.O. 1998, c.19, as amended or replaced from time to time.

“**Condominium Documents**” means the Declaration, condominium corporation by-laws (or agreements relating thereto), shared facility agreements (if any), insurance trust agreement (if any) or other documents relating to the creation and operation of the Leslieville Project.

“**Construction**” means the completion of construction of the Leslieville Project in accordance with the Plans and Specifications.

“**Construction Completion**” means the date on which:

- (a) Total Performance of the Work has occurred;
- (b) the Construction Receiver has received all relevant occupancy permits and passed inspections required by Governmental Authorities (other than those inspections required to be made in respect of work undertaken by purchasers under any New APS) with respect to the Leslieville Project and has satisfied the conditions under all applicable development and planning approvals;
- (c) the Declaration has been registered; and
- (d) the purchase and sale transactions under all New APS have closed.

“**Construction Receiver**” means Alvarez & Marsal Canada Inc., in its capacity as Court appointed receiver and manager and construction lien trustee of UC Leslieville, UC Beach and UC Riverdale.

“**Construction Receiver’s Counsel**” means Blake, Cassels & Graydon LLP and Miller Thomson LLP (in respect of real estate matters) or such other firm of legal counsel as Construction Receiver may from time to time designate and that is acceptable to the Lenders.

“**Construction Receiver’s Reserve**” shall have the meaning given to it in the Settlement Approval Order.

“**Construction Schedule**” means the construction schedule in respect of the Leslieville Project provided to and approved by the Lenders.

“**Consultant Contract**” means any contract entered into (i) by or on behalf of Craft, and (ii) a Consultant relating to the Leslieville Project.

**“Consultants”** means, as applicable, the Architect and the Engineers for the Leslieville Project, and such other consultants as the Lenders may approve, including as may be identified in connection with any Development Budget.

**“Contingency Amount”** means, with respect to any Development Budget, the amount, if any, of any contingency provided in such Development Budget in respect of the calculation of the Development Costs.

**“Costs”** means with respect to any work performed or services to be performed under the Craft C&D Contracts, the cost (including HST) of such work or service as agreed between Craft and UC Leslieville by the Construction Receiver, including, for greater certainty, the cost of all CO Work.

**“Cost Overruns”** means all “Cost Overruns” as defined in the TF Cost Overrun Guarantee.

**“Cost to Complete”** means, at any given date and in respect of the Leslieville Project, that amount established by the Construction Receiver and confirmed by the Independent Cost Consultant, which is the aggregate of (without duplication):

- (a) the remaining unpaid portion of the Fixed Price under the Craft Construction Contract;
- (b) all Costs of the CO Work not then incurred;
- (c) to the extent Geo-thermal System Costs are being funded by a Craft Loan, all Geo-thermal System Costs not then incurred;
- (d) the amount of all Costs of the CO Work incurred, to the extent not paid or prepaid in full from funds provided to the Construction Receiver by Terra Firma, Craft or the Lenders under or in accordance with the TF Cost Overrun Guarantee;
- (e) to the extent Geo-thermal System Costs are being funded by a Craft Loan, the amount of all Geo-thermal System Costs incurred, to the extent not paid or prepaid in full from Craft Loans advanced to the Construction Receiver to fund Geo-thermal System Costs;
- (f) all Holdbacks, as of such date;
- (g) the Development Costs for the remaining Development Services not then incurred;
- (h) the amount of all Development Costs incurred, to the extent not then paid (i) in the case of Cost Overruns, from funds provided to the Construction Receiver by Terra Firma, Craft or the Lenders under or in accordance with the TF Cost Overrun Guarantee, and (ii) in the case of all other Development Costs incurred, to the extent not then paid, excluding such other Development Costs to be paid from a requested Drawdown which otherwise fulfils the Drawdown conditions set forth in this Agreement.

**“Court”** means the Ontario Superior Court of Justice (Commercial List) supervising the UC Receivership Proceedings.

**“CP Outside Date”** means July 31, 2017 or such later date as may be agreed among the Construction Receiver, Craft, the Administrative Agent and Terra Firma.

**“Craft”** means C.R.A.F.T. Development Corporation, a corporation incorporated under the laws of the Province of Ontario.

**“Craft C&D Contracts”** means, collectively, the Craft Construction Contract and the Craft Development Contract.

**“Craft Cash Collateral”** means the cash collateral in the amount of \$535,000 provided by Craft pursuant to the Craft Construction Contract, which cash collateral is to be deposited in an account in the name of the Construction Receiver and maintained with the Administrative Agent.

**“Craft Construction Contract”** means the fixed price construction contract dated on or about the date hereof and made between UC Leslieville by the Construction Receiver and Craft for the Construction of the Leslieville Project.

**“Craft Development Contract”** means the development contract dated on or about the date hereof and made between UC Leslieville by the Construction Receiver and Craft for the provision by Craft of the Development Services with respect to the Leslieville Project.

**“Craft Loan Agreement”** means the loan agreement (which shall be in form and substance acceptable to the Lenders) dated on or about the date hereof and entered into between Craft (as lender) and the Construction Receiver (as borrower) for a loan in the initial principal amount of \$2,000,000, which loan shall be secured against the Leslieville Project in the priority set out in the Waterfall.

**“Craft Loans”** means, at any time, the loans outstanding under the Craft Loan Agreement at such time, including loans that are deemed to have been advanced under this Agreement pursuant to the terms of either of the Craft C&D Contracts or the TF Cost Overrun Guarantee.

**“Craft Security”** means the Court ordered Encumbrance against the Leslieville Project granted pursuant to the Settlement Approval Order.

**“Credit Facility”** means the credit facility described in Section 2.01 and includes both the FP Tranche and the Development Tranche, and the ITC Tranche, if otherwise made available in accordance herewith.

**“Credit Facility Commitment”** means (a) \$4,500,000.00, plus (b) if and for so long as the ITC Condition exists, an amount up to the ITC Increase. The Credit Facility Commitment will be allocated between the FP Tranche and the Development Tranche, and if made available by the Lenders, the ITC Tranche, on the date of the first Drawdown under the Credit Facility by agreement between the Construction Receiver and the Administrative Agent with the advice of the Independent Cost Consultant, provided that such initial allocation may be subsequently readjusted or reallocated by further agreement between the Construction Receiver and the Administrative Agent with the advice of the Independent Cost Consultant.

**“Curzon Purchasers”** means, collectively, the Opt-In Leslieville Purchasers and the New Curzon Purchasers.

**“Debt”** means, with respect to any Person, all obligations that, in accordance with GAAP, would then be classified as a liability of such Person, and, without duplication, includes, with respect to such Person, an obligation in respect of borrowed money or for the deferred purchase price of



Property or services or an obligation that is evidenced by a note, bond, debenture or any other similar instrument.

**“Declaration”** means the declaration or declarations which, together with the description, shall be registered under the Condominium Act and will subject the Leslieville Project or portion(s) thereof to the provisions of the Condominium Act, and all amendments to such declaration or declarations.

**“Default”** has the meaning set out in Schedule A.

**“Defaulted Cost Overruns”** has the meaning given thereto in the TF Cost Overrun Guarantee.

**“Deferred Commitment Fee”** means the commitment fee payable to the Lenders pursuant to Section 4.02 of this Agreement.

**“Development Approvals”** has the meaning set forth in the Craft Construction Contract.

**“Development Budget”** means, at any time, the then current budget of all Development Costs which has a line by line itemization of Development Costs including Contingency Amounts, as prepared by Craft and agreed by (a) the Construction Receiver, (b) if required hereunder, the Lenders, (c) the Independent Cost Consultant and (d) if there have been Development Cost Overruns from the Initial Development Budget, the Change Funder, including as the context permits or requires, the Initial Development Budget; and **“current Development Budget”** means the then current Development Budget (if any) prepared and approved as aforesaid which replaces a prior Development Budget.

**“Development Cost Overruns”** has the meaning set forth in the Craft Development Contract.

**“Development Costs”** means the actual Costs of the Development Services.

**“Development Services”** has the meaning set forth in the Craft Development Contract.

**“Development Tranche”** means that portion of the Credit Facility Commitment allocated to fund the Development Costs.

**“Disposition”** means, with respect to a Person, any sale, assignment, transfer, conveyance, lease, licence or other disposition of any nature or kind whatsoever of any Property or of any right, title or interest in or to any Property, and the verb **“Dispose”** has a corresponding meaning.

**“Drawdown”** means the advance of a Prime Rate Loan, and the term **“advance”** (whether used hereunder, and whether used as a verb or noun) means an advance or the advancing of a Prime Rate Loan pursuant to a Drawdown.

**“Drawdown Date”** means the date on which a Drawdown is made by the Construction Receiver pursuant to the provisions hereof.

**“Drawdown Notice”** means a notice, substantially in the form set out in Schedule 1.01(A), to be given to the Administrative Agent by the Construction Receiver pursuant to Section 2.03.

**“Encumbrance”** means, with respect to any Person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such Person’s Property, or any consignment by way of security or capital lease of Property by such Person as consignee or lessee, as the case may be, or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or other obligation, and **“Encumbrances”**, **“Encumbrancer”**, **“Encumber”** and **“Encumbered”** have corresponding meanings.

**“Engineers”** means the structural, mechanical & electrical, geotechnical and environmental, and such other engineers as may be retained by or behalf of Craft in connection with the Construction of the Leslieville Project, which engineers if other than the engineers for the Leslieville Project retained by UC Leslieville prior to the commencement of the UC Receivership Proceedings, shall be subject to the prior approval the Administrative Agent.

**“Engineering Contracts”** means, collectively, the agreements entered into by or on behalf of Craft and the Engineers, as such agreements may be amended, restated or supplemented as permitted hereunder.

**“Environmental Law”** means any Applicable Law relating to the environment, including those pertaining to:

- (a) reporting, licensing, permitting, investigating, remediating and cleaning up in connection with any presence or Release, or the threat of the same, of Hazardous Substances, and
- (b) the manufacture, processing, distribution, use, treatment, storage, disposal, transport, handling and the like of Hazardous Substances, including those pertaining to occupational health and safety.

**“Event of Default”** has the meaning set out in Section 9.01.

**“Existing Curzon Purchasers”** has the meaning set forth in the Craft Development Contract.

**“Existing Purchaser Deposits”** means, with respect to any Opt-In Leslieville Purchaser in connection with a Unit, the deposit(s) actually paid to UC Leslieville (or in the case of such Opt-In Leslieville Purchaser being an assignee of a purchaser under an agreement of purchase and sale with UC Leslieville for such Unit, actually paid to the assignor) under its original agreement of purchase and sale with UC Leslieville for such Unit.

**“Existing Syndicate Credit Agreement”** means the credit agreement made as of July 13, 2012 between UC Leslieville (as borrower), Alan Saskin, Urbancorp Toronto Management Inc., UC Riverdale and UC Beach (as guarantors), Canadian Imperial Bank of Commerce (as administrative agent and a lender), Laurentian Bank of Canada (as a lender) and Canadian Western Bank (as a lender), as amended and supplemented from time to time.

**“Existing Syndicate Debt”** means all debts and liabilities owing by UC Leslieville, UC Riverdale and/or UC Beach to the Lenders pursuant to the Existing Syndicate Credit Agreement.

**“Existing Syndicate Security”** means all Encumbrances granted by UC Leslieville, UC Riverdale, UC Beach or any other Person as security for the Existing Syndicate Debt.

**“First Advance Date”** means that date which is 150 days after the first advance of the Craft Loans or such later date as may be agreed in writing by the Required Lenders.

**“Fixed Price”** means the sum of \$5,350,000 plus HST being the fixed price agreed by Craft to perform the work and services under the Craft Construction Contract other than the CO Work.

**“Force Majeure”** has the meaning set forth in the Development Contract.

**“FP Tranche”** means that portion of the Credit Facility Commitment allocated to fund the Fixed Price under the Craft Construction Contract.

**“GAAP”** means those accounting principles that are from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute.

**“Geo-thermal System Costs”** has the meaning set forth in the Craft Construction Contract.

**“Geo-thermal System”** has the meaning set forth in the Craft Construction Contract.

**“Governmental Authority”** has the meaning set out in Schedule A.

**“Gross Sale Proceeds”** means, with respect to a New APS, (a) the gross sale price (inclusive of net HST payable in respect of such New APS) set out in such New APS less (b) in the case of an Opt-In Leslieville Purchaser, the amount of credit for its Existing Purchaser Deposit set out in such New APS.

**“Hazardous Substance”** means any substance or material that is prohibited, controlled or regulated by any Governmental Authority pursuant to Environmental Law, including pollutants, contaminants, dangerous goods or substances, toxic or hazardous substances or materials, wastes (including solid non-hazardous wastes and subject wastes), petroleum and its derivatives and by-products and other hydrocarbons, all as defined in or pursuant to any Environmental Law.

**“Holdback”** means any amount required to be retained by or on behalf of UC Leslieville by the Construction Receiver, in respect of the value of work, services and materials actually done, performed, placed or furnished on or in the Leslieville Project in accordance with the *Construction Lien Act* (Ontario).

**“HST”** means the harmonized sales tax under the *Excise Tax Act* (Canada).

**“Independent Cost Consultant”** means Altus Group Limited, or such other replacement consultant appointed by the Construction Receiver.

**“Independent Cost Consultant’s Certificate”** means the certificate attached as Schedule 1.01(1)(D) hereto.

**“Initial Development Budget”** means the Development Budget agreed between Craft, the Construction Receiver, the Required Lenders, the Independent Cost Consultant and Terra Firma as the Initial Development Budget under the Craft Development Contract, a copy of which is attached hereto as Schedule 1.01(B).

**“Insolvent”** means, with respect to any Person, that such Person (a) has committed an “act of bankruptcy”, has admitted in writing that it is unable to pay its debts as they become due, or has become insolvent, (b) has made any assignment in bankruptcy or made any other assignment for the benefit of creditors, has made any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, (c) has sought relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), the United States Bankruptcy Code, the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, (d) has been adjudged bankrupt, has filed a petition or proposal to take advantage of any act of insolvency, has consented to or acquiesced in the appointment of a trustee, 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 has filed a petition or otherwise commenced any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors’ rights or has consented to, or acquiesced in, the filing of such a petition or proposal.

**“Interbank Reference Rate”** means the interest rate expressed as a percentage *per annum* that is customarily used by the Administrative Agent when calculating interest due by it or owing to it arising from adjustments between the Administrative Agent and other Canadian chartered banks.

**“ITC Condition”** means the continuance in effect on the date hereof or from time to time after the date hereof of any prior exercise of rights of set-off (or similar rights) by the Canada Revenue Agency against any one or more of UC Riverdale, UC Leslieville or UC Beach in respect of accumulated input tax credits (i) otherwise due to or standing to the credit of UC Riverdale, UC Leslieville or UC Beach and (ii) which have been claimed or are claimable by the Construction Receiver, including in the context of the UC Receivership Proceedings, which has not been reversed or waived by the Canada Revenue Agency thereby permitting the application of such input tax credits to reduce tax otherwise payable by UC Riverdale, UC Leslieville or UC Beach and/or the Construction Receiver.

**“ITC Increase”** means \$0.00 (Nil).

**“ITC Tranche”** means that portion of the Credit Facility Commitment available to the Construction Receiver hereunder and designated as the ITC Tranche by the Lenders; provided that the ITC Condition exists on the date hereof, but only if and for so long as the ITC Condition continues.

**“Latent Defect”** has the meaning ascribed thereto in the Craft Construction Contract.

**“Lenders”** means the Persons from time to time party to this Agreement and identified as a Lender, in Schedule B, and **“Lender”** means any one of the Lenders.

**“Lenders’ Counsel”** means the firm of Gowling WLG (Canada) LLP or such other firm of legal counsel as the Administrative Agent may from time to time designate.

**“Lending Office”** means, with respect to a particular Lender, the branch or office specified in Schedule B from which such Lender makes advances and to which the Administrative Agent disburses payments received for the benefit of such Lender.

**“Leslieville Project”** means the “Project” as defined under the Craft Construction Contract.

**“Leslieville Project Lands”** means the lands and premises comprising the Leslieville Project site located at 50 Curzon Street, Toronto, Ontario and more particularly described in Schedule C hereto under the heading “Leslieville Project Lands”.

**“List Price”** has the meaning set forth in the Craft Development Contract.

**“Loan”** has the meaning set out in Schedule A, but also includes all advances deemed to be made hereunder by the Lenders to fund Cost Overruns under the TF Cost Overrun Guarantee.

**“Loan Disbursement Account”** has the meaning set forth in the Craft Development Contract.

**“Loan Documents”** means (a) this Agreement, (b) the Security, and (c) all present and future agreements, documents, certificates and instruments delivered by the Construction Receiver to the Administrative Agent or the Lenders pursuant to or in respect of this Agreement or the Security, in each case as the same may from time to time be amended, and **“Loan Document”** means any one of the Loan Documents.

**“Marketing Plan”** has the meaning set forth in the Craft Development Contract.

**“Material Project Agreements”** means:

- (a) the Craft C&D Contracts;
- (b) the TF Cost Overrun Guarantee;
- (c) any Architect Contract and any Engineering Contracts and all other Consultant Contracts that provide for aggregate payments thereunder in excess of \$250,000;
- (d) all subcontracts that provide for aggregate payments in excess of \$250,000, including any subcontract between Craft and the Builder;
- (e) the Plans and Specifications and all planning approvals, permits, licences, development agreements, and other material contracts with respect to the Leslieville Project designated as Material Project Agreements by the Administrative Agent from time to time, provided that the Administrative Agent has notified the Construction Receiver of such designation,

**“New APS”** means each purchase and sale agreement for a Unit entered into and outstanding between UC Leslieville by the Construction Receiver and a Curzon Purchaser substantially in the form of a Standard Form Sales Agreement.

**“New Curzon Purchasers”** means, collectively, the Persons that are purchasers of Units in the Leslieville Project after the date hereof, other than the Opt-In Leslieville Purchasers.

**“Obligations”** means all obligations of the Construction Receiver to the Administrative Agent, the Lenders, or any of them, under or in connection with this Agreement or the other Loan Documents, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Construction Receiver to the Administrative Agent or the Lenders, or any of them, in any currency or remaining unpaid by the Construction Receiver to the Administrative Agent or the Lenders, or any of them, under or in connection with this Agreement or the other Loan Documents whether arising from dealings between the

Administrative Agent or the Lenders, or any of them, and the Construction Receiver, or from any other dealings or proceedings by which the Administrative Agent or the Lenders, or any of them, may be or become in any manner whatsoever a creditor or obligee of the Construction Receiver pursuant to this Agreement or the other Loan Documents, and wherever incurred, and whether incurred by the Construction Receiver alone or with another or others and whether as principal or surety, and all interest, fees, legal and other costs, charges and expenses relating thereto.

**“Operating Budget”** means an “Approved Operating Budget” as defined in the Craft Development Contract; provided that the initial Operating Budget shall be subject to the review and approval of the Required Lenders and any amendments thereto shall be subject to the approval of the Required Lenders to the extent required hereunder.

**“Operating Manager”** means First Service Residential or such other residential condominium property manager as may be approved by the Administrative Agent.

**“Operating Phase”** means the period commencing on the interim occupancy of any of the Units to closing of the purchase and sale of the last of the Units.

**“Opt-In Leslieville Purchasers”** has the meaning set out in the Settlement Approval Order as of the date it was granted.

**“Outside Date”** has the meaning given thereto in the Craft Construction Contract, as such date may be extended from time to time in accordance with the Craft Construction Contract.

**“Permitted Debt”** means:

- (a) the Debt under this Agreement;
- (b) the Craft Loan up to a maximum principal amount of \$2,000,000, except as such maximum principal amount may be increased as contemplated under the Settlement Approval Order in order to cover additional principal advances to be made by Craft in connection with (i) the Geo-Thermal Costs, and (ii) without duplication of clause (g) below, the funding of TF Defaulted Cost Overruns under and in accordance with the provisions of the TF Cost Overrun Guarantee;
- (c) liabilities due and payable to Craft from time to time under the terms of the Craft C&D Contracts;
- (d) the Existing Syndicate Debt;
- (e) the Debt of UC Leslieville owing under the Travelers Agreements and Travelers Mortgage;
- (f) the Debt of UC Leslieville, UC Riverdale and UC Beach owing to Terra Firma on or prior to the date hereof and secured under the mortgage granted by UC Leslie in favour of Terra Firma registered against the Leslieville Project Lands on July 22, 2015;
- (g) additional debt incurred by the Construction Receiver to cover TF Defaulted Cost Overruns or Defaulted Cost Overruns under and in accordance with the provisions of the TF Cost Overrun Guarantee;

- (h) any other Debt owed by the Construction Receiver to the Lenders;
- (i) any liabilities secured by the Receiver's Expense Reimbursement Charge;
- (j) any liabilities secured by the Receiver's Borrowings Charge and the Construction Lien Trustee's Borrowing Charge (as each term is set forth in Section 22 of the Receivership Order), including as Section 22 may be varied by order of the Court in the UC Receivership Proceedings;
- (k) any additional Craft Loans to fund Geo-Thermal Costs, to the extent permitted under and made pursuant to the terms of the Settlement Approval Order; and
- (l) any other Debt which is approved by the Court in the UC Receivership Proceedings.

**"Permitted Encumbrances"** means, with respect to the Leslieville Project Lands, the following:

- (a) all Encumbrances existing as of the date of the Receivership Order, including the Existing Syndicate Security;
- (b) all Court ordered charges granted under the Receivership Order;
- (c) all Court ordered charges granted under the Settlement Approval Order including the Security and the Craft Security; and
- (d) such other Encumbrances which are approved by the Court in the UC Receivership Proceedings.

**"Person"** has the meaning set out in Schedule A.

**"Plans and Specifications"** means the plans and specifications pertaining to the development and construction of the Leslieville Project as listed in Schedule "A" to the Craft Construction Contract as of the date hereof.

**"Prime Rate"** means the variable *per annum* reference rate of interest announced and adjusted by the Administrative Agent from time to time for Canadian Dollar loans in Canada.

**"Prime Rate Loan"** means a Loan in Canadian Dollars made by the Lenders to the Construction Receiver with respect to which interest is calculated by reference to the Prime Rate.

**"Prime Rate Margin"** means 5% per annum.

**"Proceeds for Distribution"** has the meaning set forth in Section 5.01(2).

**"Proforma Sale Price"** means, in respect of any Unit that is not subject to an Opt-In Purchase Agreement, the Minimum Unit Price for such Unit as defined in the Craft Development Contract which has been approved by the Required Lenders.

**"Project Status Certificate"** means the certificate attached as Schedule 1.01(1)(C) hereto.

**"Property"** means, with respect to any Person, all or any portion of that Person's undertaking and property, both real and personal.

**“Purchaser Deposits”** means, collectively:

- (a) the additional deposits paid by each of the Opt-In Leslieville Purchasers pursuant to its New APS;
- (b) the deposits paid by each New Curzon Purchaser pursuant to its New APS,

but for greater certainty does not include Existing Purchaser Deposits.

**“Purchaser Information Package”** has the meaning given to it in the Purchaser Package Approval Order.

**“Purchaser Package Approval Order”** means the order to be granted in the UC Receivership Proceedings which will approve, among other things, form(s) of purchase and sale agreement for sale of Units by UC Leslieville by the Construction Receiver and the disclosure statement required under the Condominium Act to be provided by the Construction Receiver to all Existing Curzon Purchasers, as such order may be varied from time to time with the prior written consent of the Construction Receiver and the Syndicate Lenders under the Syndicate Credit Agreement.

**“Receivership Administration Order”** means the receivership administration order to be granted in the UC Receivership Proceedings which will approve, among other things, an increase of borrowings by the Construction Receiver required in connection with the arrangements among UC Leslieville, the Construction Receiver, Craft, the Lenders, Terra Firma and the Existing Curzon Purchasers represented by Dickinson Wright LLP to be approved by the Settlement Approval Order, as it may be amended, restated or supplemented from time to time, in each case in form and substance satisfactory to the Construction Receiver and the Syndicate;

**“Receivership Order”** means the order of the Honourable Mr. Justice Newbould granted on May 31, 2016 in the UC Receivership Proceedings which, among other things, appointed Alvarez & Marsal Canada Inc. as the receiver and manager and construction lien trustee of all of the property, assets and undertakings of each of UC Leslieville, UC Riverdale and UC Beach acquired for, or used in relation to, their respective businesses, as the same may be amended, restated or supplemented from time to time.

**“Receiver’s Expense Reimbursement Charge”** means the “Construction Receiver’s Charge” as defined in Section 19 of the Receivership Order.

**“Release”** means any release or discharge of any Hazardous Substance including any discharge, spray, injection, inoculation, abandonment, deposit, spillage, leakage, seepage, pouring, emission, emptying, throwing, dumping, placing, exhausting, escape, leach, migration, dispersal, dispensing or disposal.

**“Required Lenders”** means (i) if no Loans are outstanding under this Agreement, the Lenders holding at least 66 2/3% of the aggregate amount of Commitments, (ii) if any Loans are outstanding under this Agreement, the Lenders to which an amount in aggregate equal to at least 66 2/3% of such Loans is owed, and (iii) where there are only two Lenders, both such Lenders.

**“Security”** means, collectively:



- (a) the Encumbrances created in favour of the Lenders pursuant to the Settlement Approval Order as security for the Obligations; and
- (b) the documents creating any Encumbrance in favour of, or any collateral held from time to time by, the Lenders or on behalf of the Lenders by the Administrative Agent, in each case as security for the Obligations.

including all security described in Article 8.

**“Settlement Approval Order”** means the order to be granted by the Ontario Court of Justice (Commercial List) in the UC Receivership Proceedings which will approve the arrangements among UC Leslieville, the Construction Receiver, Craft, the Lenders, Terra Firma and the Existing Curzon Purchasers represented by Dickinson Wright LLP with respect to the Leslieville Project, as it may be amended, restated or supplemented from time to time, in each case in form and substance satisfactory to those parties.

**“sole and absolute discretion”** means in the sole, absolute and subjective discretion of the relevant Person, which discretion may be exercised unreasonably.

**“Standard Form Sales Agreement”** means the standard form agreements of purchase and sale to be utilized in respect of the sale of the Units to the Opt-In Leslieville Purchasers and New Curzon Purchasers, respectively, in each case as approved pursuant to the Purchaser Package Approval Order and/or the Settlement Approval Order, respectively.

**“Substantial Performance of the Work”** has the meaning set forth in the Craft Construction Contract.

**“Tarion”** means Tarion Warranty Corporation, its successors and assigns.

**“Tarion Home Warranty Program”** means the applicable warranty program operated by Tarion relating to purchasers of the Units.

**“Tarion/Travelers Settlement Acknowledgements”** means the acknowledgements and/or agreements provided by each of Tarion and Travelers with respect to warranty and deposit insurance coverage for the Existing Curzon Purchasers and New Curzon Purchasers, in form and substance satisfactory to the Construction Receiver, Craft, the Lenders, Terra Firma and the Existing Curzon Purchasers represented by Dickinson Wright LLP.

**“Taxes”** has the meaning set out in Schedule A.

**“Terra Firma”** means Terra Firma Capital Corporation, a corporation incorporated under the laws of the Province of Ontario.

**“TF Cost Overrun Guarantee”** means the cost overrun and completion guarantee dated on or about the date hereof and provided by Terra Firma to the Construction Receiver, the Administrative Agent on behalf of the Lenders and Craft.

**“TF Defaulted Cost Overruns”** has the meaning given thereto in the TF Cost Overrun Guarantee.

**“Total Performance of the Work”** has the meaning set forth in the Craft Construction Contract.

“**Tranches**” means, collectively, the FP Tranche and the Development Tranche, and if made available by the Lenders, the ITC Tranche, and “**Tranche**” shall mean either one of them.

“**Travelers**” means Travelers Guarantee Company of Canada, or its successors or assigns as the surety for bonds and/or excess deposit insurance issued to Tarion Warranty Corporation and/or Existing Curzon Purchasers pursuant an agreement of purchase and sale in respect of the Leslieville Project for the deposits made by such purchasers thereunder.

“**Travelers Agreements**” mean the agreements entered into between Travelers and UC Leslieville in respect of, *inter alia*, the Existing Purchaser Deposits for the Leslieville Project, bonds issued in respect thereof and/or excess deposit insurance.

“**Travelers Mortgage**” means the subordinate mortgage granted by UC Leslieville in favour of the Travelers as collateral security for the obligations of UC Leslieville to Travelers pursuant to the Travelers Agreements (such mortgage constituting an Encumbrance ranking behind the Existing Syndicate Security on the Leslieville Project Lands and a first priority Encumbrance on Existing Purchaser Deposits).

“**UC Beach**” means Urbancorp (The Beach) Developments Inc.

“**UC Leslieville**” means Urbancorp (Leslieville) Developments Inc.

“**UC Receivership Proceedings**” means the receivership proceedings commenced in the Ontario Superior Court of Justice [Commercial List] under Court File No. CV-16-11409-00CL pursuant to which Alvarez & Marsal Canada Inc. was appointed as receiver and manager and as construction lien trustee of all of the assets, undertakings, and property acquired for, or used in relation to the business of UC Leslieville, UC Riverdale and UC Beach.

“**UC Riverdale**” means Urbancorp (Riverdale) Developments Inc.

“**Unit**” means either (i) a “unit” (as defined in the Condominium Act) comprising part of the Leslieville Project for use as a residence or (ii) any freehold portion of the Beach Remaining Lands or the Leslieville Project (whether severed or intended to be severed) to be sold to a purchaser for use as a residence, together with the common and exclusive use interests appurtenant thereto, as applicable.

“**Upgrades**” means, with respect to any New Curzon Purchaser, any upgrades, betterments or supplements to the standard finishes for such Curzon Purchaser’s Unit beyond those standard finishes which are described in or otherwise contemplated under the terms of such Curzon Purchaser’s New APS.

“**Waterfall**” means the scheme of distribution and allocation of proceeds from the sale of Units and other property of UC Leslieville and UC Beach as set out in the Settlement Approval Order.

## 1.02 **Extended Meanings**

In this Agreement words importing the singular number include the plural and *vice versa*, and words importing any gender include all genders. The term “including” means “including without limiting the generality of the foregoing” and the term “third party” means any Person other than a Person who is a party to this Agreement. Any definition of or reference to any agreement, instrument, order or other document herein (including this Agreement) shall be

construed as referring to such agreement, instrument, order or other document as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on such amendments, supplements, restatements or modifications set forth herein).

1.03 **Interest Calculations and Payments**

Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest "*per annum*" or a similar expression is used, such interest will be calculated on the basis of a calendar year of 365 days, and using the nominal rate method of calculation and not the effective rate method of calculation or on any other basis that gives effect to the principle of deemed reinvestment of interest. Interest will continue to accrue after maturity and default and/or judgment, if any, until payment thereof, and interest will accrue and be compounded monthly on overdue interest, if any.

1.04 **Permitted Encumbrances**

The inclusion of reference to Permitted Encumbrances in any Loan Document is not intended to subordinate and will not subordinate, any Encumbrance created by any of the Security to any Permitted Encumbrance.

1.05 **Time of the Essence**

Time shall be of the essence of this Agreement

1.06 **Currency**

Unless otherwise specified in this Agreement, all references to currency (without further description) are to lawful money of Canada.

1.07 **Conflicts**

In the event of a conflict between the provisions of this Agreement and the provisions of any other Loan Document, then, unless such Loan Document or an acknowledgement from the Construction Receiver and the Administrative Agent relative to such Loan Document expressly states that this Section 1.07 is not applicable to such Loan Document, notwithstanding anything else contained in such other Loan Document, the provisions of this Agreement will prevail and the provisions of such other Loan Document will be deemed to be amended to the extent necessary to eliminate such conflict.

1.08 **Nature of Lenders' Obligations**

- (1) The obligations of each Lender and the Administrative Agent under this Agreement are several. The failure of any Lender to carry out its obligations hereunder shall not relieve the other Lenders, the Administrative Agent or the Construction Receiver of any of their respective obligations hereunder.
- (2) Neither the Administrative Agent nor any Lender shall be responsible for the obligations of any other Lender hereunder.

1.09 **Limitation of Recourse against Construction Receiver**

Notwithstanding any other provision of this Credit Agreement or any other agreement by or among the Construction Receiver and the Administrative Agent and the Lenders, Alvarez & Marsal Canada Inc. shall have no personal or corporate liability under this Agreement or any of the other Loan Documents. All obligations of the Construction Receiver, whether on behalf of UC Leslieville or its own behalf, under or in connection with the Credit Facility established under this Agreement and the other Loan Documents are undertaken by Alvarez & Marsal Canada Inc. solely in its capacity as the Court Appointed Receiver and Manager and Construction Lien Trustee of UC Leslieville, UC Beach and UC Riverdale, and save and except in the case of the gross negligence or willful misconduct of Alvarez & Marsal Canada Inc., as determined by a court of competent jurisdiction, the sole recourse of the Lender against UC Leslieville, UC Beach, UC Riverdale or the Construction Receiver in connection with such obligations shall be limited solely to a claim against the proceeds of the property and assets of UC Leslieville, UC Beach and/or UC Riverdale.

1.10 **Schedules**

The following are the Schedules attached hereto and incorporated by reference and deemed to be part hereof:

|                  |   |   |
|------------------|---|---|
| Schedule A       | - | Model Credit Agreement Provisions         |
| Schedule B       | - | Lenders and Commitments                   |
| Schedule C       | - | Legal Description of Project Lands        |
| Schedule 1.01(A) | - | Drawdown Notice                           |
| Schedule 1.01(B) | - | Initial Development Budget                |
| 0                | - | Project Status Certificate                |
| 0                | - | Independent Cost Consultant's Certificate |

**ARTICLE 2  
THE CREDIT FACILITY**

2.01 **Credit Facility**

- (1) Subject to the terms and conditions of this Agreement, the Lenders establish in favour of the Construction Receiver a non-revolving, term credit facility (the "**Credit Facility**") in an amount up to the Credit Facility Commitment which is available to the Construction Receiver by way of Prime Rate Loans. Each Lender's obligation under the Credit Facility is several and limited to the amount of its Commitment.
- (2) The Credit Facility shall be divided into the FP Tranche and the Development Tranche, and if made available by the Lenders, the ITC Tranche, and the Credit Facility Commitment shall be allocated between the Tranches by agreement between the Construction Receiver and the Administrative Agent, based on the advice of the Independent Cost Consultant as of the date of the first Drawdown under the Credit Facility; provided that such initial allocation between the

Tranches may be subsequently readjusted or reallocated by further agreement between the Construction Receiver and the Administrative Agent upon further advice of the Independent Cost Consultant. The Administrative Agent shall provide written confirmation to the Construction Receiver and each of the Lenders as soon as practicable following such agreed allocation, adjustment or reallocation.

- (3) If the first advance under the Credit Facility does not occur on or before the First Advance Date, the Required Lenders may, in their sole and absolute discretion, cancel the Credit Facility, in which event, the Lenders will have no further obligation to make Drawdowns available to the Construction Receiver under the Credit Facility. In addition, at any time after that date which is 30 days after (a) the earlier of Total Completion of the Work and completion of the Development Services and (b) the Outside Date (or such later date as may be agreed in writing by the Required Lenders), the Required Lenders may, in their sole and absolute discretion, cancel all or any unutilized portion of the Commitment.

## 2.02 **Purpose of Credit Facility**

Loans made under the Credit Facility will only be used by the Construction Receiver for the following purposes:

- (1) with respect to the FP Tranche, to finance the Fixed Price payable to Craft under the Craft Construction Contract; and
- (2) with respect to the Development Tranche, to finance the payment of the Budgeted Development Costs set out in the Initial Development Budget agreed pursuant to the Craft Development Contract.

## 2.03 **Drawdowns**

- (1) Subject to the provisions of this Agreement, including without limitation Sections 3.01 and 3.02, the Construction Receiver may make Drawdowns hereunder by giving the Administrative Agent a Drawdown Notice at least three Business Days prior to the proposed Drawdown Date. A Drawdown Date must be a Business Day.
- (2) Each Drawdown Notice must be delivered to the Administrative Agent by the Construction Receiver on or prior to 11:00 a.m. (Toronto time) on a Business Day.
- (3) Each Drawdown must be in a minimum principal amount of Cdn. \$100,000 and increments of Cdn. \$50,000.
- (4) Unless otherwise agreed to by the Lenders, the Construction Receiver will not be entitled to make Drawdowns more than once each calendar month.
- (5) No Drawdown under the ITC Tranche may be made after the ITC Condition has ceased.

2.04 **Administrative Agent's Obligations with Respect to Loans**

Upon receipt of a Drawdown Notice, the Administrative Agent will forthwith notify the Lenders of the proposed Drawdown Date, of each Lender's Applicable Percentage of such Loan and, if applicable, the account of the Administrative Agent to which each Lender's Applicable Percentage is to be credited.

2.05 **Lenders' and Administrative Agent's Obligations with Respect to Loans**

Each Lender will, prior to 11:00 a.m. (Toronto time) on the Drawdown Date specified by the Construction Receiver in a Drawdown Notice credit the Administrative Agent's account specified in the Administrative Agent's notice given under Section 2.04 with such Lender's Applicable Percentage of any Loan to be advanced thereunder and by 11:00 a.m. (Toronto time) on the same date the Administrative Agent will advance to the Construction Receiver the full amount of the amounts so credited.

2.06 **Irrevocability**

Each Drawdown Notice given by the Construction Receiver hereunder is irrevocable and will oblige the Construction Receiver to make the Drawdown contemplated on the date specified therein.

2.07 **Account of Record**

The Administrative Agent will open and maintain books of account evidencing all Loans and all other amounts owing by the Construction Receiver to the Lenders hereunder. The Administrative Agent will enter in the foregoing books of account details of all amounts from time to time owing, paid or repaid by the Construction Receiver hereunder. The information entered in the foregoing books of accounts will, in the absence of manifest error, constitute prima facie evidence of the obligations of the Construction Receiver to the Lenders hereunder with respect to all Loans and all other amounts owing by the Construction Receiver to the Lenders hereunder. After a request by the Construction Receiver, the Administrative Agent will promptly advise the Construction Receiver of such entries made in the Administrative Agent's books of account.

2.08 **Interest on Excess Loans, Unpaid Costs and Expenses**

Unless the payment of interest is otherwise specifically provided for herein, where the Construction Receiver fails to pay any amount required to be paid by it hereunder when due, after having received notice that such amount is due (including, without limitation, the portion of any Loan made under a Credit Facility hereunder that exceeds the applicable Credit Facility Commitment), the Construction Receiver shall pay interest on such unpaid amount from the time such amount is due until paid at an annual rate equal to the Prime Rate plus 7.0% per annum in accordance with Section 5.01.

**ARTICLE 3  
DISBURSEMENT CONDITIONS**

**3.01 Conditions Precedent to First Drawdown**

The obligations of each Lender under this Agreement (including to make the first advance under the Credit Facility) are subject to and conditional upon the prior satisfaction of the following conditions precedent:

- (1) each of the Craft C&D Contracts shall have been executed and delivered to the Construction Receiver in form and substance satisfactory to the Lenders and be in full force and effect;
- (2) the schedule of values for progress payments and the construction schedule under the Craft Construction Contract shall have been approved by the Independent Cost Consultant and the Lenders;
- (3) (i) Craft shall have delivered the Craft Cash Collateral to the Construction Receiver as required under the Craft Development Contract and the same shall have been deposited in the name of the Construction Receiver in an account maintained with the Administrative Agent, and (ii) the Loan Disbursement Account shall have been established;
- (4) the TF Cost Overrun Guarantee shall have been executed and delivered to the Construction Receiver, Craft and the Administrative Agent on behalf of the Lenders in form and substance satisfactory to the Lenders and be in full force and effect;
- (5) the Craft Loan Agreement shall have been executed and delivered to the Construction Receiver in form and substance satisfactory to the Lenders and be in full force and effect, and the Craft Loan shall have been fully advanced to the Construction Receiver;
- (6) the Craft Loan shall have been fully disbursed by the Construction Receiver to fund progress draws or payments under the Craft C&D Contracts;
- (7) each of the Purchaser Package Approval Order, the Settlement Approval Order, the Beach Sales Process Order and the Receivership Administration Order shall have been granted, the "Effective Date" (as defined in the Settlement Approval Order) shall have occurred and each of such orders shall be final and non-appealable and if any such orders are appealed, such appeal is withdrawn or determined in favour of the Construction Receiver;
- (8) none of the Receivership Order, the Purchaser Package Approval Order, the Settlement Approval Order, the Beach Sales Process Order or the Receivership Administration Order or any provision of any of them shall have been stayed, varied or vacated without the prior written consent of the Lenders and the Construction Receiver and there shall not be any pending motion to do so;

- (9) Tarion and Travelers shall have provided the Tarion/Travelers Acknowledgements, or the Court shall have made an Order of like effect, in either case, in form and substance satisfactory to the Lenders;
- (10) the Standard Form Sales Agreement to be entered into with each Curzon Purchaser and the disclosure statement required to be delivered to each Curzon Purchaser under the Condominium Act shall have been approved by the Court pursuant to the Purchaser Package Approval Order and the Settlement Approval Order, as applicable, and the Court shall have confirmed the last date upon which an Opt-In Leslieville Purchaser may rescind its New APS to purchase a Unit in the Leslieville Project pursuant to Section 73(2) of the Condominium Act;
- (11) the Independent Cost Consultant shall have been appointed to act on behalf of the Construction Receiver throughout the duration of the Leslieville Project; provided that the Construction Receiver acknowledges and agrees that Altus Group Limited will also be acting as the Independent Cost Consultant under this Agreement for the Lenders notwithstanding any actual or potential conflict occasioned thereby;
- (12) the Initial Development Budget shall have been approved by the Independent Cost Consultant, the Lenders and Terra Firma;
- (13) Terra Firma shall have funded to the Construction Receiver the (a) cost of all Latent Defects discovered by Craft, the Construction Receiver or any other Person relating to the Leslieville Project as of the date the other conditions precedent under this Section 3.01 have been satisfied, (b) amount of all "Development Cost Overruns" (as defined in the Craft Development Contract) requested by Craft as of the date the other conditions precedent under this Section 3.01 have been satisfied, in each case as required under the TF Cost Overrun Guarantee, and for certainty, inclusive of HST;
- (14) (i) no Major Event of Default (as defined under each of the Craft C&D Contracts) or any material breach under any of the other Material Project Agreements shall have occurred (and no event of default shall have occurred thereunder), and shall in any case, be continuing on the Drawdown Date, and (ii) neither of the Craft C&D Contracts shall have been terminated by either party thereto, including as a result of any breach, default or event of default thereunder;
- (15) none of Craft, the Builder or Terra Firma shall be Insolvent;
- (16) no Cost Overrun discovered after the date of this Agreement shall be existing which has not been funded by Terra Firma, Craft or the Lenders under the TF Cost Overrun Guarantee;
- (17) the Administrative Agent will have received a Drawdown Notice in accordance with Section 2.03(1) and (2);
- (18) no Default or Event of Default will have occurred and be continuing on the Drawdown Date, or would result from making the requested advance;



- (19) all conditions precedent to the progress draw or payment under the applicable Craft C&D Contract proposed to be funded from the Drawdown shall have been satisfied and that Craft is entitled to such progress draw or payment under such Craft C&D Contract;
- (20) all Geo-thermal System Costs incurred by Craft have been paid when due and payable;
- (21) after giving effect to the Drawdown:
  - (a) in the case of a Drawdown under the FP Tranche, the Cost to Complete shall not exceed (i) the undrawn Credit Facility Commitment allocated to the FP Tranche, (ii) the funding previously received and then currently held by the Construction Receiver for Cost Overruns under the Craft Construction Contract provided by Terra Firma, Craft or the Lenders under the TF Cost Overrun Guarantee; and (iii) if the Geo-thermal System Costs are being funded through a Craft Loan, the amount of Craft Loans received and then currently held by the Construction Receiver to fund Geo-thermal System Costs;
  - (b) in the case of a Drawdown under the Development Tranche, (i) the Costs of Craft to be paid with the proceeds of such Drawdown are within the current Development Budget, and (ii) the remaining Budgeted Development Costs shall not exceed (A) the undrawn Credit Facility Commitment allocated to the Development Tranche (ii) the funding previously received and then currently held by the Construction Receiver for Cost Overruns under the Craft Development Contract provided by Terra Firma, Craft or the Lenders under the TF Cost Overrun Guarantee; and
  - (c) in the case of a Drawdown under the ITC Tranche, the ITC Condition has not ceased.
- (22) the Administrative Agent shall have received in respect of the Leslieville Project:
  - (a) a Project Status Certificate;
  - (b) a Independent Cost Consultant's Certificate signed by the Independent Cost Consultant;
  - (c) a copy of the related Craft request for payment under the applicable Craft C&D Contract, a copy of the Independent Cost Consultant's recommendation or payment verification certificate required under the applicable Craft C&D Contract, together with, in the case of a Drawdown under the Craft Development Contract, copies of any and all invoices as may be requested by the Administrative Agent.
- (23) the Administrative Agent shall have received all other reports and deliveries required hereunder or otherwise reasonably requested by it with respect to the Leslieville Project for the period prior to such Drawdown Date;

- (24) the Administrative Agent shall have received a subsearch from Lenders' Counsel confirming that no Encumbrances have been registered on title to the Leslieville Project Lands other than Permitted Encumbrances;
- (25) such first advance must have occurred no later than the First Advance Date; and
- (26) each of UC Leslieville, UC Beach and UC Riverdale shall have been adjudged bankrupt under the Bankruptcy and Insolvency Act (Canada),

provided that all documents delivered pursuant to this Section 3.01 must continue to be in full force and effect, and in form and substance satisfactory to the Lenders, acting reasonably.

If the conditions set forth in Sections 3.01(1) to (5), (7) to (13), (15) and (26) and Section 3.05 are not satisfied (or waived by the parties) on or before the CP Outside Date, then this Agreement shall be automatically terminated and of no force and effect.

### **3.02 Conditions Precedent to all Subsequent Drawdowns – Leslieville Facilities**

The obligation of each Lender to make any subsequent advance hereunder by way of a Loan under the Credit Facility is subject to and conditional upon the prior satisfaction of the following conditions precedent:

- (1) the Administrative Agent will have received a Drawdown Notice in accordance with Sections 2.03(1) and (2);
- (2) (i) no Major Event of Default (as defined under each of the Craft C&D Contracts) or any material breach under any of the other Material Project Agreements shall have occurred (and no event of default shall have occurred thereunder), and shall in any case, be continuing on the Drawdown Date, and (ii) neither of the Craft C&D Contracts shall have been terminated by either party thereto, including as a result of any breach, default or event of default thereunder;
- (3) none of Craft, the Builder or Terra Firma shall be Insolvent;
- (4) no Cost Overrun shall be existing which has not been funded by Terra Firma, Craft or the Lenders under the TF Cost Overrun Guarantee;
- (5) all conditions precedent to the progress draw or payment under the applicable Craft C&D Contract proposed to be funded from the Drawdown shall have been satisfied or waived and Craft is entitled to such progress draw or payment under such Craft C&D Contract;
- (6) none of the Receivership Order, the Purchaser Package Approval Order, the Settlement Approval Order, the Beach Sales Process Order or the Receivership Administration Order or any provision of any of them shall have been stayed, varied or vacated without the prior written consent of the Lenders and the Construction Receiver;
- (7) none of the Tarion/Travelers Acknowledgements nor any provision thereof shall have been varied or withdrawn, or the Court Order so declaring varied or stayed, without the prior written consent of the Required Lenders;

- (8) no Default or Event of Default will have occurred and be continuing on the Drawdown Date, or would result from making the requested advance;
- (9) the Construction Receiver shall have delivered to the Administrative Agent all available reporting required under this Agreement and newly available since the previous Drawdown;
- (10) a subsearch shall confirm that no Encumbrances have been registered on title to the Leslieville Project Lands since the date of the prior Drawdown under the Credit Facility other than Permitted Encumbrances;
- (11) the Administrative Agent shall have received copies of all New APS entered into since the previous Drawdown;
- (12) the Administrative Agent shall have received in respect of the Leslieville Project:
  - (a) a Project Status Certificate;
  - (b) a Independent Cost Consultant's Certificate signed by the Independent Cost Consultant;
  - (c) a copy of the related Craft request for payment under the applicable Craft C&D Contract, a copy of the Independent Cost Consultant's recommendation or payment verification certificate required under the applicable Craft C&D Contract, together with, in the case of a Drawdown under the Craft Development Contract, copies of any and all invoices as may be requested by the Administrative Agent.
- (13) all Geo-thermal System Costs incurred by Craft have been paid when due and payable;
- (14) after giving effect to the Drawdown:
  - (a) in the case of a Drawdown under the FP Tranche, the Cost to Complete shall not exceed (i) the undrawn Credit Facility Commitment allocated to the FP Tranche, (ii) the funding previously received and then currently held by the Construction Receiver for Cost Overruns under the Craft Construction Contract provided by Terra Firma, Craft or the Lenders under the TF Cost Overrun Guarantee; and (iii) if the Geo-thermal System Costs are being funded through a Craft Loan, the amount of Craft Loans received and then currently held by the Construction Receiver to fund Geo-thermal System Costs.
  - (b) in the case of a Drawdown under the Development Tranche, (i) the Costs of Craft to be paid with the proceeds of such Drawdown are within the current Development Budget, and (ii) the remaining Budgeted Development Costs shall not exceed (A) the undrawn Credit Facility Commitment allocated to the Development Tranche (ii) the funding previously received and then currently held by the Construction Receiver for Cost Overruns under the Craft Development Contract provided by

Terra Firma, Craft or the Lenders under the TF Cost Overrun Guarantee;  
and

- (15) all other terms and conditions of this Agreement upon which the Construction Receiver may obtain a Loan that have not been waived will have been fulfilled.

3.03 **Provisos**

Notwithstanding anything in Section 3.02 to the contrary, if some or all of the conditions precedent in Section 3.02 are not or cannot be satisfied (except for the condition precedent in 3.02(10) which must be satisfied), the Construction Receiver shall nevertheless be entitled to a Drawdown under the FP Tranche and/or the Development Tranche, as applicable, to pay (A) amounts payable to Craft pursuant to either or both of the Craft C&D Contracts upon termination of either or both of the Craft C&D Contracts by the Construction Receiver (or UC Leslieville by the Construction Receiver) in accordance with the terms thereof (which, for certainty, excludes any compensation payable to Craft pursuant to Section 5.2 of the Development Contract); and (B) amounts of Holdback which become payable to Craft under the Craft C&D Contracts or as ordered by the Court in the UC Receivership Proceedings.

3.04 **Waiver**

The conditions set forth in Sections 3.01 and 3.02 are inserted for the sole benefit of the Lenders and may be waived by the Required Lenders, in whole or in part (with or without terms or conditions), in respect of any Drawdown without prejudicing the right of the Lenders at any time to assert such conditions in respect of any subsequent Drawdown.

3.05 **Condition to Construction Receiver's Execution**

Notwithstanding anything to the contrary in this Agreement, the execution and delivery of this Agreement by the Construction Receiver and its obligations hereunder are subject to and conditional upon the granting of the Settlement Approval Order, the "Effective Date" (as defined therein) having occurred and such order becoming final and non-appealable and if such order is appealed, such appeal is withdrawn or determined in favour of the Construction Receiver.

**ARTICLE 4  
PAYMENTS OF INTEREST  
AND COMMITMENT FEES**

4.01 **Interest on Prime Rate Loans**

The Construction Receiver will pay interest in Canadian Dollars on each Prime Rate Loan from the date of advance to the date of repayment (both before and after default, acceleration and judgment) at a rate *per annum* equal to the sum of (a) the Prime Rate in effect from time to time plus (b) the Prime Rate Margin. Interest on the Loans will become due and payable in accordance with Section 5.01.

Each determination by the Administrative Agent of the Prime Rate applicable from time to time will, in the absence of manifest error, be binding upon the Construction Receiver. Such interest will accrue from day to day, be payable in arrears and will be calculated on the principal

amount of the Prime Rate Loan outstanding from time to time and on the basis of the actual number of days elapsed in a year of 365 days. Changes in the Prime Rate will cause an immediate adjustment of the interest rate applicable to such Loan without the necessity of any notice to the Construction Receiver.

#### 4.02 **Deferred Commitment Fee**

In consideration of the Lenders providing the Credit Facility, the Construction Receiver shall pay to the Administrative Agent, for the account of the Lenders, a fee of \$200,000 which is fully earned on the date when the Settlement Approval Order is final and any appeal period has expired or any appeal therefrom has been dismissed and is due and payable in accordance with Section 5.01.

#### 4.03 **Maximum Rate of Interest**

Notwithstanding anything contained herein to the contrary, the Construction Receiver will not be obliged to make any payment of interest or other amounts payable to the Lenders hereunder in excess of the amount or rate that would be permitted by Applicable Law or would result in the receipt by the Lenders of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)). If the making of any payment by the Construction Receiver would result in a payment being made that is in excess of such amount or rate, the particular Lender will determine the payment or payments that are to be reduced or refunded, as the case may be, so that such result does not occur.

### **ARTICLE 5 REPAYMENT**

#### 5.01 **Mandatory Repayment**

- (1) The Loans and all other Obligations shall become due by the Construction Receiver upon the occurrence of an Event of Default hereunder which has been accelerated by the Lenders in accordance with Section 9.02, and subject to compliance with any conditions to such acceleration set forth therein.
- (2) Notwithstanding any other section of this Agreement, including without limitation, anything to the contrary in Sections 4.01 or 5.01(1) (but subject to Sections 5.01(4) and 5.01(5)), the Construction Receiver shall only be required to pay interest accrued on the Loans (including default interest pursuant to Section 2.08), the Deferred Commitment Fee, the principal amount of the Loans outstanding under the Credit Facility (whether before or after an Event of Default or acceleration) and all other Obligations from time to time only out of and from (i) receipts of Gross Sale Proceeds from the sale of Units or other income from the Units or the realization thereof, and (ii) receipts of sales proceeds, rental (including occupation rent) or other income from, or the realization of, the Beach Remaining Lands, the Leslieville Project (other than the Units) and any and all other property, assets and undertaking of UC Leslieville, UC Beach and UC Riverdale (collectively the amounts in clauses (i) and (ii) being herein called "**Proceeds for Distribution**"), in each case, as and when such Proceeds for Distribution become available for distribution by the Construction Receiver to the Lenders in the UC Receivership Proceedings; provided that nothing hereinbefore provided shall limit any right or remedy which the Administrative Agent or the

Lenders may have under Article 9, subject to compliance with the Settlement Approval Order and any other applicable order of the Court in the UC Receivership Proceedings.

- (3) All Proceeds for Distribution (net of the Construction Receiver's Reserve as contemplated by the Settlement Approval Order) shall be distributed by the Construction Receiver in accordance with and subject to the Waterfall approved under the Settlement Approval Order, unless otherwise ordered by the Court in the UC Receivership Proceedings. The Lenders may apply any Proceeds for Distribution received from the Construction Receiver in payment of Obligations under this Agreement to such of the Obligations then outstanding as the Lenders may determine in their discretion. Any principal portion of the Loans repaid by the Construction Receiver shall permanently reduce the Credit Facility Commitment available under the applicable Tranche (as determined by the Lenders in their sole discretion) by an equivalent amount and no such principal amount so repaid may thereafter be re-advanced.
- (4) The Lenders acknowledge and agree that during the Operating Phase, and provided no Event of Default has occurred and remains outstanding, the operating costs of the Leslieville Project (including the reimbursement of Craft for such operating costs) (collectively, "**Operating Phase Costs**") shall be paid from the interim occupancy revenues collected by the Construction Receiver or the Operating Manager from such Curzon Purchasers. To facilitate the payment of such Operating Phase Costs, the Operating Manager shall be authorized and required by the Construction Receiver (i) to collect such revenues, (ii) to pay Operating Phase Costs from the revenues so collected (so long as such Operating Phase Costs are at or below the amounts budgeted therefor in the Operating Budget), and (iii) to remit the positive balance (if any) remaining thereafter to the Construction Receiver (collectively, "**Remitted Amounts**"). To the extent so remitted, the Construction Receiver (i) shall not be required to treat any Remitted Amounts as Proceeds for Distribution pursuant to Section 5.01(2), and (ii) may use any Remitted Amounts so retained for subsequent application in payment of any of its costs and expenses, provided that any such amounts that are not so used shall be distributed as Proceeds for Distribution and eventually distributed by the Construction Receiver at such time as may be determined by it.
- (5) Amounts outstanding under the ITC Tranche shall be repaid by the Construction Receiver within five Business Days of the Construction Receiver's receipt from the Canada Revenue Agency of an amount or amounts on account of amounts previously set-off by the Canada Revenue Agency against input tax credits claimed by the Construction Receiver and assessed against any of UC Riverdale, UC Leslieville or UC Beach by Canada Revenue Agency. For greater certainty, (i) the Construction Receiver's obligation under this Section 5.01(5) shall be limited to only the amount or amounts actually received by the Construction Receiver from the Canada Revenue Agency, and (ii) any other amounts remaining unpaid under the ITC Tranche shall be repaid as provided under Section 5.01(2).

## **ARTICLE 6 PLACE AND APPLICATION OF PAYMENTS**

### **6.01 Place of Payment of Principal, Interest and Fees**

All payments of principal, interest, fees and other amounts to be made by the Construction Receiver to the Administrative Agent and the Lenders pursuant to this Agreement will be made in the currency in which the Loans are outstanding for value on the day such amount(s) are distributed by the Construction Receiver in accordance with the Settlement Approval Order or, if such day is not a Business Day, on the Business Day next following with interest, by deposit or transfer thereof to the account of the Administrative Agent maintained at the Administrative Agent's Office in Toronto or at such other place as the Construction Receiver and the Administrative Agent may from time to time agree.

## **ARTICLE 7 COVENANTS**

### **7.01 Positive Covenants**

So long as this Agreement is in force and except as otherwise permitted by the prior written consent of the Required Lenders, the Construction Receiver will:

- (1) Timely payment Make due and timely payment of the Obligations required to be paid by it hereunder in accordance with Section 5.01;
- (2) Information Promptly provide such information with respect to the Leslieville Project, the status of each of the Craft C&D Contracts and the work and services provided thereunder, the sale of Units and all other matters relating to the construction, development and sale of the Leslieville Project and the sale of the Beach Remaining Lands as may be reasonably requested by the Administrative Agent or any of the Lenders from time to time and to the extent that the same is available to the Construction Receiver, whether directly or indirectly from Craft or the Independent Cost Consultant;
- (3) Further Assurances Use reasonable efforts to provide the Administrative Agent and the Lenders with such other documents, opinions, consents, acknowledgments and agreements as are reasonably necessary to implement this Agreement and the other Loan Documents from time to time;
- (4) Use of Credit Facility Use the proceeds of the Credit Facility only for the purposes specified in Section 2.02;
- (5) Other Notices Promptly notify the Administrative Agent on becoming aware of the occurrence of any of the following and provide the additional information noted below:
  - (a) if at any time a Latent Defect is discovered by Craft or the Builder, a description of the Latent Defect, together with such details with respect thereto (including the estimated cost of repair) that are available to the Construction Receiver;

- (b) if at any time the Development Costs are expected to exceed the Initial Development Budget, such details with respect thereto as are available to the Construction Receiver;
  - (c) the occurrence of an event of Force Majeure, describing in reasonable detail the effects of such event on the Construction of the Leslieville Project, the action which Craft intends to take during the pendency of such event to minimize the effects of such event (if any) and the estimated date when the event of Force Majeure is likely to cease to impair Construction or operation of the Leslieville Project;
  - (d) any breach in any material respect of either of the Craft C&D Contracts or of any default or event of default that shall have occurred thereunder;
  - (e) any default by Terra Firma under the TF Cost Overrun Guarantee;
  - (f) any damage to or destruction of any Property that forms part of the Leslieville Project, which might give rise to an insurance claim, if the cost of any repairs to or replacement of such Property exceeds \$250,000;
  - (g) any construction lien (or claim therefor) of which the Construction Receiver has notice or which is registered against title to the Leslieville Project, in either case, after the date hereof, and provide the Administrative Agent with a true copy of such claim of lien or registered instrument;
  - (h) any written notice of expropriation with respect to any portion of the Leslieville Project Lands with the exception of the park dedication required by the site plan agreement for the Project, and provide a copy of such notice to the Administrative Agent forthwith upon receipt of such notice, and the Construction Receiver hereby covenants and agrees that no such claim shall be compromised or settled without the prior written consent of the Lenders or order of the Court;
  - (i) any circumstance whereby the date of Construction Completion of the Leslieville Project is expected by the Construction Receiver or the Independent Cost Consultant to be delayed by three or more months from the initial Construction Schedule, whether in an individual instance or in aggregate after taking into account all past delays and reasonably anticipated delays; or
  - (j) any written notice of non-compliance in any material respect with any Environmental Law relating to the Leslieville Project Lands, and of any written notice of any investigation or non-routine inspection by any Governmental Authority, or any written material inquiry by any Governmental Authority, in connection with any Environmental Law relating to the Leslieville Project;
- (6) Construction Lien Act (Ontario) Comply with the provisions of the *Construction Lien Act (Ontario)*, including, without limitation, retaining the Holdbacks as required thereby;



- (7) Purchaser Deposit Account Maintain or instruct Construction Receiver's Counsel to maintain a separate trust account for Purchaser Deposits in respect of the Leslieville Project with the Administrative Agent during the term of this Agreement and cause all Purchaser Deposits in respect of the Leslieville Project to be deposited to and all releases of Purchaser Deposits in respect of the Leslieville Project to be paid from such trust account; and
- (8) Operating Budget Prior to permitting any interim occupancy of the Leslieville Project, (a) provide or cause the Operating Manager to provide a draft Operating Budget to the Administrative Agent for the Lenders' approval and obtain the Lenders approval thereof, and (b) appoint the Operating Manager to undertake management (insofar as interim occupancy issues are concerned) of the Leslieville Project during the Operating Phase.

## 7.02 Negative Covenants

So long as this Agreement is in force and the Obligations remain outstanding and except as otherwise permitted by the prior written consent of the Required Lenders, the Construction Receiver will not:

- (1) No Sale of Project Dispose of or Lease any of the Leslieville Project or the Beach Remaining Lands other than:
  - (a) (i) sales of Units to Opt-In Leslieville Purchasers made pursuant to the terms of the Standard Form Sales Agreement relating thereto and at the prices agreed in or pursuant to the Settlement Approval Order and (ii) interim occupancy of such Units by the Opt-In Leslieville Purchasers;
  - (b) (i) sales of Units to New Curzon Purchasers made pursuant to the terms of the Standard Form Sales Agreement for purchase prices at no less than Proforma Sales Prices as agreed pursuant to the Marketing Plan under the Craft Development Contract as approved by the Required Lenders (as such Proforma Sales Prices may be amended from time to time with the approval of the Required Lenders to the extent contemplated under the Craft Development Contract), (ii) interim occupancy of such Units by the New Curzon Purchasers;
  - (c) sales of unallocated parking spaces and extra storage spaces at the Leslieville Project pursuant to a sales process, and for prices no less than the minimum prices as agreed pursuant to the Marketing Plan under the Craft Development Contract as approved by the Required Lenders (as such minimum prices may be amended from time to time with the approval of the Required Lenders to the extent contemplated under the Craft Development Contract);
  - (d) sales of all or a portion of the Beach Remaining Lands pursuant to a sales process acceptable to the Required Lenders and approved by the Court in the UC Receivership Proceedings and only for a price acceptable to the Required Lenders or as may be directed by the Court; or
  - (e) with the prior written consent of the Required Lenders;

- (2) No Encumbrances Create, incur, assume or permit to exist any Encumbrance upon the Leslieville Project Lands, Beach Remaining Lands or any other property and assets of UC Leslieville, UC Beach or UC Riverdale except Permitted Encumbrances;
- (3) New Debt Incur any Debt other than Permitted Debt;
- (4) Amendments to Craft C&D Contracts Amend, vary or alter in any material way, consent to any assignment or transfer of, or waive or surrender any of its material rights or material entitlements under, any of the Craft C&D Contracts;
- (5) Amendment of Initial Development Budget or any subsequent Development Budget or any Operating Budget (i) Make cumulative changes to the Initial Development Budget or any subsequent Development Budget, including, for greater certainty, cumulative changes to individual line items within such Development Budget, which result in an individual or aggregate increase to such Development Budget unless:
  - (a) such increase has been approved or recommended by the Independent Cost Consultant pursuant to the terms of the Craft Development Contract; and
  - (b) such increase has been pre-funded or funded by Terra Firma or Craft to the Construction Receiver under and in accordance with TF Cost Overrun Guarantee or the Craft Development Contract, as the case may be;or (ii) make any change to the Operating Budget which results in the Operating Phase Costs being greater than the interim occupancy revenues derived from interim occupancy of the Units during the Operating Phase;
- (6) Craft Construction Contract; No Change Orders (i) Agree to any Change Orders, or (ii) the performance of any work or services by Craft outside of the FP Scope of Work unless, in either case, (A) the Change Order and/or Cost of such work or services has been recommended by the Independent Cost Consultant as contemplated under the Craft Construction Contract, and (B) the Cost of such Change Order or work has been pre-funded or funded by Terra Firma or Craft to the Construction Receiver under and in accordance with the TF Cost Overrun Guarantee or the Craft Construction Contract, as the case may be;
- (7) Amendment of Construction Schedule (i) Permit or agree to a revision to the Construction Schedule which, directly or indirectly, permits or results in Substantial Performance of the Work (as defined in the Craft Construction Contract) occurring beyond the Outside Date; or (ii) permit or agree to a revision of the Construction Schedule or a delay or extension of the Substantial Performance of the Work which, in either case, would permit or result in an increase in the Costs of Construction, unless such increase has been (A) recommended by the Independent Cost Consultant as contemplated under the Craft Construction Contract, and (B) pre-funded or funded by Terra Firma or Craft to the Construction Receiver under and in accordance with TF Cost Overrun Guarantee or the Craft Construction Contract, as the case may be;

provided that upon any revision of the Construction Schedule, the Construction Receiver will forthwith provide a copy thereof to the Administrative Agent;

- (8) Amendment of Plans and Specifications Revise the Plans and Specifications in any material respect, except as may be required to comply with Applicable Law or any Development Approvals or except with the consent of the Required Lenders, such consent not to be unreasonably withheld, provided that upon revision of the Plans and Specifications, the Construction Receiver will forthwith provide a copy thereof to the Administrative Agent;
- (9) Marketing Plan and Sales Agree to any of the following:
- (a) the initial Marketing Plan and thereafter, any material amendment to the Marketing Plan; or
  - (b) any reductions in ProForma Sales Price for any Unit or the sale of any Unit for a price below its then current ProForma Sales Price; or

without the prior written approval of the Required Lenders.

- (10) No Upgrades Offer to or agree with any New Curzon Purchaser to make or provide any Upgrades, or permit Craft or the Builder to do so.

## **ARTICLE 8 SECURITY**

### **8.01 Security**

As general and continuing security for the payment and performance of the Obligations, the Administrative Agent on behalf of the Lenders shall be granted a fixed and specific Court ordered charge of all of the Beach Remaining Lands, the Leslieville Project, each New APS, the Craft C&D Contracts, the Craft Cash Collateral, the TF Cost Overrun Guarantee, the Craft Loan and all other property, assets and undertaking of each of UC Leslieville, UC Beach and UC Riverdale, which Court ordered charge shall confer priority in favour of the Lenders in terms of the order of payment and the ranking of security in the manner contemplated in the Waterfall and the Settlement Approval Order.

## **ARTICLE 9 DEFAULT**

### **9.01 Events of Default**

The occurrence of any one or more of the following events will constitute an event of default ("**Event of Default**") under this Agreement:

- (1) if the Construction Receiver fails to pay any Obligation when due;
- (2) if the Construction Receiver breaches any covenant in Section 7.02 and has received written notice thereof from the Administrative Agent;

- (3) if the Construction Receiver neglects to observe or perform, in any material respect, any covenant or obligation contained in this Agreement or any other Loan Document 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 9.01 or in such Loan Document) and the Construction Receiver fails to remedy such default within 30 days from the date the Administrative Agent delivers written notice of the default to the Construction Receiver, or where the Required Lenders (having regard to the subject matter of the default) have agreed, acting reasonably, that such default cannot be cured within such 30 days, such longer period as is required so long as the Construction Receiver is diligently proceeding at all times to cure such default and provided that, in any event, such cure period shall not extend longer than four months without the consent of the Required Lenders in their sole and absolute discretion; or
- (4) if any Catastrophic Event (as defined in the Craft Construction Contract) occurs; or
- (5) the existence or occurrence of any event or circumstance described in Section 3.01 or 3.02 which would effectively disentitle the Construction Receiver from obtaining a Drawdown under the Credit Facility.

9.02 **Acceleration and Enforcement**

- (1) If any Event of Default occurs:
  - (a) the Lenders will have no further obligation to make Loans available to the Construction Receiver hereunder, and may, at the option of the Administrative Agent or at the request of the Required Lenders and in any event on delivery of written notice to the Construction Receiver, demand repayment of the outstanding principal amount of the Loans and all other Obligations, whereupon such principal amount and such other Obligations shall become immediately due and payable with interest thereon, at the rate or rates determined as herein provided to the date of actual payment thereof, all without further notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, all of which are hereby expressly waived by the Construction Receiver; provided however that repayment of the Obligations shall only be made in accordance with the Settlement Approval Order to the extent of and from Proceeds for Distribution in the priority and order of payment set out in the Settlement Approval Order; and
  - (b) the Lenders, or the Administrative Agent on their behalf, may, in their sole and absolute discretion (but subject to the further order of the Court, if required under the Receivership Order (including Section 11 thereof, if applicable) and/or under the Settlement Approval Order), exercise any right or recourse and proceed by any action, suit, remedy or proceeding under the Security or Applicable Law, including any right, recourse, action, suit, remedy or proceeding authorized or permitted in the UC Receivership Proceedings or under the Settlement Approval Order, for the recovery of all the Obligations to the Lenders and whether or not the

Lenders or the Administrative Agent have exercised any of their respective rights under the foregoing clause (a); provided however that repayment of the Obligations shall only be made in accordance with the Settlement Approval Order to the extent of and from Proceeds for Distribution in the priority and order of payment set out in the Settlement Approval Order.

- (2) The Administrative Agent and Lenders are not under any obligation to the Construction Receiver or any other Person to realize upon any collateral or enforce the Security or any part thereof or to allow any of the collateral to be dealt with or Disposed of. Neither the Administrative Agent nor the Lenders are responsible or liable to the Construction Receiver or any other Person for any loss or damage arising from such realization or enforcement or the failure to do so or for any act or omission on their respective parts or on the part of any director, officer, employee, agent or adviser of any of them in connection with any of the foregoing.
- (3) Each of the Lenders acknowledges that the Administrative Agent holds the Security to secure all of the Obligations and, upon the occurrence of an Event of Default, the Administrative Agent will act on the written instructions of the Required Lenders as provided in this Agreement and will distribute the Proceeds for Distribution received by the Administrative Agent in accordance with the Settlement Approval Order to the Lenders in accordance with their Applicable Percentage of the Obligations and in accordance with Section 9.06.

### 9.03 **Remedies Cumulative**

For greater certainty, it is expressly understood that the respective rights and remedies of the Lenders and the Administrative Agent as against the estate of UC Leslieville hereunder or under any other Loan Document or instrument executed pursuant to this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity. Any single or partial exercise by the Lenders or by the Administrative Agent of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or any other Loan Document will 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 any one or more of the Lenders and the Administrative Agent may be lawfully entitled in connection with such default or breach.

### 9.04 **Perform Obligations**

If an Event of Default has occurred and is continuing and if the Construction Receiver has failed to perform any of its covenants or agreements in the Loan Documents, the Required Lenders, may, but will be under no obligation to, instruct the Administrative Agent on behalf of the Lenders to perform any such covenants or agreements in any manner deemed fit by the Required Lenders without thereby waiving any rights to enforce the Loan Documents. The reasonable expenses (including any legal costs) paid by the Administrative Agent and the Lenders in respect of the foregoing will be an Obligation and will be secured by the Security. Without limiting the generality of the foregoing, in the event that a construction lien is registered against the Leslieville Project Lands or any portion thereof and is not discharged within fifteen (15) Business Days thereafter, the Administrative Agent (on behalf of the Lenders) shall be entitled, in its sole discretion, on behalf of the Construction Receiver or otherwise, to pay into

court the amount required to effect removal of such lien and the amount so paid shall be deemed to have been advanced by the Lenders to the Construction Receiver and shall, together with all interest accruing thereon, be deemed to form a part of the indebtedness and liability of the Construction Receiver to the Lenders hereunder.

**9.05 Third Parties**

It is not necessary for any Person dealing with the Lenders, the Administrative Agent or any other agent of the Lenders to inquire whether the Security has become enforceable, or whether the powers that the Lenders or the Administrative Agent are purporting to exercise may be exercised, or whether any Obligations remain outstanding upon the security thereof, or as to the necessity or expediency of the stipulations and conditions subject to which any sale is to be made, or otherwise as to the propriety or regularity of any Disposition or any other dealing with the collateral charged by such Security or any part thereof.

**9.06 Application of Payments**

From and after the occurrence of an Event of Default which is continuing, all payments made by the Construction Receiver hereunder or received from Proceeds for Distribution will be applied to amounts due under the Obligations, all as determined by the Administrative Agent and based on Applicable Percentage of Obligations, but subject to and otherwise in accordance with the Settlement Approval Order.

**ARTICLE 10  
THE ADMINISTRATIVE AGENT AND THE LENDERS**

**10.01 Payments by the Construction Receiver**

- (1) All payments made by or on behalf of the Construction Receiver pursuant to this Agreement will be made to and received by the Administrative Agent on behalf of the Lenders and will be distributed by the Administrative Agent to the Lenders as soon as possible upon receipt by the Administrative Agent. All payments made by the Construction Receiver hereunder (whether made before or after the occurrence of an Event of Default) or received from Proceeds for Distribution will be applied to amounts due under the Obligations, all as determined by the Administrative Agent and based on Applicable Percentage of Obligations but subject to and in accordance with the Settlement Approval Order.
- (2) Subject to Section 10.02, if the Administrative Agent does not distribute a Lender's Applicable Percentage of a payment made by the Construction Receiver to or for the benefit of a Lender for value on the day that payment is made to the Administrative Agent, provided that such payment is received by the Administrative Agent no later than 1:00 p.m. (Toronto time) on such day, the Administrative Agent will pay to such Lender on demand an amount equal to the product of (a) the Interbank Reference Rate *per annum* and (b) the amount received by the Administrative Agent from the Construction Receiver and not so distributed to such Lender, with the result thereof multiplied by (c) a fraction, the numerator of which is the number of days that have elapsed from and including the date of receipt of the payment by the Administrative Agent to but excluding the date on which the payment is made by the Administrative Agent to such Lender, and the denominator of which is 365 or 366, as the case may be.

#### 10.02 **Payments by Administrative Agent**

For greater certainty, the following provisions will apply to all payments made by the Administrative Agent to the Lenders hereunder:

- (a) the Administrative Agent will be under no obligation to make any payment (whether in respect of principal, interest, fees or otherwise) to any Lender until an amount in respect of such payment has been received by the Administrative Agent from the Construction Receiver;
- (b) if the Administrative Agent receives less than the full amount of any payment of principal, interest, fees or other amount owing by the Construction Receiver under this Agreement, then, the Administrative Agent will have no obligation to remit to each Lender any amount other than such Lender's Applicable Percentage of the amount actually received by the Administrative Agent;
- (c) if any Lender advances more or less than its Applicable Percentage of the Loan, such Lender's entitlement to such payment will be increased or reduced, as the case may be, in proportion to the amount actually advanced by such Lender;
- (d) the Administrative Agent acting reasonably and in good faith will, after consultation with the Lenders in the case of any dispute, determine in all cases the amount of all payments to which each Lender is entitled and such determination will, in the absence of manifest error, be binding and conclusive;
- (e) upon request, the Administrative Agent will deliver a statement detailing any of the payments to the Lenders referred to herein; and
- (f) all payments by the Administrative Agent to a Lender hereunder will be made to such Lender at its address set forth on the signature pages on this Agreement or on the applicable Assignment and Assumption unless notice to the contrary is received by the Administrative Agent from such Lender.

#### 10.03 **Administration of the Credit Facility**

- (1) Unless otherwise specified herein, the Administrative Agent will perform the following duties under this Agreement:
  - (a) prior to an advance to the Construction Receiver hereunder, ensure that all conditions precedent have been fulfilled in accordance with the terms of this Agreement;
  - (b) take delivery of each Lender's Applicable Percentage of a Loan and make all Loans hereunder in accordance with the provisions set forth herein;
  - (c) use reasonable efforts to collect promptly all sums due and payable by the Construction Receiver pursuant to this Agreement;

- (d) make all payments to the Lenders in accordance with the provisions hereof;
  - (e) hold all legal documents relating to the Credit Facility, maintain complete and accurate records showing all Loans made by the Lenders, all remittances and payments made by the Construction Receiver to the Administrative Agent, all remittances and payments made by the Administrative Agent to the Lenders and all fees or any other sums received by the Administrative Agent and allow each Lender and their respective advisors to examine such accounts, records and documents at their own expense, and provide any Lender, upon reasonable notice, with such copies thereof as such Lender may reasonably require from time to time at its expense;
  - (f) except as otherwise specifically provided for in this Agreement, promptly advise each Lender upon receipt of each notice and deliver to each Lender, promptly upon receipt, all other written communications furnished by the Construction Receiver to the Administrative Agent pursuant to this Agreement, including copies of financial reports and certificates which are to be furnished to the Administrative Agent;
  - (g) forward to each of the Lenders, one copy each of this Agreement and other Loan Documents;
  - (h) promptly forward to each Lender, upon request, an up-to-date loan status report and any other information respecting the Construction Receiver reasonably requested by such Lender; and
  - (i) upon learning of same, promptly advise each Lender in writing of the occurrence of a Default or of any material adverse information relative to the Construction Receiver.
- (2) The Administrative Agent may take the following actions only with the prior consent of the Required Lenders, unless otherwise specified in this Agreement:
- (a) subject to Section 10.03(3), exercise any and all rights of approval conferred upon the Lenders by this Agreement;
  - (b) amend, modify or waive any of the terms of this Agreement (including waiver of a Default or an Event of Default) if such amendment, modification or waiver would not have a material adverse effect on the rights of the Lenders thereunder and if such action is not otherwise provided for in Section 10.03(3);
  - (c) engage professionals, experts and agents as permitted by Section 10.04(1); and
  - (d) declare an Event of Default, take action to enforce performance of the Obligations and realize on collateral subject to the Security and pursue any other legal remedy necessary or advisable to protect the interests of the Lenders hereunder.



- (3) The Administrative Agent may take the following actions only with the prior unanimous consent of the Lenders, unless otherwise specified herein:
- (a) amend, modify, discharge, terminate or waive any of the terms of this Agreement if such amendment, modification, discharge, termination or waiver would increase the amount of the Credit Facility, reduce the interest rate applicable to either of the Credit Facility, reduce the fees payable with respect to the Credit Facility, extend any date fixed for payment of principal or interest relating to the Credit Facility;
  - (b) amend, modify, discharge, terminate or waive any terms of the Security otherwise than pursuant to the terms hereof or thereof;
  - (c) amend this Section 10.03(3);
  - (d) amend any provision of Article 5;
  - (e) amend Section 7.01(1) or Section 7.02;
  - (f) amend Section 9.06 or Section 10.01;
  - (g) amend any provision of Schedule A;
  - (h) amend the definition of "Required Lenders"; or
  - (i) where the Independent Cost Consultant identifies a Cost Overrun which the Administrative Agent proposes to finance other than by way of funding provided by Craft or Terra Firma under and in accordance with the TF Cost Overrun Guarantee.
- (4) As between the Construction Receiver, on the one hand, and the Administrative Agent and the Lenders, on the other hand:
- (a) all statements, certificates, consents and other documents which the Administrative Agent purports to deliver on behalf of the Lenders or the Required Lenders will be binding on each of the Lenders, and the Construction Receiver will not be required to ascertain or confirm the authority of the Administrative Agent in delivering such documents;
  - (b) all certificates, statements, notices and other documents which are delivered by the Construction Receiver to the Administrative Agent in accordance with this Agreement will be deemed to have been delivered to each of the Lenders; and
  - (c) all payments which are made by the Construction Receiver to the Administrative Agent in accordance with this Agreement will be deemed to have been duly made to each of the Lenders.

10.04 **Rights of Administrative Agent**

- (1) In administering the Credit Facility, the Administrative Agent may retain, at the expense of the Lenders if such expenses are not recoverable from the Construction Receiver, such counsel, auditors and other experts as the Administrative Agent may select, in its sole discretion, acting reasonably, and is entitled to rely upon the advice of such counsel, auditors and other experts in the performance of its duties hereunder.
- (2) Except in its own right as a Lender, the Administrative Agent will not be required to advance its own funds for any purpose hereunder.

10.05 **Representations, Acknowledgements and Covenants of Lenders**

- (1) Each of the Lenders acknowledges that in the event that the Administrative Agent does not receive payment in accordance with this Agreement, it will not be the obligation of the Administrative Agent to maintain the Credit Facility in good standing nor will any Lender have recourse to the Administrative Agent in respect of any amounts owing to such Lender under this Agreement.
- (2) Each Lender acknowledges that its obligation to advance its Applicable Percentage of Loans in accordance with the terms of this Agreement is independent and in no way related to the obligation of any other Lender hereunder.
- (3) Each Lender agrees that it will notify the Administrative Agent of any Default or Event of Default of which it becomes aware.
- (4) Each Lender hereby acknowledges receipt of a copy of this Agreement and the Loan Documents and acknowledges that it is satisfied with the form and content of such documents.
- (5) Each Lender will respond promptly to each request by the Administrative Agent for the consent of such Lender required hereunder.

10.06 **Provisions Operative Between Lenders and Administrative Agent Only**

Except for the provisions of Sections 10.03(2), (3) and (4), Sections 10.05(2) and (5) and item (3) of 10.08 and the first sentence of Section 10.01(1), the provisions of this Article 10 relating to the rights and obligations of the Lenders and the Administrative Agent inter se will be operative as between the Lenders and the Administrative Agent only, and the Construction Receiver will not have any rights or obligations under or be entitled to rely for any purpose upon such provisions.

10.07 **Maintenance of Security**

The Security shall be granted in favour of and held by the Administrative Agent for and on behalf of the Lenders in accordance with the provisions of this Agreement. The Administrative Agent shall, in accordance with its usual practices in effect from time to time, take all steps customarily required to perfect and maintain the Security of type provided under this Agreement; and ensuring that the name of the Administrative Agent is noted on all property

insurance policies covering the Leslieville Project to the extent required herein. If the Administrative Agent becomes aware of any matter concerning the Security which it considers to be material, it shall promptly inform the Lenders. The Administrative Agent shall comply with all instructions provided by the Lenders in connection with the enforcement or release of the Security which it holds. The Administrative Agent agrees to permit each Lender to review and make photocopies of the original documents comprising the Security from time to time upon reasonable notice.

#### 10.08 **Application of Proceeds for Distribution**

Notwithstanding any other provision of this Agreement, any and all Proceeds for Distribution or any portion thereof shall be distributed in the following order: (1) firstly, in payment of all costs and expenses incurred by the Administrative Agent and the Lenders in connection with this Agreement, the Security or any distribution by the Construction Receiver, including legal, accounting and receivers' fees and disbursements; (2) secondly, against the outstanding Obligations, each Lender being entitled to receive its pro rata share thereof; and (3) thirdly, if all Obligations have been paid and satisfied in full, then, subject to Applicable Law and the provisions of the Settlement Approval Order, to the Construction Receiver.

#### 10.09 **No Partnership**

The obligations of each Lender under this Agreement are several. The failure of any Lender to carry out its obligations hereunder shall not relieve the other Lenders of any of their respective obligations hereunder. No Lender shall be responsible for the obligations, acts or omissions of any other Lender hereunder. Neither the entering into of this Agreement nor the completion of any transactions contemplated herein shall constitute the Lenders a partnership. Each Lender may lend money to and have business dealings with the Construction Receiver outside the scope of this Agreement.

#### 10.10 **Sharing of Information**

The Administrative Agent and the Lenders may share among themselves any information they may have from time to time concerning the Construction Receiver whether or not such information is confidential; but shall have no obligation to do so (except for any obligations of the Administrative Agent to provide information to the extent required in this Agreement).

### **ARTICLE 11 GENERAL**

#### 11.01 **Addresses, Etc. for Notices**

The mailing addresses and addresses for electronic communications for the purposes of notices and other communications to the Construction Receiver, the Lenders and the Administrative Agent are set out on the signature pages of this Agreement.

#### 11.02 **Governing Law and Submission to Jurisdiction**

Ontario is the Province for the purposes of Sections 11(a) and (b) of Schedule A.

11.03 **Effect of Assignment**

For greater certainty, an assignment by any Lender of its rights hereunder will not constitute a repayment, discharge, rescission, extinguishment or novation of any extension of credit by such Lender under this Agreement or interest therein, and the obligations so assigned will continue to be the same obligations and not new obligations.

11.04 **Survival**

The provisions of Section 9 of Schedule A will survive the repayment of all Loans and all obligations with respect to Letters of Credit, whether on account of principal, interest or fees, and the termination of this Agreement, unless a specific release of such provisions by the Administrative Agent, on behalf of the Lenders, is delivered to the Construction Receiver.

11.05 **Severability**

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any of the parties.

11.06 **Further Assurances**

The Construction Receiver, each Lender and the Administrative Agent will promptly cure any default by it in the execution and delivery of this Agreement, the Loan Documents or of any of the agreements provided for hereunder to which it is a party. Prior to its discharge as Construction Receiver under the UC Receivership Proceedings and during the term of this Credit Agreement, the Construction Receiver will promptly execute and deliver to the Administrative Agent, upon request by the Administrative Agent, all such other and further documents, agreements, opinions, certificates and instruments in compliance with, or for the accomplishment of the covenants and agreements of the Construction Receiver hereunder or more fully to state the obligations of the Construction Receiver as set forth herein or to make any recording, file any notice or obtain any consent, all as may be reasonably necessary or appropriate in connection therewith.

11.07 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by the Construction Receiver and the Administrative Agent for and on behalf of the Lenders or the Required Lenders, as the case may be. No waiver of any breach of any provision of this Agreement and no consent required hereunder will be effective or binding unless made in writing and signed by the party purporting to give the same. Unless otherwise provided, any waiver or consent given hereunder will be limited to the specific breach waived or matter consented to, as the case may be, and may be subject to such conditions as the party giving such waiver or consent considers appropriate.

11.08 **Reasonableness**

Until the occurrence of an Event of Default, unless specifically specified otherwise herein, in respect of the exercise of any discretion or the giving of any consents or approval

under this Agreement, the Administrative Agent and the Lenders shall act in a reasonable and timely manner consistent with prudent lending practices bearing in mind the scope, magnitude and complexity of the Leslieville Project and the financial and development expertise of the Construction Receiver.

11.09 **Time of the Essence**

Time is of the essence of this Agreement.

***[Signature pages follow]***

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

**CONSTRUCTION  
RECEIVER:**

Royal Bank Plaza, South Tower  
200 Bay Street, Suite 2900  
P.O. Box 22  
Toronto, Ontario, M5J 2J1

Attention:

Ryan Gruneir and Tony Zaspalis  
Facsimile No.: 416-847-5201

Email: [rgruneir@alvarezandmarsal.com](mailto:rgruneir@alvarezandmarsal.com)  
[tzaspalis@alvarezandmarsal.com](mailto:tzaspalis@alvarezandmarsal.com)

**ALVAREZ & MARSAL CANADA INC., solely in its capacity as Court Appointed Receiver and Manager and Construction Lien Trustee of URBANCORP (LESLIEVILLE) DEVELOPMENTS INC., URBANCORP (RIVERDALE) DEVELOPMENTS INC. and URBANCORP (THE BEACH) DEVELOPMENTS INC. and not in it personal or corporate capacity**

By:



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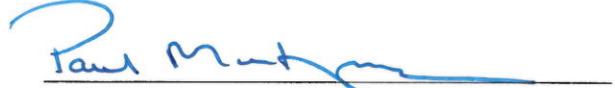
Name: Douglas R. McIntosh  
Title: President, Alvarez & Marsal  
Canada Inc.

**ADMINISTRATIVE AGENT:**

**CANADIAN IMPERIAL BANK OF COMMERCE, as  
Administrative Agent**

Canadian Agency Services  
40 Dundas St West  
5th Floor  
Toronto, Ontario  
M5G 2C2  
Attention: Manager, Agency Services Group  
Facsimile No.: 416-956-3830

By:



---

Name: Paul Montgomery  
Title: Senior Director, Special Loans  
Risk Management



---

Name: Mauricio Echeverri  
Title: Senior Account Manager, Special  
Loans Risk Management

**LENDERS:**

Canadian Imperial Bank of Commerce  
25 King Street West  
Commerce Court North – 16<sup>th</sup> Floor  
Toronto, Ontario M5L 1A2

Attention:

Paul Montgomery and Mauricio Echeverri  
Facsimile No.: (416) 214-8749  
Email: paul.montgomery@cibc.com  
mauricio.echeverri@cibc.com

**CANADIAN IMPERIAL BANK OF COMMERCE**, as  
a Lender

By:



Name: Paul Montgomery

Title: Senior Director, Special Loans  
Risk Management



Name: Mauricio Echeverri

Title: Senior Account Manager, Special  
Loans Risk Management



**CANADIAN WESTERN BANK, as a Lender**

3000, 10303 Jasper Avenue  
Edmonton, Alberta T5J 3X6  
Attention: Mykhaylo Hotsaliuk  
Facsimile: (780) 421-0379

By:

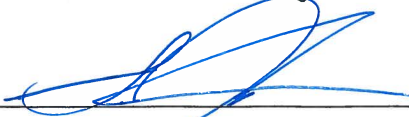
  
\_\_\_\_\_

Name:

MYKHAYLO HOTSALIUK

Title:

AVP, Corporate Lending

  
\_\_\_\_\_

Name:

Stephen Jacobson


Title:

Manager, Corporate Lending

**LAURENTIAN BANK OF CANADA, as a Lender**

1981 av. McGill College  
Bureau 1675  
Montreal Quebec H3A 3K3  
Attention: Alexandre LeBlanc  
Facsimile: 514-284-5942  
Email:  
[alexandre.leblanc2@banquelaurentienne.ca](mailto:alexandre.leblanc2@banquelaurentienne.ca)

By:

  
Name: *Connie Biello*  
Title: *VP Special Loans*

---

Name:

Title:

**SCHEDULE A**  
**MODEL CREDIT AGREEMENT PROVISIONS**

As Attached

## SCHEDULE A TO CREDIT AGREEMENT

### (CBA Amended “Stapled-on” Version of LSTA Model Credit Agreement Provisions dated November 1, 2004)

The attached model credit agreement provisions, which have been revised under the direction of the Canadian Bankers' Association Secondary Loan Market Specialist Group from provisions prepared by The Loan Syndications and Trading Association, Inc., form part of this Agreement, except for the footnotes to the model credit agreement provisions and subject to the following variations:

#### Variations

1. The definition of “Default” is amended by deleting the words “that constitutes an Event of Default or”.
2. The term “Borrower” where used in this Schedule A shall mean the Construction Receiver as defined in this Agreement.
3. The definition of “Loan” as set out in this Schedule A shall be amended to delete the words “banker’s acceptance or LIBO Rate Loan, except for any Letter of Credit or participation in a Letter of Credit” and substitute the following therefor “Prime Rate Loan, Letter of Credit, Bankers’ Acceptance or BA Equivalent Advance outstanding under the Credit Facility”.
3. Any reference to a “Permitted Lien” shall mean a Permitted Encumbrance.
4. Section 3.2(f) of this Schedule A is deleted.
5. Section 3 of this Schedule A is amended by adding the following Section 3.6.  

“3.6 Overriding Payment Qualification.

Without limiting the generality of Section 5.01 of this Agreement, the Borrower shall not be required to make any payment under Section 3.1 to 3.5 or under Section 9 except out of and from Proceeds for Distribution as and when such Proceeds for Distribution become available for distribution by the Borrower to the Lenders in the UC Receivership Proceedings.”
6. Section 7.3(1)(c) of this Schedule A is amended to replace “person” with “Person”.
7. Section 10(b)(i) of this Schedule A is amended to replace the number “\$5,000,000” therein, by the number “\$1,000,000”.
8. Section 10(b)(iv)(z) of this Schedule A is amended by adding at the end thereof, the words “or any successor thereto”.
9. Section 10(b)(v) of this Schedule A shall be deleted in its entirety and the following substituted therefor:  

“(v) any assignment of an interest in excess of \$1,000,000 must be approved by the Borrower (such approval not to be unreasonably withheld or delayed) unless: (A) the proposed assignee is itself already a Lender; (B) the proposed assignee is an Affiliate of any of the Lenders or an Approved Fund; or (C) an Event of Default has occurred and is continuing; and”
10. For the purposes of Section 10(b)(vi) of this Schedule A, the processing and recordation fee referred to therein shall be \$3,000.

11. For the purposes of Sections 11(a) and 11(b) of this Schedule A, the specified Province shall be the Province of Ontario.
12. Capitalized words, terms or phrases used in this Schedule A and not defined in this Schedule A shall have the meaning given to such words, terms or phrases in Section 1.01 of this Agreement (or if not defined therein, as defined elsewhere in this Agreement) to the extent therein defined. If not defined in this Schedule or in Section 1.01 or elsewhere in this Agreement, the relevant capitalized words, terms or phrases shall be given a usual and reasonable interpretation according to Canadian banking practice.<sup>1</sup>
13. If there is any inconsistency or conflict between the terms of this Schedule A and the terms of the main body of this Agreement, the terms of the main body of this Agreement shall prevail.

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<sup>1</sup> Note that phrases such as "Letter of Credit" are neither defined in this Schedule A, nor otherwise in this Agreement. The defined terms have been retained so as to result in minimal interference with the LSTA Model Credit Agreement Provisions, and on the understanding that the failure to include relevant definitions in this Agreement (solely for reasons of brevity) does not affect the interpretation of this Agreement, including this Schedule A.

## MODEL CREDIT AGREEMENT PROVISIONS

### 1. Definitions

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" means the credit agreement of which these Provisions form part.

"Applicable Law" means (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgement, order, writ, injunction, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law.

"Applicable Percentage" means with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be the percentage of the total outstanding Loans and participations in respect of Letters of Credit represented by such Lender's outstanding Loans and participations in respect of Letters of Credit.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee and accepted by the Administrative Agent, in substantially the form of Exhibit A or any other form approved by the Administrative Agent.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Applicable Law, (b) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any Applicable Law by any Governmental Authority.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have corresponding meanings.

"Default" means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both.

"Eligible Assignee" means any Person (other than a natural person, any Obligor or any Affiliate of an Obligor), in respect of which any consent that is required by Section 10(b) has been obtained.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of an Obligor

hereunder, (a) taxes imposed on or measured by its net income, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes or any similar tax imposed by any jurisdiction in which the Lender is located and (c) in the case of a Foreign Lender (other than (i) an assignee pursuant to a request by the Borrower under Section 3.3(b), (ii) an assignee pursuant to an Assignment and Assumption made when an Event of Default has occurred and is continuing or (iii) any other assignee to the extent that the Borrower has expressly agreed that any withholding tax shall be an Indemnified Tax), any withholding tax that (A) is not imposed or assessed in respect of a Loan that was made on the premise that an exemption from such withholding tax would be available where the exemption is subsequently determined, or alleged by a taxing authority, not to be available and (B) is required by Applicable Law to be withheld or paid in respect of any amount payable hereunder or under any Loan Document to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 3.2(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from an Obligor with respect to such withholding tax pursuant to Section 3.2(a). For greater certainty, for purposes of item (c) above, a withholding tax includes any Tax that a Foreign Lender is required to pay pursuant to Part XIII of the Income Tax Act (Canada) or any successor provision thereto.<sup>1</sup>

"Foreign Lender" means any Lender that is not organized under the laws of the jurisdiction in which the Borrower is resident for tax purposes and that is not otherwise considered or deemed in respect of any amount payable to it hereunder or under any Loan Document to be resident for income tax or withholding tax purposes in the jurisdiction in which the Borrower is resident for tax purposes by application of the laws of that jurisdiction. For purposes of this definition Canada and each Province and Territory thereof shall be deemed to constitute a single jurisdiction and the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

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

"Governmental Authority" means the government of Canada or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Issuing Bank" means the Person named elsewhere in this Agreement<sup>2</sup> as the issuer of Letters of Credit on the basis that it is "fronting" for other Lenders and not on the basis that it is the attorney of other Lenders to sign Letters of Credit on their behalf, or any successor issuer of Letters of Credit. For greater certainty, where the context requires, references to "Lenders" in these Provisions include the Issuing Bank.

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<sup>1</sup> Please note that this definition of "Excluded Taxes" will result in Foreign Lenders not being grossed up for withholding taxes that exist at the time of execution and delivery of the Credit Agreement, except in the circumstances specified. Accepted.

<sup>2</sup> Ensure that the Credit Agreement identifies the Issuing Bank or indicates that there is none. In this case, the Credit Agreement indicates that there is none.

"Loan" means any extension of credit by a Lender under this Agreement, including by way of bankers' acceptance or LIBO Rate Loan, except for any Letter of Credit or participation in a Letter of Credit.

"Obligors" means, collectively, the Borrower and each of the guarantors of the Borrower's obligations that are identified elsewhere in this Agreement.

"Other Taxes" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Participant" has the meaning assigned to such term in Section 10(d).

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Provisions" means these model credit agreement provisions.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

## 2. Terms Generally

(1) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein (including this Agreement) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on such amendments, supplements, restatements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) unless otherwise expressly stated, all references in these Provisions to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, these Provisions, but all such references elsewhere in this Agreement shall be construed to refer to this Agreement apart from these Provisions, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(2) If there is any conflict or inconsistency between these Provisions and the other terms of this Agreement, the other terms of this Agreement shall govern to the extent necessary to resolve the conflict or inconsistency.

## 3. Yield Protection



3.1 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof, except for Indemnified Taxes or Other Taxes covered by Section 3.2 and the imposition, or any change in the rate, of any Excluded Tax payable by such Lender; or

(iii) impose on any Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the Issuing Bank of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder (whether of principal, interest or any other amount), then, upon request of such Lender and subject to the provisions of Section 3.6, the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or the Letters of Credit issued or participated in by such Lender, to a level below that which such Lender or its holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of its holding company with respect to capital adequacy), then from time to time the Borrower will, subject to the provisions of Section 3.6, pay to such Lender such additional amount or amounts as will compensate such Lender or its holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation, except that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the nine-month period referred to above shall be extended to include the period of retroactive effect thereof.

3.2 Taxes.

(a) Payments Subject to Taxes. If any Obligor, the Administrative Agent, or any Lender is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of an Obligor hereunder or under any other Loan Document, then (i) the sum payable shall be increased by that Obligor when payable as necessary and subject to the provisions of Section 3.6 so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this Section) the Administrative Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments been required, (ii) the Obligor shall make any such deductions required to be made by it under Applicable Law and (iii) the Obligor shall timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of paragraph (a) above, the Borrower shall, subject to the provisions of Section 3.6, timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) Indemnification by the Borrower. The Borrower shall, subject to the provisions of Section 3.6, indemnify the Administrative Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent or such Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by an Obligor to a Governmental Authority, the Obligor shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall, at the request of the Borrower, deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, (a) any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to withholding or information reporting requirements, and (b) any Lender that ceases to be, or to be deemed to be, resident in Canada for purposes of Part XIII of the Income Tax Act (Canada) or any successor provision thereto shall within five days thereof notify the Borrower and the Administrative Agent in writing.

(f) Treatment of Certain Refunds and Tax Reductions. If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which an Obligor has paid additional amounts pursuant to this Section or that, because of the payment of such Taxes or Other Taxes, it has benefited from a reduction in Excluded Taxes otherwise payable by it, it shall pay to the Borrower or Obligor, as applicable, an amount equal to such refund or reduction (but only to the extent of indemnity

payments made, or additional amounts paid, by the Borrower or Obligor under this Section with respect to the Taxes or Other Taxes giving rise to such refund or reduction), net of all out-of-pocket expenses of the Administrative Agent or such Lender, as the case may be, and without interest (other than any net after-Tax interest paid by the relevant Governmental Authority with respect to such refund). The Borrower or Obligor as applicable, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower or Obligor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender if the Administrative Agent or such Lender is required to repay such refund or reduction to such Governmental Authority. This paragraph shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person, to arrange its affairs in any particular manner or to claim any available refund or reduction.

### 3.3 Mitigation Obligations: Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.1, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.2, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.1 or 3.2, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders.<sup>3</sup> If any Lender requests compensation under Section 3.1, if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.2, if any Lender's obligations are suspended pursuant to Section 3.4 or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon 10 days' notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(i) the Borrower pays the Administrative Agent the assignment fee specified in Section 10(b)(vi);

(ii) the assigning Lender receives payment of an amount equal to the outstanding principal of its Loans and participations in disbursements under Letters of Credit, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any breakage costs and amounts required to be paid under this Agreement as a result of prepayment to a Lender) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 3.1 or payments required to be made pursuant to Section 3.2, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with Applicable Law.

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<sup>3</sup> Please note that the Breakfunding section in the Credit Agreement should expressly include any amounts payable as a result of an assignment required by this Section. As Loans are restricted to Prime Rate Loans, this issue does not arise.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

3.4 Illegality.

If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make or maintain any Loan (or to maintain its obligation to make any Loan), or to participate in, issue or maintain any Letter of Credit (or to maintain its obligation to participate in or to issue any Letter of Credit), or to determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender with respect to the activity that is unlawful shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent) and subject to the provisions of Section 3.6, prepay or, if conversion would avoid the activity that is unlawful, convert any Loans, or take any necessary steps with respect to any Letter of Credit in order to avoid the activity that is unlawful. Upon any such prepayment or conversion, the Borrower shall, subject to the provisions of Section 3.6, also pay accrued interest on the amount so prepaid or converted. Each Lender agrees to designate a different Lending Office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

3.5 Inability to Determine Rates Etc.

If the Required Lenders determine that for any reason a market for bankers' acceptances does not exist at any time or the Lenders cannot for other reasons, after reasonable efforts, readily sell bankers' acceptances or perform their other obligations under this Agreement with respect to bankers' acceptances, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the Borrower's right to request the acceptance of bankers' acceptances shall be and remain suspended until the Required Lenders determine and the Agent notifies the Borrower and each Lender that the condition causing such determination no longer exists. If the Required Lenders determine that for any reason adequate and reasonable means do not exist for determining the LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan, or that the LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain LIBO Rate Loans shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a borrowing, conversion or continuation of LIBO Rate Loans or, failing that, will be deemed to have converted such request into a request for a borrowing of Base Rate Loans in the amount specified therein.

3.6 Overriding Payment Qualification.

Without limiting the generality of Section 5.01 of this Agreement, the Borrower shall not be required to make any payment under Section 3.1 to 3.5 or under Section 9 except out of and from Proceeds for Distribution as and when such Proceeds for Distribution become available for distribution by the Borrower to the Lenders in the UC Receivership Proceedings.

4. Right of Setoff.

If an Event of Default has occurred and is continuing, each of the Lenders and each of their respective Affiliates is hereby authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other

obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of any Obligor against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender has made any demand under this Agreement or any other Loan Document and although such obligations of the Obligor may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each the Lenders and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff, consolidation of accounts and bankers' lien) that the Lenders or their respective Affiliates may have. Each Lender agrees to promptly notify the Borrower and the Administrative Agent after any such setoff and application, but the failure to give such notice shall not affect the validity of such setoff and application. If any Affiliate of a Lender exercises any rights under this Section 4, it shall share the benefit received in accordance with Section 5 as if the benefit had been received by the Lender of which it is an Affiliate.

5. Sharing of Payments by Lenders.

If any Lender, by exercising any right of setoff or counterclaim or otherwise, obtains any payment or other reduction that might result in such Lender receiving payment or other reduction of a proportion of the aggregate amount of its Loans and accrued interest thereon or other obligations hereunder greater than its *pro rata* share thereof as provided herein, then the Lender receiving such payment or other reduction shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders rateably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest,

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by any Obligor pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in disbursements under Letters of Credit to any assignee or participant, other than to any Obligor or any Affiliate of an Obligor (as to which the provisions of this Section shall apply); and

(iii) the provisions of this Section shall not be construed to apply to (w) any payment made while no Event of Default has occurred and is continuing in respect of obligations of the Borrower to such Lender that do not arise under or in connection with the Loan Documents, (x) any payment made in respect of an obligation that is secured by a Permitted Lien or that is otherwise entitled to priority over the Borrower's obligations under or in connection with the Loan Documents, (y) any reduction arising from an amount owing to an Obligor upon the termination of derivatives entered into between the Obligor and such Lender<sup>4</sup>, or (z) any payment to which such Lender is entitled as a result of any form of credit protection obtained by such Lender.

The Obligors consent to the foregoing and agree, to the extent they may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may

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<sup>4</sup> Those preparing Credit Agreements should consider whether this exclusion of proceeds of derivatives is appropriate in the particular circumstances of the Credit Agreement. It may be appropriate to provide for sharing of, for example, any net amount available after the termination of all derivatives entered into between the Obligors and a Lender and the setoff of resulting amounts owing by the Obligors and to the Obligors if there is more than one such derivative. This issue is not relevant here where there is no hedging.

exercise against each Obligor rights of setoff and counterclaim and similar rights of Lenders with respect to such participation as fully as if such Lender were a direct creditor of each Obligor in the amount of such participation.

6. Administrative Agent's Clawback

(a) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any advance of funds that such Lender will not make available to the Administrative Agent such Lender's share of such advance, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with the provisions of this Agreement concerning funding by Lenders and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable advance available to the Administrative Agent, then the applicable Lender shall pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such advance. If the Lender does not do so forthwith, the Borrower shall pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon at the interest rate applicable to the advance in question. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that has failed to make such payment to the Administrative Agent.

(b) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of any Lender hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute the amount due to the Lenders. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation.

7. Agency.

7.1 Appointment and Authority. Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Person identified elsewhere in this Agreement as the Administrative Agent<sup>5</sup> to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Bank, and no Obligor shall have rights as a third party beneficiary of any of such provisions.

7.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the

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<sup>5</sup> Ensure that the Credit Agreement identifies the Administrative Agent for the purpose of this reference. The Credit Agreement does so.

Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Obligor or any Affiliate thereof as if such Person were not the Administrative Agent and without any duty to account to the Lenders.

### 7.3 Exculpatory Provisions.

(1) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents.<sup>6</sup> Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents), but the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the person serving as the Administrative Agent or any of its Affiliates in any capacity.

(2) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as is necessary, or as the Administrative Agent believes in good faith is necessary, under the provisions of the Loan Documents) or (ii) in the absence of its own gross negligence or wilful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing the Default is given to the Administrative Agent by the Borrower or a Lender.

(3) Except as otherwise expressly specified in this Agreement, the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition specified in this Agreement, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

7.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for

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<sup>6</sup> It is anticipated that the Credit Agreement will require the Borrower to be responsible for compliance with all requirements to maintain perfection of security. This will not be the case in this transaction as the security will take the form of a court-ordered charge.

relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or the Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

7.5 Indemnification of Administrative Agent. Each Lender agrees to indemnify the Administrative Agent and hold it harmless (to the extent not reimbursed by the Borrower), rateably according to its Applicable Percentage (and not jointly or jointly and severally) from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Loan Documents or the transactions therein contemplated. However, no Lender shall be liable for any portion of such losses, claims, damages, liabilities and related expenses resulting from the Administrative Agent's gross negligence or wilful misconduct.

7.6 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent from among the Lenders (including the Person serving as Administrative Agent) and their respective Affiliates. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The provisions of this Article and other provisions of this Agreement for the benefit of the Administrative Agent shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

7.7 Replacement of Administrative Agent.

(1) The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Bank and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a Lender having a Commitment to a revolving credit if one or more is established in this Agreement and having an office in Toronto, Ontario or Montréal, Québec, or an Affiliate of any such Lender with an office in Toronto or Montréal. The Administrative Agent may also be removed at any time by the Required Lenders upon 30 days' notice to the Administrative Agent and the Borrower as long as the Required Lenders, in consultation with the Borrower, appoint and obtain the acceptance of a successor within such 30 days, which shall be a Lender having a Commitment to a revolving credit if one or more is established in this Agreement and having an office in Toronto or Montréal, or an Affiliate of any such Lender with an office in Toronto or Montréal.

(2) If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications specified in Section 7.7(1), provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly,



until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in the preceding paragraph.

(3) Upon a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the former Administrative Agent, and the former Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided in the preceding paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the termination of the service of the former Administrative Agent, the provisions of this Section 7 and of Section 9 shall continue in effect for the benefit of such former Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the former Administrative Agent was acting as Administrative Agent.

7.8 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and the Issuing Bank acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

7.9 Collective Action of the Lenders. Each of the Lenders hereby acknowledges that to the extent permitted by Applicable Law, any collateral security and the remedies provided under the Loan Documents to the Lenders are for the benefit of the Lenders collectively and acting together and not severally and further acknowledges that its rights hereunder and under any collateral security are to be exercised not severally, but by the Administrative Agent upon the decision of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents). Accordingly, notwithstanding any of the provisions contained herein or in any collateral security, each of the Lenders hereby covenants and agrees that it shall not be entitled to take any action hereunder or thereunder including, without limitation, any declaration of default hereunder or thereunder but that any such action shall be taken only by the Administrative Agent with the prior written agreement of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents). Each of the Lenders hereby further covenants and agrees that upon any such written agreement being given, it shall co-operate fully with the Administrative Agent to the extent requested by the Administrative Agent. Notwithstanding the foregoing, in the absence of instructions from the Lenders and where in the sole opinion of the Administrative Agent, acting reasonably and in good faith, the exigencies of the situation warrant such action, the Administrative Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the interest of the Lenders.

7.10 No Other Duties. etc. Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers or holders of similar titles, if any, specified in this Agreement shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

## 8. Notices: Effectiveness; Electronic Communication

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier

service, mailed by certified or registered mail or sent by telecopier to the addresses or telecopier numbers specified elsewhere in this Agreement<sup>7</sup> or, if to a Lender, to it at its address or telecopier number specified in the Register or, if to an Obligor other than the Borrower, in care of the Borrower.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given on a business day between 9:00 a.m. and 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the Issuing Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent,<sup>8</sup> provided that the foregoing shall not apply to notices to any Lender of Loans to be made or Letters of Credit to be issued if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Change of Address. Etc. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

#### 9. Expenses; Indemnity: Damage Waiver<sup>9</sup>

(a) Costs and Expenses. The Borrower shall, subject to the provisions of Section 3.6, pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, any Lender or the Issuing Bank, including the reasonable fees, charges and disbursements of counsel, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters

<sup>7</sup> Ensure that the Credit Agreement contains the contact information referred to. Confirmed.

<sup>8</sup> Administrative Agents may wish to prescribe procedures for electronic communications and to disseminate those procedures to Lenders. Not required in this instance.

<sup>9</sup> A reference to this Section should be included in the Survival Section, if any, of the Credit Agreement. Confirmed.

of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall, subject to the provisions of Section 3.6, indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnatee**") against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnatee, incurred by any Indemnatee or asserted against any Indemnatee by any third party or by any Obligor arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by any Obligor, or any Environmental Liability related in any way to any Obligor, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by an Obligor and regardless of whether any Indemnatee is a party thereto, provided that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnatee or (y) result from a claim brought by the Borrower or any other Obligor against an Indemnatee for breach in bad faith of such Indemnatee's obligations hereunder or under any other Loan Document, if the Obligor has obtained a final and nonappealable judgment in its favour on such claim as determined by a court of competent jurisdiction, nor shall it be available in respect of matters specifically addressed in Sections 3.1, 3.2 and 9(a).

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the Issuing Bank or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Issuing Bank or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the Issuing Bank in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or Issuing Bank in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the other provisions of this Agreement concerning several liability of the Lenders.

(d) Waiver of Consequential Damages. Etc. To the fullest extent permitted by Applicable Law, the Obligors shall not assert, and hereby waive, any claim against any Indemnatee, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnatee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall, subject to the provisions of Section 3.6, be payable promptly after demand therefor. A certificate of the Administrative Agent or a Lender setting forth the amount or amounts owing to the Administrative Agent, Lender or a sub-agent or Related Party, as the case may be, as specified in this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error.

10 Successors and Assigns

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Obligor may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that:

(i) except if an Event of Default has occurred and is continuing or in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment being assigned (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loan of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, in the case of any assignment in respect of a revolving facility, or \$1,000,000, in the case of any assignment in respect of a term facility, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consent to a lower amount (each such consent not to be unreasonably withheld or delayed);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate credits on a non-*pro rata* basis;

(iii) any assignment of a Commitment relating to a credit under which Letters of Credit may be issued must be approved by any Issuing Bank (such approval not to be unreasonably withheld or delayed) unless the Person that is the proposed assignee is itself already a Lender with a Commitment under that credit;

(iv) any assignment must be approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed) unless:

(x) in the case of an assignment of a Commitment relating to a revolving credit, the proposed assignee is itself already a Lender with the same type of Commitment,

(y) no Event of Default has occurred and is continuing, and the assignment is of a Commitment relating to a non-revolving credit that is fully advanced, or

(z) the proposed assignee is a bank whose senior, unsecured, non-credit enhanced, long term debt is rated at least A3, A- or A low by at least two of Moody's Investor Services Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Dominion Bond Rating Service Limited, respectively;

(v) any assignment must be approved by the Borrower (such approval not to be unreasonably withheld or delayed) unless the proposed assignee is itself already a Lender with the same type of Commitment or a Default has occurred and is continuing; and

(vi) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in an amount specified elsewhere in this Agreement<sup>10</sup> and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement and the other Loan Documents, including any collateral security, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3 and 9, and shall continue to be liable for any breach of this Agreement by such Lender, with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section. Any payment by an assignee to an assigning Lender in connection with an assignment or transfer shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

(c) Register. The Administrative Agent shall maintain at one of its offices in Toronto, Ontario or Montréal, Québec a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person, an

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<sup>10</sup> Ensure that the Credit Agreement specifies the amount of this fee.

Obligor or any Affiliate of an Obligor<sup>11</sup>) (each, a “Participant”) in all or a portion of such Lender’s rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any payment by a Participant to a Lender in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

Subject to paragraph (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Section 3 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 4 as though it were a Lender, provided such Participant agrees to be subject to Section 5 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.1 and 3.2 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower’s prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.2 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 3.2(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, but no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

11. Governing Law: Jurisdiction: Etc.

(a) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the Province specified elsewhere in this Agreement<sup>12</sup> and the laws of Canada applicable in that Province.

(b) Submission to Jurisdiction. Each Obligor irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province specified elsewhere in this Agreement, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Obligor or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in

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<sup>11</sup> Consideration should be given to the percentage of Lenders required to permit the sale of a participation to an Obligor or any Affiliate or Subsidiary of an Obligor. Not required in this instance.

<sup>12</sup> Ensure that the Credit Agreement identifies the Province referred to here and in paragraph (b) immediately below. Confirmed.

any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

12. WAIVER OF JURY TRIAL

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

13. Counterparts: Integration: Effectiveness: Electronic Execution

(a) Counterparts: Integration: Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in the conditions precedent Section(s) of this Agreement, this Agreement shall become effective when it has been executed by the Administrative Agent and when the Administrative Agent has received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including Parts 2 and 3 of the Personal Information Protection and Electronic Documents Act (Canada), the Electronic Commerce Act, 2000 (Ontario) and other similar federal or provincial laws based on the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada or its Uniform Electronic Evidence Act, as the case may be.

14. Treatment of Certain Information: Confidentiality

(1) Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to it, its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing

provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap, derivative, credit-linked note or similar transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent or any Lender on a non-confidential basis from a source other than an Obligor.

(2) For purposes of this Section, "**Information**" means all information received in connection with this Agreement from any Obligor relating to any Obligor or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Administrative Agent may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers

(3) In addition, and notwithstanding anything herein to the contrary, the Administrative Agent may provide the information described on Exhibit B concerning the Borrower and the credit facilities established herein to Loan Pricing Corporation and/or other recognized trade publishers of information for general circulation in the loan market.



## ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "**Assignor**") and [*Insert name of Assignee*] (the "**Assignee**"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "**Credit Agreement**"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan-transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "**Assigned Interest**"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: \_\_\_\_\_
2. Assignee: \_\_\_\_\_  
[and is an Affiliate/Approved Fund of [*identify Lender*]<sup>1</sup>]
3. Borrower(s): \_\_\_\_\_
4. Administrative Agent: \_\_\_\_\_, as the administrative agent under the Credit Agreement
5. Credit Agreement: [The [*amount*] Credit Agreement dated as of \_\_\_\_\_ among [*name of Borrower(s)*], the Lenders parties thereto, [*name of Administrative Agent*], as Administrative Agent, and the other agents parties thereto]

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<sup>1</sup> Select as applicable.

Assigned Interest:

| Facility Assigned <sup>2</sup> | Aggregate Amount of Commitment/Loans for all Lenders <sup>3</sup> | Amount of Commitment/Loans Assigned <sup>3</sup> | Percentage Assigned of Commitment/Loans <sup>4</sup> | CUSIP Number |
|--------------------------------|---|--|--|--------------|
|                                | \$  | \$   | %  |              |
|                                | \$  | \$   | %  |              |
|                                | \$  | \$   | %  |              |

[ Trade Date: \_\_\_\_\_ ]<sup>5</sup>

<sup>2</sup> Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Credit Commitment," "Term Loan Commitment," etc.)

<sup>3</sup> Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

<sup>4</sup> Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

<sup>5</sup> To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: \_\_\_\_\_, 20\_\_ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR  
[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Title:

ASSIGNEE  
[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Title:

[Consented to and]<sup>6</sup> Accepted:

[NAME OF ADMINISTRATIVE AGENT], as  
Administrative Agent

By \_\_\_\_\_  
Title:

[Consented to:]<sup>7</sup>

[NAME OF RELEVANT PARTY]

By \_\_\_\_\_  
Title:

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<sup>6</sup> To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

<sup>7</sup> To be added only if the consent of the Borrower and/or other parties (e.g. Swingline Lender, L/C Issuer) is required by the terms of the Credit Agreement.

ANNEX 1 to Assignment and Assumption

[ ]<sup>1</sup>

STANDARD TERMS AND CONDITIONS FOR  
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document<sup>2</sup>, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section \_\_\_ thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender<sup>3</sup>, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This Assignment and

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<sup>1</sup> Describe Credit Agreement at option of Administrative Agent.

<sup>2</sup> The term "Loan Document" should be conformed to the term used in the Credit Agreement. Conformed.

<sup>3</sup> The concept of "Foreign Lender" should be conformed to the section in the Credit Agreement governing withholding taxes and gross-up.

Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law governing the Credit Agreement.

## LOAN MARKET DATA TEMPLATE

### Recommended Data Fields – At Close

The items highlighted in bold are those that Loan Pricing Corporation (LPC) deem essential. The remaining items are those that LPC has seen become more prominent over time as transparency has increased in the U.S. Loan Market.

| <u>Company Level</u>            | <u>Deal Specific</u>          | <u>Facility Specific</u>               |
|---------------------------------|-------------------------------|--|
| <b>Issuer Name</b>              | <b>Currency/Amount</b>        | <b>Currency/Amount</b>                 |
| <b>Location</b>                 | <b>Date</b>                   | <b>Type</b>                            |
| <b>SIC (Cdn)</b>                | <b>Purpose</b>                | <b>Purpose</b>                         |
| Identification Number(s)        | <b>Sponsor</b>                | <b>Tenor</b>                           |
| <b>Revenue</b>                  | <b>Financial Covenants</b>    | Term Out Option                        |
|                                 | Target Company                | <b>Expiration Date</b>                 |
| <b>*Measurement of Risk</b>     | <b>Assignment Language</b>    | <b>Facility Signing Date</b>           |
| <b>S&amp;P Sr. Debt</b>         | Law Firms                     | <b>Pricing</b>                         |
| <b>S&amp;P Issuer</b>           | MAC Clause                    | <b>Base Rate(s)/Spread(s)/BA/LIBOR</b> |
| <b>Moody's Sr. Debt</b>         | Springing lien                | <b>Initial Pricing Level</b>           |
| <b>Moody's Issuer</b>           | Cash Dominion                 | <b>Pricing Grid (tied to, levels)</b>  |
| <b>Fitch Sr. Debt</b>           | Mandatory Prepays             | <b>Grid Effective Date</b>             |
| <b>Fitch Issuer</b>             | Restrct'd Payments (Neg Covs) | <b>Fees</b>                            |
| S&P Implied                     | Other Restrictions            | <b>Participation Fee (tiered also)</b> |
| (internal assessment)           |                               | <b>Commitment Fee</b>                  |
| <b>DBRS</b>                     |                               | <b>Annual Fee</b>                      |
| Other Ratings                   |                               | <b>Utilization Fee</b>                 |
| <b>*Industry Classification</b> |                               | <b>LC Fee(s)</b>                       |
| Moody's Industry                |                               | <b>BA Fee</b>                          |
| S&P Industry                    |                               | Prepayment Fee                         |
| Parent                          |                               | Other Fees to Market                   |
| Financial Ratios                |                               | Security                               |
|                                 |                               | <b>Secured/Unsecured</b>               |
|                                 |                               | Collateral and Seniority of Claim      |
|                                 |                               | Collateral Value                       |
|                                 |                               | <b>Guarantors</b>                      |
|                                 |                               | <b>Lenders Names/Titles</b>            |
|                                 |                               | <b>Lender Commitment (\$)</b>          |
|                                 |                               | Committed/Uncommitted                  |
|                                 |                               | Distribution method                    |
|                                 |                               | <b>Amortization Schedule</b>           |
|                                 |                               | Borrowing Base/Advance Rates           |
|                                 |                               | New Money Amount                       |
|                                 |                               | <b>Country of Syndication</b>          |
|                                 |                               | Facility Rating (Loss given default)   |
|                                 |                               | <b>S&amp;P Bank Loan</b>               |
|                                 |                               | <b>Moody's Bank Loan</b>               |
|                                 |                               | <b>Fitch Bank Loan</b>                 |
|                                 |                               | <b>DBRS</b>                            |
|                                 |                               | <b>Other Ratings</b>                   |

**SCHEDULE B  
LENDERS AND COMMITMENTS**

| Lender and Lending Office  | FP Tranche<br>(To be completed once Total Commitment is allocated) | Development Tranche<br>(To be completed once Total Commitment is allocated) | ITC Tranche          | Total Commitment          |
|--|--|---|----------------------|---------------------------|
| <b>Canadian Imperial Bank of Commerce</b><br>25 King Street West<br>Commerce Court North – 16th Floor<br>Toronto, Ontario M5L 1A2<br><br>Attention:<br>Paul Montgomery and<br>Mauricio Echeverri<br>Facsimile No.: (416) 214-8749<br>Email:<br>paul.montgomery@cibc.com<br>mauricio.echeverri@cibc.com | Cdn. \$●<br>(50%)  | Cdn. \$●<br>(50%)   | Cdn. \$0.00<br>(50%) | Cdn. \$2,250,000<br>(50%) |
| <b>Canadian Western Bank</b><br>3000, 10303 Jasper Avenue<br>Edmonton AB T5J 3X6<br>Attention: Mykhaylo Hotsaliuk<br>Facsimile: 780-421-0379   | Cdn. \$●<br>(25%)  | Cdn. \$●<br>(25%)   | Cdn. \$0.00<br>(25%) | Cdn. \$1,125,000<br>(25%) |
| <b>Laurentian Bank of Canada</b><br>8500 Leslie Street Suite 100<br>Thornhill On. L3T 7M8<br>Attention: Jeff Weller<br>Facsimile: (905) 886-5851   | Cdn. \$●<br>(25%)  | Cdn. \$●<br>(25%)   | Cdn. \$0.00<br>(25%) | Cdn. \$1,125,000<br>(25%) |
| <b>Total</b>   | <b>Cdn. \$●</b>  | <b>Cdn. \$●</b>   | <b>Cdn. \$0.00</b>   | <b>Cdn. \$4,500,000</b>   |

**SCHEDULE C  
LEGAL DESCRIPTION OF PROJECT LANDS**

**Leslieville Project Lands - 50 Curzon Street, Toronto, Ontario**

**PIN 21051-0408 (LT)**

**Owner: Urbancorp (Leslieville) Developments Inc.**

Firstly: Part Lot 11, Plan 61E Toronto; Part Lot 11, Concession 1 FTB, designated as Part 2, Plan 66R-25636; Secondly: Part Lot 11, Concession 1 FTB designated as Part 1, Plan 66R-25636; Thirdly: Part Lot 11, Concession 1 FTB commencing at an iron bar in the western limit of Curzon Street, distant 595.81 feet measured northerly therealong from the northern limit of Queen Street East; Thence north 16 degrees 00 minutes west along the said western limit of Curzon Street a distance of 65.70 feet to an iron bar; thence south 74 degrees 22 minutes 20 seconds west a distance of 252.43 feet to an iron pipe in the eastern limit of Lot 8, according to a Plan filed in the said Registry Office as number 61E; thence south 17 degrees 06 minutes east along the eastern limits of Lots 8 and 9 according to said Plan 61E a distance of 66.00 feet to a spike in a stump; Thence north 74 degrees 18 minutes 20 seconds east a distance of 251.17 feet to the point of commencement; subject to an easement as in AT2958528; subject to an easement as in AT3708202, subject to an easement as in AT3728135, City of Toronto



**SCHEDULE D  
LEGAL DESCRIPTION OF BEACH REMAINING LANDS**

**Beach Remaining Lands - 42 Edgewood Avenue, Toronto, Ontario**

**Formerly PIN 21024-0422 (LT)**

Lots 5, 6, 7, 8 and 9, Plan 504 (Midway); Lots 66, 67, 68 and 69, Plan 481E, designated as Parts 1 and 2, Plan 66R-25512; s/t an easement over Part Lot 69, Plan 481E, designated as Part 2, Plan 66R-25512 in favour of Part Lot 70, Plan 481E as in ET127629; t/w an easement over Part Lot 70, Plan 481E, designated as Parts 3, Plan 66R-25512 as in ET127629; City of Toronto

**Now**

**(1) PIN 21024-0455 (LT)**

**Owner: Urbancorp (Leslieville) Developments Inc.**

PART OF LOT 66 & 67 PLAN 481E DESIGNATED AS PART 1 PLAN 66R27603; TOGETHER WITH AN EASEMENT OVER PART OF LOTS 7 AND 8 PL 504 (MIDWAY) AND PART OF LOTS 67 AND 68, PLAN 481E, TORONTO DESIGNATED AS PART 3 ON PLAN 66R26973 UNTIL SUCH TIME AS SAID PART 3 IS DEDICATED AS PUBLIC HIGHWAY AS IN AT3535638; CITY OF TORONTO

**(2) PIN 21024-0456 (LT)**

**Owner: Urbancorp (Leslieville) Developments Inc.**

PART OF LOTS 8 & 9 PLAN 504 (MIDWAY) DESIGNATED AS PART 2 PLAN 66R27603; TOGETHER WITH AN EASEMENT OVER PART OF LOTS 7 AND 8 PL 504 (MIDWAY) AND PART OF LOTS 67 AND 68, PLAN 481E, TORONTO DESIGNATED AS PART 3 ON PLAN 66R26973 UNTIL SUCH TIME AS SAID PART 3 IS DEDICATED AS PUBLIC HIGHWAY AS IN AT3535638; CITY OF TORONTO

**(3) PIN 21024-0457 (LT)**

**Owner: Urbancorp (Leslieville) Developments Inc. and Urbancorp (The Beach) Developments Inc.**

PART OF LOTS 8 & 9 PLAN 504 (MIDWAY) DESIGNATED AS PART 3 PLAN 66R27603 TOGETHER WITH AN EASEMENT OVER PART OF LOTS 7 AND 8 PL 504 (MIDWAY) AND PART OF LOTS 67 AND 68, PLAN 481E, TORONTO, DESIGNATED AS PART 3 ON PLAN 66R26973 UNTIL SUCH TIME AS SAID PART 3 IS DEDICATED AS PUBLIC HIGHWAY AS IN AT3535638; CITY OF TORONTO

**(4) PIN 21024-0469 (LT)**

**Owner: Urbancorp (Leslieville) Developments Inc. and Urbancorp (The Beach) Developments Inc.**

PART OF LOT 66 PLAN 481E DESIGNATED AS PART 15 PLAN 66R27603; TOGETHER WITH AN EASEMENT OVER PART OF LOTS 7 AND 8 PL 504 (MIDWAY) AND PART OF LOTS 67 AND 68, PLAN 481E, TORONTO, DESIGNATED AS PART 3 ON PLAN 66R26973 UNTIL SUCH TIME AS SAID PART 3 IS DEDICATED AS PUBLIC HIGHWAY AS IN AT3535638; CITY OF TORONTO

**(5) PIN 21024-0491 (LT)**

**Owner: Urbancorp (Leslieville) Developments Inc. and Urbancorp (The Beach) Developments Inc.**

PT LTS 5, 6 & 7 PLAN 504 BEING PT 36 PL 66R27603 AND PT LT 5 PLAN 504 BEING PT 1 PL 66R27625; TOGETHER WITH AN EASEMENT OVER PT LTS 7 & 8 PL 504 & PT LT 67 & 68 PL 481E PT 3 PL 66R26973 AS IN AT3535638; TOGETHER WITH AN EASEMENT OVER PT LT 70 PL 481E PT 3 PL 66R25512 AS IN ET127629; SUBJECT TO AN EASEMENT OVER PT 1 PL 66R27625 IN FAVOUR OF PT LT 4 PL 504 AS IN AT3690147; CITY OF TORONTO

**(6) PIN 21024-0492 (LT)**

**Owner: Urbancorp (Leslieville) Developments Inc.**

PT LTS 5, 6 & 7 PLAN 504 BEING PT 35 PL 66R27603 AND PT LT 5 PL 504 BEING PT 2 PL 66R27625; TOGETHER WITH AN EASEMENT OVER PT LTS 7 & 8 PL 504 & PT LT 67 & 68 PL 481E PT 3 PL 66R26973 AS IN AT3535638; TOGETHER WITH AN EASEMENT OVER PT LT 70 PL 481E PT 3 PL 66R25512 AS IN ET127629; SUBJECT TO AN EASEMENT OVER PT 2 PL 66R27625 IN FAVOUR OF PT LT 4 PL 504 AS IN AT3690147; CITY OF TORONTO

**(7) PIN 21024-0493 (LT)**

**Owner: Urbancorp (Leslieville) Developments Inc. and Urbancorp (The Beach) Developments Inc.**

PT LTS 68 & 69 PL 481E BEING PT 17 PL 66R27603; TOGETHER WITH AN EASEMENT OVER PT LTS 7 & 8 PL 504, PT LTS 67 & 68 PL 481E PT 3 PL 66R26973 AS IN AT3535638; TOGETHER WITH AN EASEMENT OVER PT LT 70 PL 481E PT 3 PL 66R25512 AS IN ET127629; CITY OF TORONTO

**(8) PIN 21024-0494 (LT)**

**Owner: Urbancorp (Leslieville) Developments Inc.**

PT LT 69 PL 481E BEING PTS 16 & 18 PL 66R27603; TOGETHER WITH AN EASEMENT OVER PT LTS 7 & 8 PL 504, PT LTS 67 & 68 PL 481E PT 3 PL 66R26973 AS IN AT3535638; TOGETHER WITH AN EASEMENT OVER PT LT 70 PL 481E PT 3 PL 66R25512 AS IN ET127629; SUBJECT TO AN EASEMENT OVER PT 18 PL 66R27603 IN FAVOUR OF PT LT 70 PL 481E AS IN ET127629; CITY OF TORONTO

**SCHEDULE 1.01(A)  
DRAWDOWN NOTICE**

TO: CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent

FROM: ALVAREZ & MARSAL CANADA INC., solely in its capacity as Court Appointed Receiver and Manager and Construction Lien Trustee of URBANCORP (LESLIEVILLE) DEVELOPMENTS INC., URBANCORP (RIVERDALE) DEVELOPMENTS INC. and URBANCORP (THE BEACH) DEVELOPMENTS INC., as Construction Receiver (the "**Construction Receiver**") and not in its personal or corporate capacity

DATE: ●, 201●

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1. This Drawdown Notice is delivered to you, as Administrative Agent, pursuant to Section 2.03 of the Credit Agreement made as of April 18, 2017 between, inter alia, the Construction Receiver, as Construction Receiver, you, as Administrative Agent, and the financial institutions from time to time parties thereto as lenders, as amended to the date hereof (the "**Credit Agreement**"). All terms used in this Drawdown Notice that are defined in the Credit Agreement have the same meanings herein.

2. The Construction Receiver hereby requests the following Loan(s):

(a) Drawdown Date:

\_\_\_\_\_

(b) Type(s) of Tranche requested under the Credit Facility (If draws are being made under more than one Tranche, check multiple boxes below, as applicable):

FP Tranche

or

Development Tranche

or

ITC Tranche

(c) Amount of Loan requested (If draws are being made under more than one Tranche, complete both lines):

| Tranche |                  |         | <u>Amount</u> |
|---------|------------------|---------|---------------|
| _____   | Prime Rate Loan: | Cdn. \$ | _____         |
| _____   | Prime Rate Loan: | Cdn. \$ | _____         |

3. All of the conditions precedent to the Loan(s) requested hereby that have not been properly waived in writing by or on behalf of the Lenders have, to the best of the knowledge of the Construction Receiver (without any independent investigation), been satisfied.

4. To the best of the knowledge of the Construction Receiver (based solely on information obtained from the Independent Cost Consultant, Consultants and Craft and without any independent investigation), no Default or Event of Default has occurred and is continuing or will have occurred and be continuing on the Drawdown Date, or will result from the Loan(s) requested hereby.

5. Accompanying this Drawdown Notice are the following documents:

- Copy of completed Application for Payment (or Application for Final Payment as applicable) signed by Craft under the Construction Contract and relating to the Craft payment to be funded by the requested Drawdown, together with copies of all related statutory declarations and certificates provided by Craft to the Independent Cost Consultant in connection with such Application.
- Copy of completed Consultant's Payment Certificate (or Consultant's Final Payment Certificate as applicable) issued under the Construction Contract and relating to the Craft payment to be made, signed by Kasian Architecture Ontario Inc.
- Copy of completed application for payment of Development Costs under the Craft Development Contract.
- Copy of the Project Monitor's Payment Verification (or Project Monitor's Final Payment Verification as applicable) signed by the Independent Cost Consultant under the Construction Contract which includes the Independent Cost Consultant's recommendation for payment of the Development Costs requested.
- Completed Project Status Certificate signed by the Construction Receiver.
- Completed Independent Cost Consultant's Certificate signed by the Independent Cost Consultant.

ALVAREZ & MARSAL CANADA INC., solely in its capacity as Court Appointed Receiver and Manager and Construction Lien Trustee of URBANCORP (LESLIEVILLE) DEVELOPMENTS INC., URBANCORP (RIVERDALE) DEVELOPMENTS INC. and URBANCORP (THE BEACH) DEVELOPMENTS INC., as Construction Receiver and not in its personal or corporate capacity

By: \_\_\_\_\_

Name:

Title:

**SCHEDULE 1.01(B)  
INITIAL DEVELOPMENT BUDGET**

**[SEE ATTACHED]**

## Initial Development Budget

| Initial Development Budget<br>per Development Agreement | Amount         |
|---|----------------|
| Craft Management Fee - 25%<br>of \$1.5 million          | 375,000        |
| Consultant and Architect fees<br>(see note 1 below)     | 330,500        |
| Potential marketing costs for<br>non-Opt-ins            | 200,000        |
| Legal/Closing/Financing costs<br>to Settlement          | 40,000         |
| <b>Total</b>  | <b>945,500</b> |

Note 1.

| Summary of Consultant and Architect Fees |                     |                |                        |
|--|---------------------|----------------|------------------------|
| Type                                     | Supplier            | Estimate       | Basis                  |
| Engineering Service re: Geothermal       | R. Mancini          | 80,000         | Supplier<br>Quote      |
| Architectural                            | Kasian Architecture | 68,300         | Supplier<br>Quote      |
| Surveyor                                 | R. Avis Surveying   | 34,500         | Supplier<br>Quote      |
| Technical Audit                          | To be determined    | 30,000         | Craft<br>Projection    |
| Bulletin 19 & Code Consultant            | To be determined    | 20,000         | Craft<br>Projection    |
| Mechanical/Electrical                    | United Engineering  | 18,500         | Supplier<br>Quote      |
| Environmental (Park if required)         | EXP Services        | 15,000         | Craft<br>Projection    |
| Water Testing                            | To be determined    | 7,500          | Supplier<br>Projection |
| Civil Engineering                        | GHD                 | 6,200          | Supplier<br>Quote      |
| Structural                               | Leonard Kalishenko  | 5,600          | Supplier<br>Quote      |
| Landscaping Consulting                   | Terraplan Landscape | 5,200          | Supplier<br>Quote      |
| Fire Safety Report                       | To be determined    | 5,000          | Craft<br>Projection    |
| Environmental                            | EXP Services        | 4,750          | Supplier<br>Quote      |
| Arborist                                 | To be determined    | 2,500          | Craft<br>Projection    |
| Contingency                              |                     | 27,450         |                        |
| <b>Sub-total</b>                         |                     | <b>330,500</b> |                        |

**SCHEDULE 1.01(1)(C)  
PROJECT STATUS CERTIFICATE**

|  |  |
|--|--|
| <p>TO: Canadian Imperial Bank of Commerce, as Administrative Agent (the “<b>Administrative Agent</b>”)</p> | <p>CONSTRUCTION RECEIVER:<br/>ALVAREZ &amp; MARSAL CANADA INC., in its capacity as Court Appointed Receiver and Manager and Construction Lien Trustee of URBANCORP (LESLIEVILLE) DEVELOPMENTS INC., URBANCORP (RIVERDALE) DEVELOPMENTS INC. and URBANCORP (THE BEACH) DEVELOPMENTS INC., as Construction Receiver (the “<b>Construction Receiver</b>”)</p> |
| <p>ADVANCE: Relating to Drawdown Notice dated _____, 201__</p>   | <p>PROJECT: Leslieville Project (the “<b>Project</b>”)</p>   |
| <p>CERTIFICATE DATE: [Date]</p>  | <p>CONSTRUCTION CONTRACT: Dated April 18, 2017 between the Construction Receiver and C.R.A.F.T. Development Corporation (“<b>Craft</b>”)</p>   |

I, \_\_\_\_\_, the \_\_\_\_\_ (insert title) of the Construction Receiver, hereby certify for and on behalf of the Construction Receiver and not in my personal capacity and without personal liability, that as of \_\_\_\_\_ (insert date):

1. I am familiar with and have examined the provisions of the Credit Agreement dated as of April 18, 2017, between, inter alia, the Construction Receiver, the Administrative Agent and the lenders named therein (the “**Credit Agreement**”) and have made reasonable investigations of the books and records of the Construction Receiver in respect of the Project and inquiries of other officers and senior personnel of the Construction Receiver and with the Independent Cost Consultant, except as where stated herein. Terms defined in the Credit Agreement have the same meanings when used in this certificate.

2. I confirm that the Construction Receiver has complied with all holdback requirements under the *Construction Lien Act* (Ontario) (the “Act”) applicable in respect of the Project, except for any holdback requirements in connection with payments to Consultants.

3. I confirm that any and all funds heretofore received by the Construction Receiver from the Lenders as advances under the Credit Agreement have been paid to Craft pursuant to and in accordance with the payment terms of the Craft Construction Contract or the Craft Development Contract.

4. I confirm that the Construction Receiver has not received written notice of any lien or other claim of lien in respect of the Project.

5. Based solely on the information provided to me by the Independent Cost Consultant and without any independent investigation, I confirm that no part of the requested advance is being requested in order to pay for Cost Overruns and that all Cost Overruns incurred in connection

with the Leslieville Project prior to the date hereof have been fully pre-funded by Terra Firma and/or Craft in accordance with the TF Cost Overrun Guarantee and that no Cost Overruns are currently unfunded except for the following "Dispute Work" (as defined in the TF Cost Overrun Guarantee) which is being paid by Craft as required under the applicable Craft C&D Contract:  
\_\_\_\_\_ (Add schedule as necessary).

6. Based solely on the information provided to me by the Independent Cost Consultant and without any independent investigation, I am not aware of any Minor Construction Breaches, Minor Development Breaches or Major Events of Default (each as defined in the Craft Construction Contract) under either of the Craft C&D Contracts, except for:  
\_\_\_\_\_ (Add schedule as necessary).

7. All of the statements contained in this certificate are, to the best of my knowledge (after due inquiry as noted above including with the Independent Cost Consultant) and belief as of the date hereof, true, complete and accurate in all material respects.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**URBANCORP (LESLIEVILLE) DEVELOPMENTS INC.,**  
by Alvarez & Marsal Canada Inc., solely in its capacity as Court  
Appointed Receiver and Manager and Construction Lien  
Trustee of Urbancorp (Leslieville) Developments Inc. and  
not in its personal or corporate capacity

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**SCHEDULE 1.01(1)(D)  
INDEPENDENT COST CONSULTANT'S CERTIFICATE**

|  |   |
|--|---|
| <p>TO: Canadian Imperial Bank of Commerce, as Administrative Agent (the "<b>Administrative Agent</b>")</p> | <p>CONSTRUCTION RECEIVER:<br/>ALVAREZ &amp; MARSAL CANADA INC., solely in its capacity as Court Appointed Receiver and Manager and Construction Lien Trustee of URBANCORP (LESLIEVILLE) DEVELOPMENTS INC., URBANCORP (RIVERDALE) DEVELOPMENTS INC. and URBANCORP (THE BEACH) DEVELOPMENTS INC.<br/>(the "<b>Construction Receiver</b>")</p> |
| <p>ADVANCE: Relating to Drawdown Notice dated _____, 201__</p>   | <p>PROJECT: The Leslieville Project ("<b>Project</b>")</p>  |
| <p>CERTIFICATE DATE: [Date]</p>  | <p>CONSTRUCTION CONTRACT: Dated April 18, 2017 between the Construction Receiver and C.R.A.F.T. Development Corporation ("<b>Craft</b>")</p>  |

Based on my/our professional experience and qualifications and after making such reasonable enquiries as I/we have deemed necessary in the circumstances, I/we hereby certify to the Administrative Agent as follows:

1. Unless otherwise defined herein, all initially capitalized terms have the meanings set forth in the Craft Development Contract (as defined in the below-mentioned Credit Agreement), as amended from time to time, and if not defined therein, then in the Credit Agreement dated as of April 18, 2017, between, inter alia, the Construction Receiver, the Administrative Agent and the lenders named therein, as amended from time to time (the "**Credit Agreement**").
2. I/we have periodically inspected construction since the commencement of construction and last inspected the Project on \_\_\_\_\_ (insert date) (the "**Inspection Date**").
3. All required permits, licenses and other authorizations have been obtained and are being maintained.
4. The Project has not been damaged by fire or other casualty.
5. Construction and development of the Project up to and including the Inspection Date has been performed in a good and workmanlike manner (subject to the qualification in Note 1).
6. Construction and development of the Project up to and including the Inspection Date has been performed substantially in accordance with (i) the plans and specifications, (ii) the Construction Schedule, (iii) all applicable building codes, municipal bylaws and regulations, (iv) all required permits, licenses and other authorizations, and (v) all applicable laws, rules and regulations including, without limitation, environmental laws (subject to the qualification in Note 1 below<sup>1</sup>).

7. The statutory declarations and/or other evidence provided by Craft and any and all relevant sub-contractors on the Project confirm that, as of the date hereof: (i) no claims for lien have been registered against the Project by Craft, the Builder or such sub-contractors, (ii) Craft, the Builder and each such sub-contractor is not aware of any grounds supporting any claim for lien against the Project, and (iii) Craft is not aware of any breach or non-compliance under the Construction Contract that would constitute a Construction Breach.

8. There is no "Dispute Work" (as defined under either of the Craft C&D Contracts) that has not been pre-funded by Craft or Terra Firma except for: \_\_\_\_\_ (Add schedule as necessary).

9. We are not aware of any Minor Construction Breaches, Minor Development Breaches or Major Events of Default (as each term is defined under either of the Craft C&D Contracts) except for: \_\_\_\_\_ (Add schedule as necessary).

10. In my/our opinion, as of the date hereof, the figures set forth below accurately reflect the Project costs or work completed on the Project and the costs of the remaining work required to complete the Project in accordance with the plans and specifications and the Construction Schedule. A report setting out in greater detail those elements comprising the figures set out below is attached hereto and forms part of this Certificate.

- (a) Project costs of work completed to date: \$ \_\_\_\_\_
- (b) Project costs of remaining work: \$ \_\_\_\_\_
- (c) Estimated total Project costs (a+b): \$ \_\_\_\_\_
- (d) Original estimate of total Project costs: \$ \_\_\_\_\_
- (e) Amount of additional costs, if any (c-d): \$ \_\_\_\_\_

11. I/we confirm that the Cost Overruns associated with the Project to date are as follows:

- (a) Total Cost Overruns to date: \$ \_\_\_\_\_
- (b) Cost Overruns not currently pre-funded by Craft or Terra Firma Capital Corporation: \$ \_\_\_\_\_

Details to any new Cost Overruns are set forth in greater detail in the accompanying report.

12. After giving effect to the requested advance, the Cost to Complete the Project (excluding Development Costs to be funded under the Development Tranche) does not exceed (a) the undrawn Credit Facility Commitment allocated to the FP Tranche, (b) the funding previously received and then currently held by the Construction Receiver for Cost Overruns under the Craft Construction Contract provided by Terra Firma, Craft or the Lenders under the TF Cost Overrun Guarantee; and (c) if the Geo-thermal System Costs

are being funded through a Craft Loan, the amount of Craft Loans received and then currently held by the Construction Receiver to fund Geo-thermal System Costs.

13. In the case of a Drawdown under the Development Tranche, the Costs of Craft to be paid with the proceeds of such Drawdown are within the current Development Budget.
14. After giving effect to the requested Drawdown, the remaining Budgeted Development Costs do not exceed (a) the undrawn Credit Facility Commitment allocated to the Development Tranche and (b) the funding previously received and then currently held by the Construction Receiver for Cost Overruns under the Craft Development Contract provided by Terra Firma, Craft or the Lenders under the TF Cost Overrun Guarantee.
15. I/we confirm, in respect of any Application for Payment (or Application for Final Payment as applicable) under the Construction Contract pending as of the date hereof, that the requisite holdback amounts for the payments thereunder and consistent with that portion of the Project Costs for which payment is being sought, are properly shown in such Application, i.e., as deductions from the net payment to be made thereunder.
16. In my/our opinion, as of the date hereof, Substantial Performance of the Work is projected to occur on or before:

the original Scheduled Substantial Performance Date set forth in the Construction Contract, namely ●, 201●, and in any event, by no later than the Outside Date, namely **[June 15, 2018]**.

or

\_\_\_\_\_, 201●.

Reasons for delay, if applicable, are outlined in the attached schedule.

This certificate is given in connection with the abovementioned Advance to be made to the Construction Receiver under the Credit Agreement, and you may rely upon it in making such advance.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**ALTUS GROUP LIMITED**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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<sup>i</sup> Note 1: It should be noted that cost consultants are not qualified to confirm that construction work has been completed in accordance with plans and specifications. In this regard, we will forward certificates provided by the design consultants as available to confirm that the Project is being constructed in accordance with the approved plans and specifications, and the provincial building code. The experience, expressed herein with the respect to environmental issues, is limited to the anticipated impact on budget and schedule based on the experts reports provided.