

**LOAN AGREEMENT**

**THIS LOAN AGREEMENT** (this "**Agreement**") made as of the 11th day of January, 2022.

BETWEEN:

**GREEN IMPACT PARTNERS INC.**, a corporation incorporated under the laws of the Province of British Columbia, having a registered office at 666 Burrard Street, Suite 2500, Vancouver, British Columbia, V6C 2X8  
(hereinafter called the "**Borrower**")

OF THE FIRST PART

AND:

**GREEN IMPACT OPERATING CORP.**, a corporation incorporated under the laws of the Province of Alberta, having a registered office at 666 Burrard Street, Suite 2500, Vancouver, British Columbia, V6C 2X8  
(hereinafter called "**GIP Opco**")

OF THE SECOND PART

AND:

**AKIRA INFRA I LTD.**, a corporation incorporated under the laws of the Province of Alberta, having a registered office at 666 Burrard Street, Suite 2500, Vancouver, British Columbia, V6C 2X8  
(hereinafter called "**Akira Infra**")

OF THE THIRD PART

AND:

**2302922 ALBERTA LTD.**, a corporation incorporated under the laws of the Province of Alberta, having a registered office at 666 Burrard Street, Suite 2500, Vancouver, British Columbia, V6C 2X8  
(hereinafter called "**2302922**")

OF THE FOURTH PART

AND:

**TRANSITION ENERGY INC.**, a corporation incorporated under the laws of the Province of British Columbia, having a registered office at 666 Burrard Street, Suite 2500, Vancouver, British Columbia, V6C 2X8  
(hereinafter called "**Transition Energy**")

OF THE FIFTH PART

AND;

**GREEN IMPACT PARTNERS EMPLOYMENT CORP.**, a corporation incorporated under the laws of the Province of Alberta, having a registered office at 666 Burrard Street, Suite 2500, Vancouver, British Columbia, V6C 2X8  
(hereinafter called "**GIP Employment**")

OF THE SIXTH PART

AND;

**AKIRA INFRASTRUCTURE LLC**, a limited liability company formed under the laws of the State of Hawaii, U.S.A., having a registered office at 75 Amala Place, Kahului, Hawaii 96732  
(hereinafter called the "**Akira Infrastructure**")

OF THE SEVENTH PART

AND:

**GREEN IMPACT PARTNERS U.S., INC.**, a corporation incorporated under the laws of the State of Delaware, U.S.A., having a registered office at 1675 South State Street, Suite B, City of Dover, Delaware 19901  
(hereinafter called the "**GIP US**")

OF THE EIGHTH PART

AND:

**CANADIAN WESTERN BANK**, a Canadian Chartered Bank, having a branch office at 12230 Jasper Avenue, Suite 100, Edmonton, Alberta, T5N 3K3  
(hereinafter called the "**Lender**")

OF THE NINTH PART

**WHEREAS** the Lender has agreed to establish certain credit facilities for the Borrower, and the Borrower has agreed to avail itself of such certain credit facilities, on the terms and conditions as set out in this Agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the covenants and agreements herein contained, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto covenant and agree as follows:

## **ARTICLE 1 – MISCELLANEOUS**

### **1.1 Formal Date**

For the purpose of convenience, this Agreement may be referred to as bearing the formal date of this Agreement first written above, irrespective of the actual date of execution thereof.

### **1.2 Definitions**

For the purposes of this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings, and words defined elsewhere in this Agreement shall have the meaning ascribed to them therein:

- (a) "**Additional Compensation**" has the meaning ascribed to it in Section 2.8(c);
- (b) "**Additional Guarantors**" means the Subsidiaries of the Borrower that become Guarantors after the Closing pursuant to the terms of this Agreement;
- (c) "**Advances**" means collectively all those advances of monies made by the Lender to the Borrower pursuant to the terms and conditions of this Agreement, including all Letters of Credit issued hereunder, and "**Advance**" means any one of such Advances;
- (d) "**Affiliate**" has the meaning attributed to that term in the *Securities Act* (Alberta) and "**affiliated**" shall have like meaning;
- (e) "**Assets**" means those certain assets of the Borrower secured to the Lender herein, including the equipment, leasehold improvements and Capital Stock listed in Schedule "A" to this Agreement resulting from the acquisition of the "Clean Water Assets" as defined in the Plan of Arrangement (the "**Clean Water Assets**");

- (f) **"Business Day"** means a day other than Saturday, Sunday or a statutory holiday in the Province of Alberta or any other day upon which the Lender is not open for the transaction of business throughout normal business hours, at its principal office, in the City of Edmonton, Alberta;
- (g) **"Canadian Dollars"** and **"Cdn.\$"** mean the lawful money of Canada;
- (h) **"Capital Expenditure"** means an expenditure made directly or indirectly in respect of the acquisition of Assets, or relating to Capital Lease Obligations, including the acquisition or the improvement of land, plant, machinery or equipment, whether fixed or movable, all in accordance with GAAP;
- (i) **"Capital Lease Obligation"** means, for any Person, any payment obligation of such Person under an agreement for the lease or rental of or right to use Property that, in accordance with GAAP, is required to be capitalized. For the purpose of this definition, the amount of such obligation shall be the capitalized amount thereof determined in accordance with GAAP, and the stated maturity of such obligation shall be the first day upon which such agreement may be terminated by such Person without payment of penalty or, if such termination without penalty is not permitted, the last day on which any lease or rental payment thereunder is due;
- (j) **"Capital Stock"** means common shares, preferred shares or other equivalent equity interests (howsoever designated) of capital stock of a body corporate, equity preferred or common interests in a limited liability company, limited or general partnership interests in a partnership or any other equivalent such ownership interest;
- (k) **"Cash Management Obligations"** means all indebtedness, liabilities and obligations of the Obligors to the Lender under any Cash Management Services;
- (l) **"Cash Management Services"** means cash or treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, daylight overdrafts, interstate depository network services, wire payments, account netting and pooling services and the operation of centralized banking arrangements (whether notional or physical)) or any similar services which any Obligor maintains with a Lender;
- (m) **"Cash Taxes"** means, in respect of any Person for any applicable period, the amount of all income taxes (including federal and provincial income taxes) paid or payable by such Person on its taxable income for such period (which for greater certainty, does not include future income taxes);
- (n) **"Change in Control"** means the occurrence of any of the following: (a) any change in the registered holdings and/or beneficial ownership of the Capital Stock of the Borrower which results in less than 51% of the voting Capital Stock of the Borrower being held by the shareholders as of the date of this Agreement; (b) any Person becomes the owner, directly or indirectly, of 50% or more of the Capital Stock of the Borrower or, in the context of a consolidation, merger or other corporate reorganization in which the Borrower is not the surviving entity, 50% or more of the Capital Stock generally entitled to elect the board of directors of such surviving entity (or in the case of a triangular merger, of the parent entity of such surviving entity), calculated on a fully-diluted basis; or (ii) has obtained the power (whether or not exercised) to elect a majority of the board of the directors of the Borrower or the board of directors (or equivalent governing body) of any of the Borrower's successors; or (c)

the sale of all or substantially all of the assets of the Borrower and its Subsidiaries on a consolidated basis;

- (o) **"Claims"** means all suits, actions, proceedings, claims, losses (other than loss of profits), expenses (including reasonable fees, charges and disbursements of counsel), damages and liabilities, and each, a **"Claim"**;
- (p) **"Closing"** means the date on which all conditions precedent set out in Section 3.1 are satisfied;
- (q) **"Constating Documents"** means articles, letters patent, memorandum of association, certificates of amalgamation, declarations of trust or other charter documents, by-laws, unanimous shareholder agreement, partnership agreement, joint venture agreement, operating agreement, declaration of trust, or trust agreement, as applicable, and any and all other similar agreements, documents, and instruments;
- (r) **"Control"** and **"Controlled"** has the same meaning as defined in the *Business Corporations Act* (Alberta), and **"Controlling"** has a comparable meaning;
- (s) **"Corporate Distribution"** means, in respect of any Person:
  - (i) the purchase, redemption or retirement of any interest in capital of any Person (including, without limitation, any purchase, redemption or retirement made pursuant to a Person exercising their call rights with respect to any capital of any Person);
  - (ii) the payment of any dividend or any other payment or distribution to unitholders or shareholders of such Person, other than in the normal course of business or in accordance with the Borrower's Board of Directors approved compensation policies, procedures, or protocols; or
  - (iii) any payment on account of: (1) any Principal or interest on any loans or advances owing at any time to shareholders, directors, officers or any other related Person of such Person; and (2) any subordinated loans, except to the extent permitted to be paid pursuant to Section 8.3(a);
- (t) **"Creditcard Facilities"** means any corporate credit card facilities for commercial purposes (including "commercial credit cards" and "purchasing cards"), including the Visa Creditcard Facility, as described in Section 1.2(dd)(iii);
- (u) **"Creditcard Obligations"** means all indebtedness, liabilities and obligations of the Borrower to the Lender arising under any Creditcard Facilities;
- (v) **"Debt"** means, in respect of any Person, all liabilities listed on the balance sheet of such Person, other than, in the case of the Borrower, loans from shareholders or Affiliates to the Borrower where the Lender has a registered postponement of claim;
- (w) **"Debt to Tangible Net Worth Ratio"** or **"D/TNW"** means, on any date of determination, [redacted - commercially sensitive information];

- (x) **"Default"** means an event which, with the giving of notice or the passage of time or the making of any determination or any combination thereof for herein would become an Event of Default;
- (y) **"EBITDA"** means [redacted - commercially sensitive information]

- (z) **"Environmental Claims"** means:
- (i) any claim by any Governmental Authority which arises out of an Environmental Incident or an alleged Environmental Incident or which relates to any Environmental Law; or
  - (ii) any claim by any other Person which relates to an Environmental Incident or to an alleged Environmental Incident,

and **"claim"** in this definition means any claim for damages, compensation, indemnity, fines, penalties or any other payment of any kind whether or not similar to the foregoing; an order or direction to take, or not to take, certain action or to desist from or suspend certain action; and any form of enforcement or regulatory action, including the arrest or attachment of any Property;

- (aa) **"Environmental Incident"** means any Release of a Hazardous Material;
- (bb) **"Environmental Laws"** means all applicable laws, by-laws, regulations relating in full or in part to the protection of the natural environment, including the storage, carriage, use or actual or threatened Release and disposal of "hazardous substances", "contaminants" and "industrial waste" as defined in all applicable environmental protection legislation and specifically means and includes all applicable federal, state, provincial or local laws, statutes, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case relating to environmental, health, safety and protection of the environment or natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation), occupational health and safety or the manufacture, processing, distribution, use, treatment, storage, disposal, discharge, transport or handling of any Hazardous Materials; including, without limitation, all applicable Canadian, federal, provincial, municipal, or local laws, statutes or by-laws or ordinances relating to the environment, occupational safety, health, product liability, and transportation, including, without limitation, the following: the *Fisheries Act*, R.S.C. 1985, C. F14, the *Hazardous Products Act*, R.S.C. 1985, c. H-3, the *Canadian Environmental Protection Act*, S.C. 1999, c. 33, the *Clean Environmental Act*, R.S.N.B. 1973, c C-6, the *Aquaculture Act*, R.S.N.B 2011, C.112, and any other applicable laws, in each case as amended from time to time;
- (cc) **"Event of Default"** means any of the events described in Section 9.1;
- (dd) **"Facility"** means the two year committed, un-margined, revolving line of credit facility up to a maximum aggregate principal amount of Cdn.\$30,000,000 or the equivalent amount in U.S.\$, which includes the following:
- (i) Letter of Credit up to [redacted - commercially sensitive information];
  - (ii) Hedging Contracts up to [redacted - commercially sensitive information]; and
  - (iii) Corporate Visa Creditcard Facilities to a maximum amount of [redacted] (the **"Visa Creditcard Facility"**);

- (ee) **"Financial Statements"** means, with respect to any Person, for any period, all prepared in accordance with GAAP applied on a consistent basis, the balance sheet of such Person as at the end of such period and the related statements of income, of retained earnings, of the shareholders' equity and of cash flows for such period, setting forth in each case, in comparative form, the figures for the corresponding period of the previous fiscal quarter or for the previous fiscal year, as the case may be;
- (ff) **"GAAP"** means generally accepted accounting principles which are in effect from time to time in Canada including, for certainty, IFRS to the extent adopted in Canada;
- (gg) **"Governmental Authority"** means (i) any government or political subdivision thereof, national, provincial, county, municipal or regional having jurisdiction in the relevant circumstances; (ii) any agency or instrumentality of any such government, political subdivision or other government entity (including any central bank or comparable agency); (iii) any court, arbitral tribunal or arbitrator; and (iv) any non-government regulating body, to the extent that the rules, regulations or orders of such body have the force of law;
- (hh) **"GreenGas"** means GreenGas Colorado, LLC;
- (ii) **"Guarantee"** means each guarantee given by a Guarantor in favour of the Lender;
- (jj) **"Guarantors"** means collectively, (i) GIP Opco, Akira Infra, 2302922, Transition Energy, GIP Employment, Akira Infrastructure and GIP US, being all the Subsidiaries of the Borrower as at Closing (other than Aloha Glass Recycling Inc. and GreenGas); and (ii) any Subsidiaries that become guarantors after the Closing pursuant to the terms of this Agreement, and **"Guarantor"**, means any one thereof;
- (kk) **"Hazardous Materials"** means hazardous wastes, hazardous substances, toxic chemicals and substances, oil and petroleum products and their by-products, radon, asbestos, pollutants or contaminants under any applicable Environmental Law;
- (ll) **"Hedging Contracts"** means any agreement entered into between the Borrower and the Lender with respect to a forward foreign exchange contract or similar agreement involving, or settled by reference to, one or more currencies;
- (mm) **"IFRS"** means International Financial Reporting Standards, including International Accounting Standards and Interpretations, together with their accompanying documents which are set by the International Accounting Standards Board, the independent standard-setting body of the International Accounting Standards Committee Foundation (the IASC Foundation), and the International Financial Reporting Interpretations Committee, the interpretative body of the IASC Foundation;
- (nn) **"Intellectual Property"** has the meaning ascribed to it in Subsection 7.1(n);
- (oo) **"Interest Coverage Ratio"** means, [redacted - commercially sensitive information];

- (pp) **"L/C Application"** means an application by the Borrower to the Lender for the issuance of a Letter of Credit, in form and substance satisfactory to the Lender, acting reasonably;
- (qq) **"Leased Property"** means the leased real and immovable property of the Borrower where the Assets are located as set out in Schedule "C" attached hereto;
- (rr) **"Lender"** has the meaning ascribed to it on the first page of this Agreement and includes the Lender's successors and assigns;
- (ss) **"Letter of Credit" or "L/C"** means a documentary or stand-by letter of credit, letter of guarantee or similar instrument issued hereunder;
- (tt) **"Lien"** means any mortgage, pledge, security interest, encumbrance, transfer or other lien or charge of any kind, any international interest, or any other priority arrangement (including any conditional sale or other title retention agreement or any lease in the nature thereof), or any other arrangement pursuant to which title to the applicable Property is retained by or vested in some other Person for security purposes;
- (uu) **"Loan Documents"** means this Agreement, the Security, the Guarantees and any other documents entered into pursuant to this Agreement;
- (vv) **"Management Distribution"** means reasonable employee bonuses and management fees paid to officers (or their management companies, if applicable), in each case paid in the ordinary course of business;
- (ww) **"Material Adverse Effect"** means a material adverse effect on: (a) the financial condition of the Obligors taken as a whole which would negatively affect the ability of the Obligors to perform and discharge their respective obligations under this Agreement or any of the Security, in a material way, (b) the collateral covered by the Security, the Lender's Liens on such collateral, or the priority of such Liens, or (c) the Lender's ability to enforce its rights or remedies under this Agreement or any of the Security;
- (xx) **"Material Contracts"** means, with respect to an Obligor, any agreement, arrangement, contract or understanding, whether written or oral, the breach or default of which would result in a Material Adverse Effect and, when used in relation to any one of them, the term **"Material Contracts"** shall mean and refer to Material Contracts to which the applicable party is a party or by which it is bound or may hereafter become a party or be bound and **"Material Contract"** means any one thereof;
- (yy) **"Maturity Date"** means the date that is two years from the date of Closing;
- (zz) **"Net Income"** of any Person means, for any period, the net income (loss) of such Person for such period, calculated in accordance with GAAP;
- (aaa) **"Obligations"** means, as applicable, all of the Borrower's present and future indebtedness, liabilities, and obligations of any kind, nature or description, to the Lender, whether direct or indirect, joint or several or joint and several, absolute or contingent, matured or unmatured, renewed or extended, in any currency, and whether as principal debtor, guarantor, surety, or otherwise, including, but not limited

to, under, in connection with, or relating to this Agreement and any Security and any unpaid balance thereunder;

- (bbb) **"Obligors"** means collectively, the Borrower and the Guarantors, or individually an **"Obligor"**;
- (ccc) **"Owned Real Property"** means the freehold real and immovable property of the Borrower where the Assets are located as set out in Schedule "C" attached hereto;
- (ddd) **"Permitted Acquisition"** means any acquisition of assets or other property from a Person (including by way of amalgamation, merger or consolidation) provided that the Borrower would be in compliance with the terms of this Agreement on the closing of the applicable transaction(s) and provided that the Borrower provides reasonable prior notice to the Lender of such acquisition, such notice to include information reasonably necessary for the Lender to determine compliance by the Borrower with the terms of this Agreement as contemplated in this definition;
- (eee) **"Permitted Debt"** means:
  - (i) the Obligations;
  - (ii) indebtedness owing by one Obligor to another Obligor;
  - (iii) indebtedness incurred by an Obligor in the form of capital leases, operating leases, or Purchase Money Mortgages in the ordinary course of business;
  - (iv) indebtedness incurred by an Obligor to third party lenders financing specific clean energy projects of Additional Guarantors (a **"Project Lender"**) on a non-recourse basis, which for clarity, means that the Project Lender does not have a security interest against the Assets; and
  - (v) any other indebtedness that is consented to by the Lender;
- (fff) **"Permitted Encumbrances"** means any one or more of the following:
  - (i) Liens for taxes, assessments, governmental charges or levies not at the time due and delinquent, or the validity of which is being contested by the applicable Obligor in good faith and by proper legal proceedings which effectively postpone enforcement of any such Lien;
  - (ii) Liens arising in connection with workers' compensation, unemployment insurance, pension, employment or other social benefits laws or regulations which are not yet due or delinquent or the validity of which is being contested by the applicable Obligor in good faith and by proper legal proceedings which effectively postpone enforcement of any such Lien;
  - (iii) Liens securing appeal bonds and other similar Liens arising in connection with court proceedings (including, without limitation, surety bonds, security for costs of litigation where required by law, and letters of credit) or any other instruments serving a similar purpose;
  - (iv) easements, rights-of-way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights-of-way and

servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons which singularly or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of the Borrower or any other Obligor;

- (v) Liens in favour of the Lender created by the Security;
  - (vi) those Liens listed in Schedule "D" attached hereto, if any;
  - (vii) Liens securing Permitted Debt, which, in the case of loans made by a Project Lender to an Additional Guarantor, the Lender agrees to subordinate its security interest to the Project Lender's security, as and when requested by the Project Lender;
  - (viii) other non-material Liens incurred by the Borrower in the ordinary course of its business from time to time;
  - (ix) Liens securing Debt in an aggregate principal amount that does not exceed Cdn.\$1,000,000; and
  - (x) any other Lien consented to by the Lender, in writing;
- (ggg) **"Person"** includes an individual, a partnership, a joint venture entity, a trust, an unincorporated organization or any other association, a corporation and a government or any department or agency thereof;
- (hhh) **"Plan of Arrangement"** has the meaning given to it in the definition of Transaction;
- (iii) **"PPSA"** means the *Personal Property Security Act* (Alberta) as amended, supplemented, restated and superseded, in whole or in part, from time to time provided that, if the attachment, perfection or priority of the Security in respect of any of the Secured Property is governed by the laws of any jurisdiction other than Alberta, PPSA shall mean those other laws for the purposes hereof relating to the attachment, perfection or priority;
- (jjj) **"Prime Rate"** means the variable reference rate of interest per year declared by the Lender from time to time to be its prime rate for Canadian Dollar loans made by the Lender in Canada;
- (kkk) **"Prime Rate Loans"** means the Advances made available by the Lender to the Borrower under the Facility and outstanding from time to time, which are denominated in Canadian Dollars and on which the Borrower has agreed to pay interest in accordance with Section 2.8;
- (lll) **"Principal"** means the aggregate amount of all Advances outstanding from time to time;
- (mmm) **"Property"** means all types of real, personal or mixed property and all types of tangible or intangible property;

- (nnn) **"Purchase Money Mortgages"** means any security interest charging property acquired, which is granted or assumed or which arises by operation of law in favour of the transferor concurrently with and for the purpose of the acquisition of such property, in each case where (i) the Principal amount secured by the security interest is not in excess of the purchase price (after any post-closing adjustment) of the property acquired, (ii) such security interest extends only to the property acquired and its proceeds, including capital leases, and (iii) such property acquired is equipment used in the ordinary course of the Borrower's business;
- (ooo) **"Receiver"** has the meaning ascribed to it in Section 11.1;
- (ppp) **"Release"** means any discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a correlative meaning;
- (qqq) **"Secured Property"** means and includes all the undertaking, property and assets of the Obligors, all of which shall be subject to the Security, including, without limitation (but subject to Permitted Encumbrances):
- (i) a first charge on all Clean Water Assets;
  - (ii) a first fixed charge on all Owned Real Property and Leased Property described in Schedule "C" hereto together with all buildings, erections, and fixtures presently situated thereon or which may at any time hereafter be constructed or placed thereon or used in connection therewith;
  - (iii) a security interest on all present and after-acquired personal property of the Obligors; and
  - (iv) a floating charge and security interest to and in favour of the Lender in, all of its present and future interests in all real property not referred to in (i) and (ii) above;
- provided* that the Secured Property shall not include any Capital Stock of GreenGas owned by an Obligor;
- (rrr) **"Security"** means the Security Agreements, assignments and any other instrument or agreement which purports to secure the payment and performance of the Obligations provided in accordance with the terms of this Agreement;
- (sss) **"Security Agreements"** means:
- (i) the general security agreements provided by the Obligors creating a first-ranking (subject only to Permitted Encumbrances) security interest in all of the Secured Property of the Obligor party thereto;
  - (ii) an assignment or endorsement of insurance provided by the Borrower; and
  - (iii) such other security documents entered into between the Lender and any Obligor and securing the Obligations;
- (ttt) **"Standby Fee"** means, at any time, the rate, expressed as a rate per annum based on a year of 365 days, set out in the table in Subsection 2.8(a), under the heading

"Standby Fees (bps)". Each payment of Standby Fees shall be calculated for the period commencing on and including the day of Closing or the last date on which such Standby Fees were payable hereunder, as the case may be, up to and including the last day of the quarter for which such Standby Fees are to be paid or the Maturity Date (whichever is earlier) and shall be in an amount equal to the Standby Fee rate in effect on each day during such period of calculation multiplied by the difference, if positive, obtained by subtracting the outstanding Advances for each day in the period of the calculation, from the amount of the Loan's committed limit in effect on each such day. Such Standby Fees shall be calculated on a daily basis and on the basis of a 365-day year;

(uuu) **"Subsidiary"** means, with respect to any Person ("**X**"):

- (i) any corporation of which at least a majority of the outstanding shares having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues) is at the time directly, indirectly or beneficially owned or controlled by X or one or more of its Subsidiaries, or X and one or more of its Subsidiaries;
- (ii) any partnership of which, at the time, X, or one or more of its Subsidiaries, or X and one or more of its Subsidiaries: (i) directly, indirectly or beneficially own or control more than 50% of the income, capital, beneficial or ownership interests (however designated) thereof; and (ii) is a general partner, in the case of limited partnerships, or is a partner or has authority to bind the partnership, in all other cases; or
- (iii) any other Person of which at least a majority of the income, capital, beneficial or ownership interests (however designated) are at the time directly, indirectly or beneficially owned or controlled by X, or one or more of its Subsidiaries, or X and one or more of its Subsidiaries,

provided that, unless otherwise expressly provided or the context otherwise requires, references herein to "**Subsidiary**" or "**Subsidiaries**" shall be and shall be deemed to be references to Subsidiaries of the Borrower;

(vvv) **"Tangible Net Worth"** means the aggregate of share capital, retained earnings, loans from shareholders and Affiliates which have been specifically postponed to the Lender, less intangible assets such as goodwill, investments in and advances to Affiliates. The after tax portion of Management Distributions not yet re-invested as shareholders' loans may be included in Tangible Net Worth where written confirmation has been obtained from the Borrower regarding the re-investment and providing these loans are specifically postponed to the Lender; references to Tangible Net Worth herein shall be deemed to be references to the Tangible Net Worth of the Borrower, on a consolidated basis;

(www) **"this Agreement", "hereto", "herein", "hereof", "hereby", "hereunder"** and similar expressions refer to this loan agreement and not to any particular section or other portion hereof, and include any and every instrument supplemental or ancillary hereto, or in implement hereof, and the expressions "**Article**", "**Section**" or

**"Subsection"** followed by a number mean and refer to the specified Article, Section or Subsection of this Agreement;

- (xxx) **"Transaction"** means the arrangement under Section 193 of the *Business Corporations Act* (Alberta) on the terms and subject to the conditions set out in the plan of arrangement (the **"Plan of Arrangement"**) involving Wolverine Energy and Infrastructure Inc., Green Impact Partners Spinco Inc., the Borrower and GIP Opco dated February 16, 2021, as is more particularly described in the "Blackheath Resources Inc. Filing Statement with respect to a reverse takeover pursuant to Policy 5.2 of the TSX Venture Exchange" dated as at May 17, 2021;
- (yyy) **"US Base Rate"** means the variable reference rate of interest per year as declared by the Lender from time to time to be its base rate for U.S. Dollar loans made by the Lender in Canada;
- (zzz) **"U.S. Base Rate Loan"** means the Advances made available by the Lender to the Borrower under the Facility and outstanding from time to time, which are denominated in U.S. Dollars and on which the Borrower has agreed to pay interest in accordance with Section 2.8; and
- (aaaa) **"U.S. Dollars"** and the symbol **"U.S.\$"** each mean lawful money of the United States of America.

### **1.3 Plurality and Gender, etc.**

Words importing the singular number shall include the plural and vice versa, and words importing the masculine gender shall include the feminine gender.

### **1.4 Headings**

The Article and Section headings are not to be considered part of this Agreement, are inserted for convenience of reference only, are not intended to be full or accurate descriptions of the content thereof, and shall not affect the construction or interpretation of this Agreement.

### **1.5 Applicable Law**

This Agreement shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall be treated in all respects as an Alberta contract. Each party hereby irrevocably submits and attorns to the exclusive jurisdiction of the courts of the Province of Alberta and the courts having appellate jurisdiction therefrom over.

### **1.6 Currency**

All dollar amounts referred to in this Agreement, and all payments to be made hereunder, are in Canadian Dollars unless explicitly stated otherwise. All dollar amounts referred to in this Agreement are expressed in Canadian Dollars.

### **1.7 Entire Agreement**

This Agreement, including the schedules hereto, the Security, and any agreement collateral hereto or thereto constitutes the entire agreement between the parties, and may not be amended or modified in any respect except by written instrument signed by the parties hereto, and all other

agreements, undertakings, representations and writings, oral or written, are entirely replaced thereby and are no longer effective.

### **1.8 Successor Legislation**

Any statute referred to herein or in the Security shall be deemed to include that statute as amended, restated and/or replaced from time to time, and any successor legislation to the same general intent and effect.

### **1.9 Assignment**

This Agreement shall enure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and permitted assigns. This Agreement may be assigned by the Lender: (i) with the prior written consent of the Borrower, not to be unreasonably withheld or delayed; and (ii) without consent after the occurrence of and during the continuance of any Event of Default, in which events the Obligors shall attorn in all respects to such assignment and the assignee thereof. The Obligors may not assign this Agreement without the prior written consent of the Lender.

### **1.10 Business Day**

If under the provisions of this Agreement any amount is to be paid or any act or thing is to be done or step is to be taken on a day other than a Business Day, then such amount shall be paid or such act, thing or step shall be done or taken on the next Business Day.

### **1.11 Severability**

In the event that any one or more provisions contained in this Agreement, the Security, or any other agreement required hereunder to be delivered to the Lender, shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions hereof or of the Security or of any other agreement required hereunder to be delivered to the Lender shall not be affected or impaired thereby. The parties shall engage in good faith discussions to replace any provision that is deemed to be invalid, illegal or unenforceable with a valid, legal and enforceable provision, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provision.

### **1.12 Execution**

This Agreement may be executed in one or more counterparts, each of which when so executed shall constitute an original and all of which together shall constitute one and the same Agreement.

### **1.13 Schedules**

The following schedules are incorporated herein and form part of this Agreement.

Schedule "A" - Assets

Schedule "B" - Corporate Organizational Chart

Schedule "C" - Location of Assets and Chief Executive Offices

Schedule "D" - Permitted Encumbrances

## **ARTICLE 2 – LOAN, REPAYMENT AND INTEREST**

### **2.1 Loan Advances**

Subject to the terms and conditions hereunder, and relying upon the representations and warranties herein set forth, the Lender hereby agrees to lend to the Borrower an aggregate maximum principal amount of up to Cdn.\$30,000,000, as is more particularly described under the definition of the "Facility", to be operational and available on Closing.

### **2.2 Use of Proceeds of Advances**

The Borrower shall use Advances under the Facility for general corporate purposes.

### **2.3 Proof of Outstanding Loan Amount**

The records maintained by the Lender of the amount of Advances which are outstanding and the amount of interest and other fees and costs payable and paid under this Agreement shall constitute *prima facie* proof thereof in any legal proceedings or action in respect of this Agreement.

### **2.4 Repayments on Maturity**

On the Maturity Date, the Borrower shall repay all Advances under the Facility in their entirety, including all Creditcard Obligations, and all accrued and unpaid interest and fees then outstanding to the Lender and the Obligations shall be reduced to zero. To the extent that any Obligations remain outstanding after the Maturity Date, such Obligations shall be cash collateralized and secured in a manner satisfactory to the Lender with interest thereon, at the rate or rates determined as herein provided, to the date of actual payment thereof.

### **2.5 Compliance with the *Interest Act* (Canada)**

For the purposes of this Agreement, whenever any interest is calculated on the basis of a period of time other than a calendar year, the annual rate of interest to which each rate of interest determined pursuant to such calculation is equivalent for the purposes of the *Interest Act* (Canada) is such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days used in the basis of such determination.

### **2.6 Nominal Rate of Interest**

The parties acknowledge and agree that all calculations of interest under this Agreement and the documents related thereto are to be made on the basis of the nominal interest rate described herein and not on the basis of effective yearly rates or on any other basis which gives effect to the principle of deemed reinvestment of interest. The parties acknowledge that there is a material difference between the stated nominal interest rates and the effective yearly rates of interest and that they are capable of making the calculations required to determine such effective yearly rates of interest.

### **2.7 Criminal Rate of Interest**

Notwithstanding any other provision of this Article 2, the Obligor shall in no event be obliged to make any payments of interest or other amounts payable to the Lender hereunder in excess of an

amount or rate which would be prohibited by law or would result in the receipt by the Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)).

## 2.8 Interest Calculation

Each Advance shall bear interest while outstanding before and after maturity and default at the following rates and paid and calculated in accordance with this Section 2.8 and Section 2.12, where applicable in relation to overdue interest:

(a) [redacted - commercially sensitive information]

(b) [redacted - commercially sensitive information]

(c) If any change in law (excluding changes in law that have been pronounced or proposed as of the date hereof):

- (i) subjects the Lender to any tax or changes the basis of taxation of payments due to the Lender by the Obligors, or increases any existing tax on payments of Principal, interest or other amounts payable by the Obligors to the Lender under this Agreement (except for, in each case, increases or changes in taxes on the overall Net Income, assets or capital of the Lender);
- (ii) imposes, modifies or deems applicable any reserve, special deposit, regulatory or similar requirement against assets held by, or deposits in or for

the account of, or loans by, or commitments of, or any other acquisition of funds for loans by, the Lender or any drafts accepted by the Lender; or

- (iii) imposes on the Lender a change in the manner in which the Lender is required to allocate capital resources to its obligations under this Agreement;

and the result of (i), (ii), or (iii) is, in the determination of the Lender, acting reasonably and in good faith, to increase the cost to the Lender, or to impose a liability on or to reduce the income or return receivable by the Lender in respect of this Agreement, the Lender shall determine the amount of money which shall compensate the Lender for such additional cost, liability or reduction in income or return ("**Additional Compensation**"). Upon the Lender having determined that it is entitled to Additional Compensation, it shall within 10 Business Days of becoming aware of such Additional Compensation promptly notify the Borrower and the Borrower shall, subject to clause (b) below, promptly pay to the Lender that amount which indemnifies the Lender for such Additional Compensation. A certificate by a duly authorized officer of the Lender setting forth the amount of the Additional Compensation and the basis for it shall be *prima facie* evidence, in the absence of manifest error, of the amount of the Additional Compensation. The Additional Compensation shall accrue from the date of delivery of the certificate to the Borrower. The Lender shall use reasonable efforts to recover the Additional Compensation, and if the Lender subsequently recovers all or a part thereof, it will promptly repay an amount equal to such recovery to the Borrower. For greater certainty, it is acknowledged that, if such increased cost, liability or reduction in income or return is also applicable, in part, to dealings between the Lender and its other customers, the obligation of the Borrower under this Section to provide compensation therefor will not arise unless the Lender, as a general practice, also requires compensation therefor from such other customers and will not exceed the amount that is directly proportionate to the extent to which such increased costs, liabilities or reductions in income or return are attributable to the Borrower and the Advances made by the Lender hereunder.

- (d) If the Lender notifies the Borrower that Additional Compensation is owed to the Lender pursuant to Subsection 2.8(c), the Borrower shall have the right to make payment in full to the Lender in respect of all Obligations at any time following such notice, together with all unpaid interest accrued thereon to the date of repayment and all other reasonable expenses incurred in connection with the termination, provided that in such circumstances the Additional Compensation shall not be payable as to any period of time after such repayment.

## 2.9 Taxes

The following shall apply as to taxes payable:

- (a) Any and all payments by or on account of any obligation of any Obligor hereunder shall be made free and clear of and without deduction for any taxes, except as required by applicable law; provided that if an Obligor shall be required by applicable law to deduct any taxes from such payments, then (i) the sum payable shall be increased as necessary so that, after making all required deductions (including deductions applicable to additional sums payable under this Section), the Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Obligor shall make such deductions and (iii) the Obligor shall pay

the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

- (b) The Borrower shall indemnify the Lender, within 10 days after written demand therefor, for the full amount of any such taxes paid by the Lender, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such 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 the Lender, shall be *prima facie* evidence absent manifest error.
- (c) As soon as practicable after any payment of any such taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment (if available), a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lender.
- (d) If at any time a sum payable by the Borrower to the Lender is to be increased under Subsection 2.9(b), the Borrower shall have the right to make payment in full to the Lender in respect of all Obligations, together with all unpaid interest accrued thereon to the date of repayment and all other reasonable expenses incurred in connection with the termination (including any additional amounts required to be paid under Subsection 2.9(b)).

## **2.10 Place and Manner of Payment**

The Borrower shall pay to the Lender, the Principal and interest due at or before 1:00 p.m. Alberta time on the date on which such Principal and interest is due from the Borrower's operating account with the Lender or at Canadian Western Bank, Suite 100, 12230 Jasper Avenue, Edmonton, Alberta T5N 3K3, or such other address as the Lender may advise from time to time by preauthorized chequing authority, and the Borrower will enter into any agreement and issue any payment instruction required to make payment on a direct pre-authorized debit from the Borrower's account basis. The receipt of funds shall satisfy and discharge the liability for the Principal and interest to the extent of the sums represented thereby, unless such payment shall for any reason be reversed, stopped or otherwise not made as fully and final, in which case the payment will be replaced immediately on notice from the Lender.

## **2.11 No Set-Off**

The obligations of the Obligors to make all payments of Principal and interest and all other amounts due hereunder shall be absolute and unconditional, and shall not be affected by any circumstance, including without limitation, any set-off, compensation, counterclaim, recoupment, defence or other right which the Obligors or any other Person may have against the Lender or anyone else for any reason whatsoever.

## **2.12 Interest on Overdue Amounts**

If the Obligors fails to pay any installment of interest, Principal or any other amount owing due under this Agreement or any of the other Loan Documents, the Obligors shall pay interest in accordance with Section 2.8 of this Agreement. Interest on overdue amounts shall be payable on demand and shall be calculated on a daily basis and compounded monthly from the date such amount becomes

due and payable and for so long as such amount remains unpaid and on the basis of a year of 365 days. All interest provided for in this Agreement shall be payable both before and after maturity, default and judgment.

### **2.13 Fees**

[redacted - commercially sensitive information]

### **2.14 Overdrafts**

Each Advance by the Lender under the Facility by way of overdraft in Canadian Dollars shall automatically result in a Prime Rate Loan. Each Advance by the Lender under the Facility by way of overdraft in U.S. Dollars shall automatically result in a U.S. Base Rate Loan. The Borrower agrees not to effect any overdraft hereunder which would cause the aggregate principal amount of all outstanding Advances to exceed the maximum amount of the Facility, or applicable sub-limits, from time to time, and acknowledges that the Lender reserves the right to refuse to honour any overdraft hereunder which, in the opinion of the Lender, would have the effect of causing the aggregate principal amount of all outstanding Advances to exceed the maximum amount under the Facility, or any applicable sub-limits.

## **ARTICLE 3 – CONDITIONS PRECEDENT**

### **3.1 Conditions Precedent to Closing and Drawdown**

The following conditions precedent shall be satisfied to the Lender's satisfaction, acting reasonably, prior to the initial Advance hereunder:

- (a) The Lender's receipt of the following documents, each of which will, to the extent applicable, be duly executed, in full force and effect, unamended, and in form and substance satisfactory to the Lender, acting reasonably:
  - (i) this Agreement;
  - (ii) the Security, which Security shall and where applicable, be in registerable form, and all registrations and other actions required to fully perfect and

- maintain the priority of the Security shall have been successfully completed to the reasonable satisfaction of the Lender's counsel;
- (iii) legal opinions dated as of the date of the Closing issued by counsel for the Obligors satisfactory to the Lender in its sole discretion, opining as to, without limitation:
    - (A) the valid existence and good standing of the Obligors;
    - (B) the due authorization, execution and delivery of the applicable Loan Documents by the Obligors; and
    - (C) enforceability of the Security and perfection of the registrations of security interests relating thereto in applicable jurisdictions;
  - (iv) a certificate of an officer of the Borrower certifying that there is no litigation, action, proceedings or like matter pending with respect to the Obligors of which they are aware and which would have a Material Adverse Effect;
  - (v) a certificate of an officer of the Obligors, appending certified true copies of the Constatting Documents of each, the resolutions authorizing the execution, delivery, and performance of their respective obligations under the Loan Documents and the transactions contemplated in this Agreement, certificates of incumbency of the directors and officers of each Obligor that have executed the Loan Documents;
  - (vi) a certificate of an officer of the Borrower certifying that no Event of Default has occurred and is continuing and that all representations and warranties are true and correct on and as of the date of Closing;
  - (vii) a certificate of status or similar certificate for each Obligor from the applicable government ministry shall have been delivered to the Lender dated within five days of the date of Closing;
  - (viii) landlord waivers, in form and substance satisfactory to the Lender, confirming the Lender's priority on the Secured Property located on the Leased Property to that of the landlord under each lease; and
  - (ix) the Borrower's current compensation policies, procedures and protocols described in clause (ii) of the definition of Corporate Distributions.
- (b) Evidence and assignments of insurance as required by this Agreement, and conforming in all respects to the requirements of the Lender shall have been delivered, including a report addressed to the Lender from an insurance consultant appointed by the Lender reviewing the adequacy of insurance and evidence it is in full force and effect.
  - (c) Current searches regarding the Obligors in those jurisdictions set out in Schedule "C", together with all subordinations, releases and discharges to ensure the first priority position of the Security on the real and personal property of the Obligors (subject to Permitted Encumbrances), shall have been completed and received.
  - (d) No Material Adverse Effect shall have occurred since June 15, 2021.

- (e) The Lender will be satisfied with the amount, status and inter-creditor arrangements for all other funded debt, if applicable.
- (f) The Lender shall have received payment in full of all reasonable and documented (where applicable) costs and expenses required under this Agreement to be paid on or before the Closing including, but not limited to, all fees and disbursements of professional advisors and legal counsel to the Lender that are invoiced at least two Business Days prior to Closing.
- (g) The Lender shall have received the Commitment Fee pursuant to Section 2.13(a).
- (h) Such other supporting or ancillary documents or items as the Lender, or its counsel, reasonably may require shall be delivered to the Lender in relation to the Loan Documents.

## **ARTICLE 4 – SECURITY**

### **4.1 Security**

- (a) To secure the due and punctual payment and performance of the Obligations, the Obligors shall execute and deliver to the Lender, or cause to be executed and delivered to or assigned in favour of the Lender, the Security.
- (b) Subject to the terms hereof, as security for the repayment of all Advances and for the payment or other satisfaction of all other Obligations, the Obligors shall, on or prior to the Closing, grant to the Lender a continuing first-ranking (subject only to Permitted Encumbrances) and perfected and duly registered security interest in, lien on and assignment of all of the Secured Property, whether now or hereafter owned, existing, acquired or arising, tangible or intangible, real or personal and wherever located.
- (c) The Obligors shall, at the Lender's reasonable request and at the Borrower's expense, at any time and from time to time (including, for certainty, in connection with Property acquired after the date of this Agreement and intended to be subject to the Security), execute and deliver to the Lender such financing statements, documents, share certificates and other agreements and instruments (and the Borrower shall pay the cost of filing or recording the same in all public offices deemed necessary or desirable by the Lender) and do such other acts and things as the Lender may deem necessary or desirable in order to establish and maintain a valid and perfected security interest in the Secured Property in favour of the Lender (free and clear of all other liens except Permitted Encumbrances) to secure payment and performance of the Obligations.
- (d) Notwithstanding anything to the contrary herein, the Obligors shall not be obligated to register the Security with any land titles or land registry offices or similar legislation in other jurisdictions, except:
  - (i) in respect of any real estate having a fair market value in excess of [redacted - dollar amount] (or the equivalent amount in U.S. Dollars); or
  - (ii) if a Default or an Event of Default has occurred or is continuing.

## 4.2 Discharge

Upon: (a) any disposition by an Obligor of any property, assets or undertaking that is not prohibited by the terms hereof, (b) an Obligor ceasing to be an Obligor hereunder, or (c) the satisfaction by the Obligors of all of the Obligations, the Lender shall, at the written request and at the expense of the Borrower, discharge all applicable Liens under the Security, and execute and deliver to the Borrower or the applicable Obligor such deeds or other instruments as shall be required to discharge the applicable Liens (and any related registrations) and/or terminate any Guarantee granted in connection herewith, as applicable.

## 4.3 Disposition of Property

Notwithstanding anything to the contrary contained in the Loan Documents the Borrower may sell, dispose of, or otherwise deal with (including by way of additional debt raise) the Assets, without restriction, without the prior written consent of the Lender, and use the proceeds therefrom for general corporate purposes or to repay Permitted Debt, provided that:

- (a) the Assets being sold or disposed of are not Clean Water Assets having a current value of more than [redacted - dollar amount]; and
- (b) there is then no continuing Default under this Agreement and after such use of proceeds there would not be a Default under this Agreement.

## ARTICLE 5 – LETTERS OF CREDIT

### 5.1 General

- (a) Each Letter of Credit (including all documents and instruments required to be presented thereunder) will be satisfactory in form and substance to the Lender, acting reasonably. No Letter of Credit will be issued (or will be renewable at the option of the beneficiary thereunder) for a term in excess of one year (other than pursuant to customary 'evergreen' provisions) or with an expiry date beyond the Maturity Date.
- (b) The Lender shall only be required to issue a Letter of Credit if the following conditions have been satisfied:
  - (i) the Lender shall have received an executed L/C Application, satisfactory to the Lender, acting reasonably, specifying:
    - (A) the proposed date of issuance (which shall be a Business Day at least three Business Days following the date of such request);
    - (B) the initial expiry date of the Letter of Credit;
    - (C) the name and address of the beneficiary of the Letter of Credit;
    - (D) the face amount of the Letter of Credit; and
    - (E) the terms and conditions of the requested Letter of Credit and other relevant details; and

- (ii) the Lender shall have received such other customary administrative documents as it shall have reasonably requested as a condition to the issuance of such Letter of Credit.

In the event of any conflict or inconsistency between the terms of an L/C Application and such other documents and this Agreement, the terms of this Agreement shall prevail and any liability of the Borrower in respect of Letters of Credit shall be governed by this Agreement irrespective of the provisions of any L/C Application or other documents.

- (c) The Lender may accept as complying with the terms of any Letter of Credit any document or instrument required by such Letter of Credit to be completed, signed, presented or delivered by or on behalf of any beneficiary thereunder which has been completed, signed, presented or delivered by a receiver, trustee in bankruptcy, assignee for the benefit of creditors, secured party or other like Person believed in good faith by the Lender to be lawfully entitled to the property of such beneficiary, and the Lender may make payments under such Letter of Credit to such Person. The provisions of this Section 5.5 are not intended to confer benefit to any third party.
- (d) The Lender shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement or other writing (which may be a bank wire, facsimile or similar writing) appearing on its face to be in compliance with the terms and conditions of the Letter of Credit.
- (e) Each Letter of Credit, except as specifically provided therein, and subject to any provision hereof to the contrary, will be subject to the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce current at the time of issuance of such Letter of Credit.
- (f) For the purpose of calculating the amount of an Advance in respect of a Letter of Credit and for any other relevant provision of this Agreement, the amount of the Advance constituted by any Letter of Credit at any time will be face amount of such Letter of Credit.

## **5.2 Procedure for Issuance of Letters of Credit**

- (a) On the date of issue, the Lender will complete and issue one or more Letters of Credit in favour of the beneficiary as specified by the Borrower in the applicable Advance request.
- (b) No Letter of Credit shall require payment against a conforming draft to be made thereunder on the same Business Day upon which such draft is presented, if such presentation is made after 12:00 p.m. (Edmonton time) on such Business Day.
- (c) Prior to the issue date of the Letter of Credit, the Borrower shall specify a precise description of the documents and the verbatim text of any certificate to be presented by the beneficiary prior to payment under the Letter of Credit. The Lender may require changes in any such documents or certificate, acting reasonably.
- (d) In determining whether to pay under a Letter of Credit, the Lender shall be responsible only to determine that the documents and certificates required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit.

### **5.3 Payment of Amounts Drawn Under Letters of Credit**

In the event of any request for a drawing under any Letter of Credit, the Lender shall notify the Borrower on or before the date on which it intends to honour such drawing. The Borrower (whether or not such notice is given) shall reimburse the Lender on demand by the Lender, in the relevant currency, an amount, in same day funds, equal to the amount of such drawing. Unless the Borrower notifies the Lender within two Business Days following receipt by the Borrower of the notice from the Lender referred to in this section that the Borrower intends to reimburse the Lender for the amount of such drawing with funds other than the proceeds of Advances, the Borrower shall be deemed to have given an Advance request to the Lender to make a Prime Rate Loan on the third Business Day following the date on which such notice is provided by the Lender to the Borrower in an amount equal to the amount of such drawing. The Borrower agrees to accept each such Prime Rate Loan and hereby irrevocably authorizes and directs the Lender to apply the proceeds thereof in payment of the liability of the Borrower with respect to such drawing.

### **5.4 Obligations Absolute**

The obligation of the Borrower to reimburse the Lender for drawings made under any Letter of Credit shall be absolute, unconditional and irrevocable and shall be fulfilled strictly in accordance with the terms of this Agreement under all circumstances, including:

- (a) any incapacity, disability or lack or limitation of status or of power of the Borrower or the beneficiary of any Letter of Credit
- (b) any lack of validity or enforceability of any Letter of Credit;
- (c) any breach of contract or other dispute between the Borrower and the Lender, the beneficiary of any Letter of Credit or any other Person;
- (d) the existence of any claim, set-off, defence or other right which the Borrower may have at any time against a beneficiary or any transferee of any Letter of Credit (or any Persons for whom any such transferee may be acting), the Lender or any other Person, whether in connection with this Agreement, the Loan Documents, the transactions contemplated herein and therein or any unrelated transaction (including any underlying transaction between the Borrower and the beneficiary of such Letter of Credit);
- (e) any draft, demand, certificate or other document presented under any Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect; or
- (f) payment by the Lender under any Letter of Credit against presentation of a demand, draft or certificate or other document which does not comply with the terms of such Letter of Credit (provided that such payment does not breach the standards of reasonable care specified in the Uniform Customs or disentitle the Lender to reimbursement under ISP98, in each case as stated on its face to be applicable to the respective Letter of Credit); or
- (g) the fact that a Default or an Event of Default has occurred and is continuing.

## 5.5 Indemnification; Nature of Lender's Duties

- (a) In addition to amounts payable as elsewhere provided in this Article 5, the Borrower hereby agrees to protect, indemnify, pay and save the Lender and its directors, officers, employees, agents and representatives harmless from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including legal fees and expenses) which the indemnitee may incur or be subject to as a consequence, direct or indirect, of the issuance of any Letter of Credit, other than as a result of the breach of the standards of reasonable care specified in the Uniform Customs and Practice for Documentary Credits, as amended or replaced from time to time, or where the Lender would not be entitled to the foregoing indemnification under ISP98, in each case as stated on its face to be applicable to such Letter of Credit.
  
- (b) The Borrower agrees that neither the Lender nor its officers, directors, employees agents or representatives will assume liability for, or be responsible for, and the Borrower hereby indemnifies and holds harmless any such Person from any losses or claims resulting from, the following:
  - (i) the use which may be made of any Letter of Credit;
  - (ii) any acts or omissions of the beneficiary of any Letter of Credit including the application of any payment made to such beneficiary;
  - (iii) the form, validity, sufficiency, correctness, genuineness or legal effect of any document or instrument relating to any Letter of Credit which on its face complies with requirements of the Letter of Credit, even if such document or instrument should in fact prove to be in any respect invalid, insufficient, inaccurate, fraudulent or forged;
  - (iv) the failure of any document or instrument to bear any reference or adequate reference to any Letter of Credit;
  - (v) any failure to note the amount of any draft on any Letter of Credit or on any related document or instrument;
  - (vi) any failure of the beneficiary of any Letter of Credit to meet the obligations of such beneficiary to the Borrower or any other Person other than the Lender;
  - (vii) any errors, inaccuracies, omissions, interruptions or delays in transmission or delivery of any messages, directions or correspondence by mail, facsimile or otherwise, whether or not they are in cipher; any inaccuracies in the translation of any messages, directions or correspondence or for errors in the interpretation of any technical terms; or
  - (viii) any failure by the Lender to make payment under any Letter of Credit as a result of any law, control or restriction rightfully or wrongfully exercised or imposed by any domestic or foreign court or Governmental Authority or as a result of any other cause beyond the control of the Lender or its officers, directors, employees, agents or representatives.

- (c) This Section 5.5 will survive the termination of this Agreement; provided that nothing in this Agreement shall exonerate the Lender for its gross negligence or wilful misconduct.
- (d) As between the Borrower, on the one hand, and the Lender, on the other hand, the Borrower assumes all risks of the acts and omissions of, or misuse of the Letters of Credit issued hereunder by, the respective beneficiaries of such Letters of Credit and, without limitation of the foregoing, the Lender shall not be responsible for:
  - (i) the invalidity or insufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason;
  - (ii) errors in interpretation of technical terms;
  - (iii) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; and
  - (iv) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit.

None of the above shall affect, impair or prevent the vesting of the Lender's rights or powers hereunder. No action taken or omitted by the Lender under or in connection with any Letter of Credit issued by it or the related certificates, if taken or omitted in good faith, and absent gross negligence or willful misconduct, shall put the Lender under any resulting liability to the Borrower (provided that the Lender acts in accordance with the standards of reasonable care specified in the Uniform Customs and otherwise as may be required under ISP98, in each case as stated on its face to be applicable to the respective Letter of Credit).

## **5.6 Default; Maturity; Escrowed Funds**

If any Letter of Credit is outstanding on the Maturity Date, or at any time after the occurrence and during the continuance of an Event of Default, or a domestic or foreign court issues any judgment or order restricting or prohibiting payment by the Lender under a Letter of Credit or extending the liability of the Lender to make payment under such Letter of Credit beyond the expiry date specified therein, the Borrower will forthwith upon demand by the Lender deposit into a cash collateral account maintained by and in the name of the Lender funds in the applicable currency in the amount of the Advance constituted by such Letter of Credit and such funds (together with interest thereon) will be held by the Lender for payment of the liability of the Borrower pursuant to this Section 5.6 or otherwise in respect of such Letter of Credit so long as the Lender has or may in any circumstance have any liability under such Letter of Credit, and, pending such payment, shall bear interest for the benefit of the Borrower at the Lender's then prevailing rate in respect of deposits of similar amounts and of similar periods of time. Any balance of such funds and interest remaining at such time as the Lender does not have and may never have any liability under such Letter of Credit will nevertheless continue to be held by the Lender, if and so long as any Event of Default is continuing as security for the remaining liabilities of the Borrower hereunder. If, after expiry of the Letters of Credit for which such funds are held and application by the Lender of the amounts in such cash collateral accounts to satisfy the due and payable obligations of the Borrower hereunder with respect to the Letters of

Credit being repaid, any excess remains, such excess shall be promptly paid by the Lender to the Borrower so long as no Event of Default is then continuing. The Lender shall have exclusive control over all amounts at any time on deposit in such cash collateral account. The deposit of such funds by the Borrower with the Lender as herein provided will not operate as a repayment of the Obligations until such time as such funds are actually paid to the Lender as a repayment (whether in respect of principal, fees or otherwise).

## **5.7 Records**

The Lender shall maintain records showing the undrawn and unexpired amount of each Letter of Credit outstanding hereunder and showing for each Letter of Credit issued under this Agreement, with the dates of issuance and expiration, the amounts and the date and amounts of all payments made. The Lender shall make copies of such records available to the Borrower upon its request.

## **ARTICLE 6 - HEDGING CONTRACTS**

### **6.1 Terms and Conditions**

The Lender may enter into Hedging Contracts with the Borrower from time to time upon such terms and conditions as may be agreed between the Lender and the Borrower, subject always to Section 6.2 below. The pricing and all other terms and conditions of each proposed Hedging Contract shall be determined between the Lender and the Borrower.

### **6.2 Limitation of Hedging Contracts**

The Borrower shall not enter into any Hedging Contract with any Persons, except Hedging Contracts entered into by the Borrower for the purpose of hedging or mitigating against the risk of fluctuating currencies, provided in each case that:

- (a) such Hedging Contract is not entered into for speculative purposes;
- (b) any Hedging Contract shall not have a maturity later than the earlier of the Maturity Date and 12 months from the entering into of such Hedging Contract; and
- (c) the aggregate notional amount of all such Hedging Contracts is not greater than [redacted - dollar amount].

### **6.3 Acceleration of Obligations**

Upon the occurrence and during the continuance of an Event of Default, if the Lender has entered into a Hedging Contract with the Borrower, the Lender may make a Prime Rate Loan or U.S. Base Rate Loan, as applicable, to the Borrower in an amount required to unwind such Hedging Contract (such amount to be determined in accordance with the terms of such Hedging Contract), and the proceeds of any such Advance shall be held by the Lender and used to effect the unwinding of such Hedging Contract.

## **ARTICLE 7 - REPRESENTATIONS AND WARRANTIES**

### **7.1 Representations and Warranties**

Each Obligor represents and warrants to the Lender, except as stated to be provided by the

Borrower or one of more Guarantors, and acknowledges that the Lender is relying on such representations and warranties in entering into this Agreement and in making Advances hereunder, as follows:

(a) Status

It has been duly incorporated or created and organized and is a validly existing corporation, under the laws of its governing jurisdiction, and is duly qualified and has full capacity and power to carry on its business as presently conducted and to own or lease property and holds all necessary licences, permits and consents to carry on such business (except to the extent that a failure to hold such licences, permits and consents would not result in a Material Adverse Effect) in all jurisdictions in which it does so, all of which are, as of the date hereof, outlined in Schedule "C" hereto. The Borrower is a "reporting issuer" under the *Securities Act* (Alberta) and a publicly-traded company under the TSX Venture Exchange (under the symbol "GIP").

(b) Power and Authority

- (i) It has the power to enter into, execute, deliver and perform this Agreement, each Loan Document to which it is a party and, in the case of the Borrower, is duly authorized to borrow the monies herein contemplated.
- (ii) It has the power to own the Secured Property and the power to carry on its businesses as currently conducted and as currently proposed to be conducted by it.

(c) Non-Violation of Law; Other Instruments

- (i) The borrowing of money by the Borrower, the entering into and performance of this Agreement, the Security, and each other Loan Document to which it is a party does not conflict with and does not result in a breach or violation of, or constitute a default under, its Constating Documents, applicable law or any material agreement or document to which it is a party.
- (ii) All necessary steps and proceedings have been taken, and all consents have been obtained to authorize the entering into, delivery and performance of this Agreement, and to create and authorize the issuance and delivery and performance of the Security.

(d) Enforceable Obligations

This Agreement and the other Loan Documents have been duly executed and delivered and constitute legal, valid, and binding obligations of the Obligors, as applicable, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, reorganization, moratorium, or insolvency laws or similar laws affecting creditors' rights generally and by general equitable principles.

(e) Litigation; Claims

There are no Claims pending or, to the knowledge of the Obligors, threatened against or affecting any of the Obligors or any of their respective property before any Governmental Authority which, if adversely determined, would result in a Material Adverse Effect.

(f) Title to Assets and Property

- (i) Each Obligor has title to all Property owned by it, including but not limited to the Secured Property, free and clear of Liens, except for Permitted Encumbrances.
- (ii) The Lender has and will continue to have, until the Obligations are paid in full, a first ranking security interest in the Secured Property, free of all Liens, except the Permitted Encumbrances and any Liens subordinate to the Lender's interest and which have been disclosed in writing prior to the date of this Agreement, or which have been consented to by Lender in writing.
- (iii) The Secured Property complies with all applicable laws and regulations, and regulations that affect Lender's rights with respect to each, the payments thereunder and the Secured Property.

(g) Financial Condition and Material Adverse Effect

Except as otherwise disclosed to the Lender in writing, since May 1, 2021, there has occurred no Material Adverse Effect affecting the Borrower.

(h) Financial Information

All balance sheets, earnings statements and other financial data of the Obligors which have been delivered to the Lender are true and correct in all material respects as of the respective dates thereof, have been prepared in accordance with GAAP consistently applied, and fairly present the financial position and condition of the applicable Obligors, as of the respective dates thereof, and all other information, certificates, schedules, reports and other papers and data which have been furnished by the Obligors to the Lender are complete, accurate and correct in all material respects at the time the same were furnished subject, in the case of interim statements, to usual year end adjustments.

(i) [Reserved]

(j) Judgments and Executions

As of the date hereof, there are no judgments or executions filed or pending against it which, if adversely determined, would result in a Material Adverse Effect.

(k) Insolvency Proceedings

It has not made any assignment for the benefit of creditors, nor has any receiving order been made against it under the provisions of the *Bankruptcy and Insolvency Act*, nor has any petition for such an order been served upon it, nor are there any proceedings in effect or threatened under the provisions of the *Winding-Up and Restructuring Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada), nor has any receiver, receiver and manager, monitor, custodian or official with similar powers been appointed by court order or privately respecting it or any of its assets or property; nor has it committed an act of bankruptcy; taken advantage of any act for bankrupt or insolvent debtors; filed a notice of intention to make a proposal or a proposal under the *Bankruptcy and Insolvency Act* (Canada); proposed a compromise or arrangement of its creditors generally, made any assignment for the

benefit of creditors, taken any proceedings with respect to a compromise or arrangement, nor to have a receiver appointed over any part of its assets or property.

(l) Taxation Procedures

It has duly and timely filed all tax returns required to be filed by it, and it has paid all taxes which are due and payable, and has paid all assessments and reassessments, and all other taxes, penalties, interest and fines claimed against it which are due or payable by it on or before the date due and payable other than those: (i) in respect of which liability based on such returns is being contested in good faith and by appropriate proceedings where adequate reserves have been established in accordance with GAAP; and (ii) the effect of such proceedings is to stay any Lien, charge or seizure of property. Adequate provision and installment payments have been made for taxes and governmental royalties payable for the current period for which returns are not yet required to be filed. Except as disclosed in writing to the Lender, as at the date hereof, there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return, or payment of any taxes, or deficiency.

(m) Employee Payments

It has made all payments for compensation to its employees on a timely basis, fully in compliance with all applicable employment and taxation requirements and in compliance with any employment agreement.

(n) Ownership or Licence

It owns or licenses all licences, permits, authorities, patents, industrial designs, trademarks, trade secrets, know-how, environmental technology, biotechnology, confidential information, trade-names, goodwill, copyrights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively, the "**Intellectual Property**"), necessary for the conduct of its business and all such licenses are in good standings, in each case except to the extent that the failure to do so would not result in a Material Adverse Effect.

(o) Corporate Structure

- (i) The outstanding Capital Stock or other ownership interests, as applicable, of the Borrower is validly issued, fully paid, and non-assessable, free and clear of all Liens (other than Permitted Encumbrances).
- (ii) As of the date hereof, the Borrower does not have any outstanding securities that are convertible into or exchangeable for its Capital Stock by any Person. As of the date hereof, the Borrower has not granted any rights that are outstanding to any Person to subscribe for or to purchase, or any options for the purchase of, any agreements providing for the issuance (contingent or otherwise) of, or any calls, commitments, or claims of any character relating to, its Capital Stock.
- (iii) The corporate organizational chart appended hereto as Schedule "B" is true and correct on the date hereof.

(p) Contingent Liabilities and Debt

As of the date hereof, none of the Obligors have any contingent liabilities relating to the Debt of another Person or any outstanding Debt, other than Permitted Debt.

(q) Location of Assets, Places of Business

The location of all of its material tangible assets and the places in which it conducts material business are set out in Schedule "C". Its registered and chief executive offices are set out in Schedule "C".

(r) No Default or Event of Default

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

(s) Compliance

Each Obligor is in compliance with its Constatting Documents and is in compliance in all material respects with all applicable laws, including health, safety and employment standards, transportation, customs, labour codes and Environmental Laws.

(t) Canadian Pension and Benefit Plans

All of its material obligations (including fiduciary, funding, investment and administration obligations) required to be performed in connection with its pension plans and the funding agreements therefor have been performed in a timely fashion. No pension plan is a defined benefit pension plan. There have been no improper withdrawals or applications of the assets of its pension plans or its benefit plans, if any. There are no Claims pending or, to its knowledge, threatened involving its pension plans or its benefit plans, if any, and no facts exist which could reasonably be expected to give rise to a Claim which would have a Material Adverse Effect on its business or financial status.

(u) Labour Matters

There are no strikes or other labour disputes against it that are pending or, to its knowledge, threatened. All payments due from it on account of employee insurance and vacation pay, if applicable, have been paid or accrued as a liability on its books. It is in material compliance with the terms and conditions of any collective agreements, consulting agreements, management agreements and employment agreements.

(v) General Environmental Representations

As of the date hereof:

- (i) it is not aware of any Environmental Incident which has or could reasonably be expected to have a Material Adverse Effect; and
- (ii) there is no action or other proceeding which has been commenced against it or any of its assets, including but not limited to the Secured Property with respect to any breach of Environmental Laws.

(w) Material Contracts

Except as disclosed to the Lender in writing:

- (i) it is in good standing under all leases to which it is a party, including but not limited to the Material Contracts (as and when they are entered into) and each such Material Contract is its valid and binding obligation;
- (ii) it is not in default in the performance or observance of any material obligation, material covenant or material condition contained in any Material Contract; and
- (iii) no event has occurred and is continuing that would constitute a material breach of, or a material default under any Material Contract.

(x) Certifications

It has all permits, licenses and certifications required to carry on its respective business as presently carried on (except to the extent that the failure to obtain same would result in a Material Adverse Effect) and there are no breaches or deficiencies to the knowledge of the Obligors which would result in a Material Adverse Effect.

(y) Insurance

It maintains insurance (or insurance is maintained on its behalf) that is in full force and effect and that complies with all of the requirements of this Agreement (and any recommendations or requirements of the Lender or any independent insurance advisor retained by it and agreed to by the Borrower prior to Closing or any Advance).

(z) Fiscal Year

The Borrower's fiscal year end is December 31<sup>st</sup> in each calendar year.

(aa) Subsidiaries

As of the date hereof, the Borrower has no Subsidiaries except for the Subsidiaries detailed in Schedule "B".

## 7.2 Survival of Representations, Warranties and Covenants

The covenants, agreements, representations and warranties set forth in this Agreement, and in any certificate or other document delivered hereunder, shall continue in full force and effect until repayment in full of all of the Obligations, notwithstanding any investigation made by the Lender or its counsel, or any other representative of the Lender, or the making of any Advance hereunder.

## ARTICLE 8 – COVENANTS

### 8.1 Positive Covenants

Each Obligor hereby covenants and agrees with the Lender that so long as any of the Obligations are outstanding:

(a) To Pay Obligations

The Borrower and, when required, the Guarantors will punctually pay or cause to be paid to the Lender the Obligations at the dates, time and places, and in the manner provided for herein.

(b) Use of Proceeds

The Borrower shall use the proceeds of Advances hereunder as contemplated by Section 2.2.

(c) Perfection of Security

Each Obligor shall do all things reasonably requested by the Lender to protect and maintain the Security and the first ranking priority thereof (subject to Permitted Encumbrances).

(d) Notice of Litigation

The Obligors will give the Lender prompt written notice of any Claims which are commenced or threatened against it which are not fully covered by insurance, except for deductible amounts approved by the Lender, and which, if adversely determined, would have a Material Adverse Effect; or any Claims for costs for environmental clean-up, or orders to effect any environmental clean-up which would have a Material Adverse Effect.

(e) Notice of Material Change

The Obligors will give the Lender prompt written notice of any material adverse change in the business or condition of the Obligors, financial or otherwise, or of any material loss, destruction or damage of or to any properties or assets of the Obligors, which, in each case, has a Material Adverse Effect.

(f) Reporting Requirements

The Borrower shall furnish to the Lender:

- (i) within 60 days at the end of each fiscal quarter of the Borrower, commencing with the fiscal quarter of the Borrower ending on December 31, 2021:
  - (A) lender Form 1636 (Officers Compliance Certificate) signed by an officer of the Borrower certifying that all lending conditions and requirements are being complied with and, commencing with the fiscal quarter of the Borrower ending on March 31, 2022, including financial covenant calculations; and
  - (B) consolidated year to date financial statements of the Borrower;
- (ii) within 120 days from the end of each fiscal year of the Borrower:
  - (A) audited, annual consolidated financial statements of the Borrower, including the Guarantors, prepared by a firm of qualified professional accountants;

- (B) annual, non-consolidated, internal financial statements of GIP Opco; and
    - (C) annual management prepared financial projections including pro forma balance sheets with profit and loss and cash flow statements as well as Capital Expenditure forecasts for the current fiscal year, showing purpose and source of financing; and
  - (iii) such further information, data, financial reports and records, accounting or banking statements, certificates, evidence of insurance which the Lender may from time to time reasonably request in writing.
- (g) Power and Existence
  - (i) The Obligors will at all times maintain their corporate existence and the Borrower shall maintain its status as a "reporting issuer" under the *Securities Act* (Alberta) and a publicly-traded company under the TSX Venture Exchange (under the symbol "GIP").
  - (ii) The Obligors shall keep in full force and effect their corporate status, franchises, rights and privileges under the laws of the jurisdiction of its formation, and all qualifications, licenses and permits, except to the extent that the failure to so keep in full force and effect would have a Material Adverse Effect. Except as expressly permitted hereby, no Obligor shall, without the prior written consent of the Lender, wind up, liquidate, dissolve, reorganize, merge, amalgamate or consolidate with or into, or convey, sell, assign, transfer, lease, or otherwise dispose of all or substantially all of its assets. The Borrower shall conduct business only in its own name and shall not change its name, or the location of its chief executive office or principal place of business unless it (A) shall have provided the Lender with at least ten Business Days prior written notice of such change, and (B) shall have taken all actions necessary or requested by the Lender to file or amend any financing statement or continuation statement to assure perfection and continuation of perfection of security interests under the Security and paid all legal and registration costs in connection therewith.
- (h) To Carry on Business and Abide by Government Regulations

Each Obligor shall at all times comply in all material respects with all applicable laws, by-laws, regulations and orders, including, without limitation, Environmental Laws and laws relating to health and safety, and all material permits, licenses and certifications required for the Borrower to carry on its business as presently carried, except to the extent failure to do so would have a Material Adverse Effect. The Borrower will carry on its business in a proper and efficient manner, and will keep or cause to be kept proper books of account, and make or cause to be made therein true and faithful entries of all material dealings and transactions in relation to its business, and will at all times abide by all applicable laws, by-laws, regulations and orders regarding the operation of its business.
- (i) Taxes

Each Obligor shall:

- (i) pay or cause to be paid all taxes, rates, government fees and dues levied, assessed or imposed upon it and upon its property or any part thereof, as and when the same become due and payable, save and except when, and so long as, the validity of any such taxes, rates, fees, dues, levies, assessments or imposts is in good faith, by proper legal proceedings, being contested by it, provided such proceedings effectively postpone enforcement of any Lien arising from non-payment; and
  - (ii) be registered to collect applicable sales tax in all jurisdictions where it carries on material business.
- (j) Insurance
- (i) **Maintenance.** The Borrower shall and shall cause each Obligor to maintain or cause to be maintained with insurers of recognized standing adequate insurance, including: (i) commercial general liability, all risk property damage, automobile and other insurance coverage; (ii) endorsements; and (iii) deductibles, in such amounts and types which are customary and prudent for the industry for similar Persons, in respect of the property of the Obligors, including all plant and equipment according to prudent industry standards, and will provide the Lender with copies of all insurance policies relating thereto, if so requested.
  - (ii) **Form and Quality.** All insurance policies and endorsements required pursuant to the terms of this Agreement, shall: (A) be fully paid for and contain such provisions as set out in Subsection 8.1(j); (B) provide that the insurance policies shall not be cancelled except upon thirty (30) days' prior written notice of cancellation to the Lender, including cancellation for non-payment of premiums, suspension or material adverse change in the insurance; (C) provide for no co-insurance (or in the event co-insurance is required by an insurer with respect to equipment, such equipment is adequately insured to ensure no co-insurance applies), include an endorsement whereby the insurers agree to give the Lender not less than thirty (30) days prior notice before the policy lapses, is cancelled or terminated or is materially altered and whereby the Lender is entitled, at its option, to cure any default which may exist under any such policies of insurance; (D) losses under all property related policies shall be payable to the Lender as first mortgagee and first loss payee; and (E) the Lender shall be added as an additional insured to all such policies.
  - (iii) **Adjustment.** The Borrower shall give notice of any loss to the insurance carrier, in accordance with its usual past practice, and to the Lender in respect of an insurance claim for any loss in excess of Cdn.\$500,000. The Borrower shall provide detailed notice to the Lender of any such insurance claim, along with any further details as may be thereafter required by the Lender. Following the occurrence of an Event of Default which is continuing, the Borrower hereby irrevocably authorizes and empowers the Lender to make proof of loss, to adjust and compromise any insurance claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom the Lender's expenses incurred in the collection of such proceeds. Nothing contained in this Subsection, however, shall require the Lender to incur any expense or take any action hereunder.

- (iv) **Renewal Receipt.** The Borrower shall deliver to the Lender, within ten days prior to the expiry of any insurance policy required hereby or such shorter period of time as is reasonable given market conditions, a detailed renewal certificate or binder or insurance or copy of new policy replacing such expiring insurance policy as evidence satisfactory to the Lender that such insurance has been renewed.
- (v) **Insurance Consultant.** The Lender shall be entitled to retain an insurance consultant on behalf of the Lender. The reasonable and documented (where available) costs of the insurance consultant to review the insurance policies of the Borrower as at Closing and at any Advance shall be paid by the Borrower. The Borrower agrees to make such changes to its insurance policies as the Lender, or any such insurance consultant retained by it, may reasonably require and to the extent changes can reasonably be effected, are in accordance with market standards, and are agreed prior to Closing or prior to any Advance.
- (vi) **Use and Application of Insurance Proceeds.** Prior to the occurrence of an Event of Default, the Borrower shall be entitled to apply proceeds of property damage insurance to pay costs of restoration and after the occurrence of an Event of Default which is continuing but prior to acceleration by the Lender of the Obligations pursuant to the terms of this Agreement, the Borrower may apply the proceeds of insurance to restore with the Lender's consent acting reasonably, but after an acceleration of the Obligations, the Lender shall be entitled to apply proceeds of property and boiler and machinery insurance to repay the Obligations or to pay the costs of restoration of the affected assets with respect to which such proceeds arose.
- (vii) **Amendment and Termination of Insurance.** The Borrower shall not amend in any material respect or terminate any policies of insurance required pursuant to the terms hereof without the prior written consent of the Lender.
- (viii) **Additional Insurance Requirements.** Without limiting any of the foregoing, each policy or contract of insurance required to be maintained pursuant to the provisions of this Agreement shall:
  - (A) be enforceable by any named or additional insured thereunder (as the Lender may direct);
  - (B) be primary and non-contributing with any other insurance available to the Lender;
  - (C) include a "severability of interest" clause and a "cross liability clause"; and
  - (D) be written on an occurrence form basis.
- (k) **Employee Payments**

Each Obligor shall withhold from each payment to any of its officers, directors and employees the amount of all taxes, including, but not limited to, income tax and other deductions required to be withheld therefrom and will pay the same to the proper tax or other receiving authorities within the time required under any applicable tax legislation.

(l) Further Assurances

At any and all times, each Obligor shall do, execute, acknowledge, deliver, authenticate, file and register, or will cause to be done, executed, acknowledged, delivered, authenticated, filed and registered all and every such further acts, deeds, conveyances, mortgages, transfers and assurances as the Lender shall reasonably require for the purpose of giving effect to this Agreement.

(m) Payment of Costs and Expenses

The Borrower will pay or reimburse the Lender and any agent for all reasonable and documented (where available) costs, charges and expenses (including reasonable and documented legal fees and disbursements on a solicitor and his own client basis) of or incurred by the Lender in connection with the completion of the loan transaction provided for in this Agreement, the Security taken in pursuance hereof, including all reasonable and documented costs of title examination, compensation of solicitors, and other advisors as required, and all costs, charges and expenses of the Lender in connection with the preparation and registration of any further security or agreements required as further assurances or as a consequence of amendment or renewal, the Lender receiving advice from time to time in connection with this Agreement including relating to the recovery or enforcement of repayment of the Obligations or any part thereof, or in connection with the enforcement or realization of any such Security.

(n) Change of Address

The Borrower shall notify the Lender of (i) any change of address of any office or other business location of an Obligor, (ii) of the location of any new business premises where an Obligor undertakes its business at any time, or (iii) if an Obligor ceases to carry on business at any business location. The Borrower shall also provide prior written notice to the Lender of any change in its or any Guarantors' principal place of business or chief executive office.

(o) Notice of Default

The Obligors shall give prompt written notice to the Lender upon the occurrence of any Default that it is aware of.

(p) Environmental

Each Obligor shall at all times comply in all material respects with all applicable Environmental Laws and occupational health and safety laws, regulations and orders which affect it or any of its assets to the standards required by the applicable law. The Obligors shall inform the Lender in writing of each:

- (i) Environmental Incident which would result in a Material Adverse Effect, upon becoming aware of such Environmental Incident; and
- (ii) legal action or proceeding commenced against an Obligor with respect to any environmental matter which would, if adversely determined, result in a Material Adverse Effect, promptly upon it becoming aware of the commencement of such action or other proceeding, and will specifically:

- (A) establish and maintain procedures for monitoring continued compliance with applicable Environmental Laws, which procedures shall include periodic reviews of such compliance; and
- (B) if it (i) receives written notice that any material violation of any Environmental Law may have been committed or is about to be committed by it, (ii) receives written notice that any administrative or judicial complaint or order has been filed or is about to be filed against it alleging material violations of any Environmental Law or requiring it to take any action of a material nature in connection with the Release of Hazardous Materials into the environment, or (iii) receives any written notice from a Governmental Authority or other Person alleging that it may be liable or responsible for costs in a material amount associated with a response to or clean-up of a Release of Hazardous Materials into the environment or any damages caused thereby, it shall provide the Lender with a copy of such notice within 10 Business Days of its receipt thereof. It shall also provide to the Lender, as soon as practicable after it becomes available, a copy of any environmental site assessment or audit report, if any, required to be submitted to any Governmental Authority. If any such assessment or report estimates the cost of any clean-up or remedial action required by such Governmental Authority, it shall provide evidence satisfactory to the Lender of disbursements made from time to time to effect such clean-up or remedial action within such time as may be prescribed by such Governmental Authority or evidence that it has disputed such requirement and all actions in relation to the requirement to remediate are stayed while such action is stayed.

(q) Inspections / Annual Reviews

- (i) Each Obligor shall permit the Lender and its representatives, at any reasonable time within normal business hours, following reasonable notice, and subject always to the safety and security rules, regulations, and restrictions of its customers, if applicable, to reasonable access of all premises occupied or owned by it, for the purposes of physical inspection, and it shall make available all financial and other records, and will permit the Lender, access to its respective books and records, for the purpose of the Lender's review, and will allow the making of such copies, and to discuss the affairs, finances and accounts thereof with, and to be advised in respect thereof by the officers, engineers, legal counsel and advisors of the Obligor as may be required by the Lender.
- (ii) All reasonable and documented expenses incurred by the Lender for such inspection will be at the expense of the Borrower; *provided* that, so long as no Default or Event of Default has occurred and is continuing, the Borrower shall not be required to reimburse the Lender for more than one such inspection in each calendar year. Any such visit, inspection, examination, or discussion shall be a right but not an obligation of the Lender and the exercise of any such right by or on behalf of the Lender shall not be deemed to be (x) an exercise of supervision, charge, management, control, or

occupation by the Lender or its representatives, or (y) any source of Hazardous Materials located thereon.

(r) Indemnity

The Obligors, jointly and severally, shall indemnify the Lender and each director, officer, consultant and advisor thereof against all Claims that the Lender or each director, officer, consultant and advisor thereof may sustain or incur as a consequence of (i) any Default by the Obligors, or (ii) any misrepresentation of the Obligors contained in any writing delivered to the Lender in connection with this Agreement or any Loan Document, (iii) the Lender entering into this Agreement, (iv) the use of proceeds of an Advance by the Borrower, (v) the operations of any of the Obligors, or (vi) any Environmental Claims, except that the Lender will not be indemnified for any Claim resulting from its own negligence or wilful misconduct.

(s) Government Approvals

It shall obtain, or cause to be obtained (to the extent not in existence on the date of Closing) and maintain, by the observance and performance of all material obligations thereunder and conditions thereof, all government approvals required for it to carry on its businesses except, in each case, to the extent that the failure to obtain, maintain or observe all material obligations thereunder would not reasonably be expected to result in a Material Adverse Effect).

(t) Auditors

The Borrower shall promptly give notice to the Lender of any change in its auditors and the reasons for the change.

(u) Maintenance of Title and Security

The Obligors will at all times maintain good title to the Secured Property, subject only to Permitted Encumbrances and the disposition of assets permitted by the terms hereunder and will take no steps or actions to invalidate the security over title to the Secured Property.

(v) Material Contracts

The Borrower will at all times undertake and operate its business in such manner as to ensure compliance in all material respects with the terms, conditions and provisions of each of the Material Contracts and shall maintain each of the Material Contracts in good standing, subject to renewal and replacement in the ordinary course of business.

(w) Notice under the Material Contracts

If an Obligor is provided with a notice of a material default, breach or suspension under a Material Contract (each a "**Default Notice**"), such Obligor shall provide as soon as reasonably possible thereafter, a copy of such Default Notice to the Lender with a description of the applicable default or circumstance giving rise thereto and a report indicating the status of such Default or circumstance and the steps taken and to be taken (as applicable) to cure such Default or circumstance.

(x) Guarantees of Additional Guarantors

The Borrower shall advise the Lender of any Additional Guarantors after the date of this Agreement within ten Business Days of incorporation or ownership and shall, as applicable and in accordance with the terms of this Agreement, with 30 days of the incorporation or ownership date, cause the Additional Guarantor to provide: (i) a Guarantee of the Obligations, in the form executed by the Guarantors party to this Agreement or the Lender's then current standard form Guarantee; (ii) a general security agreement provided by the Additional Guarantor as a first-ranking (subject only to Permitted Encumbrances) security interest in all of the undertaking, property and assets of the Additional Guarantor in support of such Guarantee; and (iii) a counterpart execution of this Agreement agreeing to be bound by the terms hereof.

(y) Survival

The obligations of the Obligors under this Section are absolute and unconditional and shall not be affected by any act, omission or circumstance whatsoever, whether or not occasioned by the fault of the Lender, except in respect of negligence or willful misconduct by it. The indemnity obligations of the Obligors under this Section shall survive the repayment of the Obligations and the termination of this Agreement.

## 8.2 Negative Covenants

Each Obligor hereby covenants and agrees with the Lender that so long as any of the Obligations remains unpaid or unsatisfied, without the prior written consent of the Lender:

(a) Amalgamations, Mergers and Reorganizations

Except for Permitted Acquisitions, or any amalgamation, merger, or consolidation among any two or more Obligors for which the Obligors have provided the Lender with written notice of, it shall not acquire, amalgamate or merge with, consolidate, enter into partnership or syndication with, any other Person enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate or capital structure, liquidate, wind-up, or dissolve itself, or permit any liquidation, winding-up, or dissolution (unless all assets of the Obligor undertaking such liquidation, wind-up or dissolution would become the assets of another Obligor).

(b) Encumbrances

Other than Permitted Encumbrances, it shall not create or permit to exist any Lien, whether by fixed or floating charge, on the Secured Property without the prior written consent of the Lender.

(c) Restriction on Corporate Distributions

Subject to compliance with Section 8.3 and unless otherwise expressly agreed in writing by the Lender, the Borrower shall not make or declare any Corporate Distribution at any time, provided that the Borrower shall be permitted to make Corporation Distributions if no Default has occurred and is continuing and no Default would occur as a result of such Corporate Distribution.

(d) Indebtedness

The Borrower shall not incur or permit to exist any Debt except the Obligations and Permitted Debt, or guarantee the obligations of others in excess of Cdn.\$1,000,000 except in the normal course of business.

(e) No Financial Assistance

No Obligor shall make any loan to or investment in, or enter into, any contingent liabilities or obligations on behalf of, or (other than Permitted Debt) give any guarantee on behalf of, or provide any other financial assistance, in each case in support of Debt, to any Person in excess of Cdn.\$250,000, except for the corporate guarantees granted by the Borrower in favour of GreenGas and Macquarie Energy Canada Ltd.

(f) Change in Control

It shall not permit a Change in Control to occur.

(g) No Continuance

No Obligor shall continue into any other jurisdiction (other than a jurisdiction in Canada or the United States, and provided that such Obligor complies with Section 8.1(g)(ii) of this Agreement at the time of such continuance).

(h) No Amendments to Constatting Documents

No Obligor shall amend any of its Constatting Documents in a manner that would be prejudicial to the Lender's interests under the Loan Documents.

(i) Cash Management Services and Creditcard Facilities

(i) The Borrower agrees that all Cash Management Obligations and Creditcard Obligations shall be secured by the Security.

(ii) The Borrower agrees that it will not incur Creditcard Obligations in excess of an aggregate principal amount of Cdn.\$250,000 (or the equivalent amount thereof in U.S. Dollars), in aggregate for all such Creditcard Obligations, provided that breach by the Borrower of this limitation shall not result in any Creditcard Obligations becoming unsecured.

### 8.3 Financial Covenants

The Borrower will maintain the following financial covenants, all calculated on a trailing quarter basis, except as otherwise set out in this Section 8.3:

(a) Distribution of Operating Cash Flows:

Operating cash flow of the Borrower shall only be used by the Borrower:

(i) to pay operating expenses;

(ii) to pay Principal and interest on the Advances outstanding hereunder; and

- (iii) provided that the Borrower is in compliance with the financial covenants set out in clauses (b), (c) and (d) below and provided that no Event of Default has occurred and is continuing at such time, the balance of cash flows may be spent, distributed, or otherwise used by the Borrower in its absolute discretion, including by making any one or more Corporate Distributions.
- (b) The Debt to Tangible Net Worth Ratio shall at all times be less than 3.00:1.00.
- (c) The Tangible Net Worth shall at all times be not less: (i) than seventy five (75%) percent of the Tangible Net Worth as at Closing.
- (d) The Interest Coverage Ratio shall as of the last day of each fiscal quarter of the Borrower, be greater than 3.00:1.00 on a trailing 12 month basis.
- (e) The Debt to Tangible Net Worth and the Interest Coverage Ratio shall each be calculated by the Borrower based on the Borrower's internally prepared consolidated financial statements and tested on a quarterly basis, commencing with the fiscal quarter ending March 31, 2022.

## **ARTICLE 9 – DEFAULT AND ENFORCEMENT**

### **9.1 Events of Default**

Each of the following circumstances and events shall be an Event of Default under this Agreement:

- (a) if the Borrower makes any default in payment of the Principal and/or interest owing or performance of the Obligations as and when the same becomes due under any provision hereof and fails to cure such Default within three Business Days of the due date of such payment;
- (b) if at any time any of the Secured Property is not fully insured in accordance with the requirements set out in this Agreement or in any other Loan Document and such Default is not cured within 10 Business Days of the required insurance failing to be in place;
- (c) the occurrence of a Material Adverse Effect;
- (d) if the Borrower shall neglect to carry out or observe any covenant or condition (other than the Events of Default as set forth in Section 9.1(a)) or if the Obligors shall neglect to carry out or observe any covenant or condition under the Security, and fails to cure such Default within 30 days from the date of occurrence of such Default, or provided that such Default cannot be cured within such 30 day period and the Borrower, so advises the Lender prior to the termination of such 30 day period and provided further that such Default is capable of being cured, such default would not reasonably be expected to have a Material Adverse Effect if it were to continue beyond such initial thirty (30) day period, and the Lender in its sole discretion is satisfied that the Obligors, are diligently proceeding to cure such Default, the Lender may provide the Obligors an additional 30 days to remedy such Default before an Event of Default shall occur;
- (e) if an Obligor ceases, or threatens to cease, carrying on its business (other than pursuant to an amalgamation, merger or reorganization permitted by this Agreement and notice, where required, is provided to the Lender) or if a petition shall be filed, an

order shall be made or a resolution be passed for the winding-up or liquidation of the Obligor, or the auditor at any time issues an audit report expressing a "going concern" qualification with respect to an Obligor;

- (f) if an Obligor shall become an insolvent Person (as defined in the *Bankruptcy and Insolvency Act* (Canada)), or shall make a bulk sale of its assets, a general assignment for the benefit of its creditors, a proposal under the *Bankruptcy and Insolvency Act* (Canada), or if a bankruptcy petition shall be filed or presented with respect to an Obligor and with respect to such proceeding instituted against it, such is not removed or discharged or unstayed prior to the legal effect of such process, or if a custodian, sequestrator, receiver, receiver and manager, or any other officer with similar powers shall be appointed of its properties, or any part thereof of the Obligor which is, in the opinion of the Lender, a substantial part thereof;
- (g) if any proceedings respecting an Obligor are commenced by or against an Obligor under the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada), or any legislation or other provision of law providing for similar effect;
- (h) if an encumbrancer shall take possession of the Secured Property or any other property of an Obligor, which is, in the opinion of the Lender, acting reasonably, a substantial part thereof, or if a distress or execution or any similar process be levied or enforced therein against an Obligor, and such remains unsatisfied for such period as would permit such property or such part thereof which is, in the opinion of the Lender, acting reasonably, a substantial part to be sold or seized thereunder and such property is not released or proceedings stayed prior to the date on which such possession becomes legally effective;
- (i) the loss of any Security or its status as a valid and perfected first priority security interest (other than Permitted Encumbrances or pursuant to a transaction permitted hereby) as a consequence of any action, omission or change of status of an Obligor, if an Obligor fails to remedy such Default within the earlier of 10 days from the date:
  - (i) an Obligor becomes aware of the Default, using reasonable due diligence, and
  - (ii) the Lender delivers written notice of the Default to the Borrower;
- (j) if any of the representations and warranties contained herein or in any of the Security shall prove to have been false or misleading in any material respect and if such representation and warranty is capable of rectification, such representation and warranty remains uncorrected for a period of 30 consecutive days after written notice from the Lender that such representation and warranty is false or misleading;
- (k) if an Obligor, as applicable, purports to assign any Loan Document without the prior written consent of the Lender;
- (l) if the Borrower is not in compliance with the financial covenants set out in Section 8.3 for any period of 30 consecutive days; and
- (m) if an Obligor defaults in the due payment, performance or observance, in whole or in part, of any debt, liability, obligation or covenant of an Obligor delivered to any other lender in an aggregate amount in excess of Cdn.\$5,000,000, and after the passage

of all applicable notice and cure or grace periods included in the loan agreements with such lender, an Obligor is declared in default by such other lender and such lender has accelerated the obligations of the applicable Obligor thereunder, then, such default shall be deemed to be a default under this Agreement and the Security, as applicable.

## **9.2 Acceleration on Event of Default**

Upon the occurrence and during the continuance of an Event of Default, the Lender may, in addition to any other rights or remedies provided for herein, in the Security, at law, or in equity, by written notice to the Borrower, declare the Obligations to be immediately due and payable, and the same shall forthwith become immediately due and payable, and the Borrower shall forthwith pay to the Lender the Obligations.

## **9.3 Waiver of Default**

The Lender may at any time waive in writing any Default or Event of Default which may have occurred, provided that no such waiver shall extend to, or be taken in any manner whatsoever to affect, any subsequent Event of Default or the rights or remedies resulting therefrom. No delay or failure by the Lender to exercise any right or remedy hereunder shall impair any such right or remedy, or shall be construed to be a waiver of any Event of Default hereunder or under the Security, or acquiescence therein.

## **9.4 Obligations Due Under Security**

An Event of Default hereunder shall also be a default under each Security Agreement and Guarantee.

## **9.5 Remedies Cumulative**

Each of the remedies available to the Lender is a separate remedy and in no way is a limitation on any one or more of the other remedies otherwise available to the Lender. The rights and remedies herein expressly specified or in the Security are cumulative and not exclusive. The Lender may, in its sole discretion, exercise any and all rights, powers, remedies and recourses available herein or in the Security, or any other remedy available to it, and such rights, powers, remedies and recourses may be exercised concurrently or individually without the necessity of any election.

## **9.6 Conflict**

If there is any inconsistency between the terms of this Agreement and those in any other Loan Document, the terms of this Agreement will prevail, and the parties shall otherwise take any necessary steps to conform any inconsistent terms to the terms of this Agreement, provided that the provisions giving the Lender greater rights or remedies will govern (to the maximum extent permitted by applicable law), it being understood that the purpose of the Loan Documents is to add to, and not detract from, the rights granted to the Lender hereunder.

## ARTICLE 10 – ENFORCEMENT OF SECURITY

### 10.1 Remedies

After the occurrence and during the continuance of an Event of Default:

- (a) the Lender may proceed to enforce its rights by any action, suit, remedy or proceeding authorized or permitted by law or in equity, and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have its Claims lodged in any bankruptcy, winding-up or other judicial proceeding relative to the Obligors;
- (b) the Lender may enter into and upon and take possession of and remove (or disable in place) all or any part of the Secured Property, with full power to carry on, manage and conduct the business and operations of the Obligors, including the power to borrow monies or advance its own monies for the purpose of such business operations, the maintenance and preservation of the Secured Property or any part thereof, the payment of taxes, wages and other charges ranking in priority to the Obligations and operating expenses. The monies so borrowed or advanced shall be repaid by the Obligors on demand and until repaid with interest thereon at the rate per annum provided in Section 2.8 hereunder calculated monthly, in arrears, shall form a charge upon the Secured Property in priority to the Obligations and shall be secured by the Security. The Lender shall have the right to demand and to receive the revenues, incomes, issues and profits of the Secured Property and to pay therefrom all of its expenses, charges and advances in carrying on the business operations or otherwise, of the Obligors, and the payment of all taxes, assessments and other charges against the Secured Property ranking in priority to the Obligations, or payment of which may be necessary to preserve the Secured Property, and to apply the remainder of the monies so received in accordance with the provisions hereof;
- (c) the Lender may, either after entry as provided herein, or without any entry, and with or without possession or control of the Secured Property, sell and dispose of all the Secured Property, either as a whole or in separate parcels at public auction, by tender, or by private contract at such time and on such terms and conditions, having first given such notice of the time and place of such sale, as it may think proper. The Lender may make such sale whether by auction, tender or private contract, either for cash, upon credit, or in exchange for bonds, mortgages, stocks or other securities of another corporation, or partly for one and partly for the other upon such reasonable conditions as to terms of payment as it may deem proper, and upon any such sale, shall be obliged to account to the Obligors only in relation to monies actually received and only at the time of receipt. It shall be lawful for the Lender to rescind or vary any contract of sale that may have been entered into, and resell with or under any of the powers conferred herein, to adjourn any such sale from time to time, and to execute and deliver to the purchaser or purchasers of the said property, or any part thereof, good and sufficient deed or deeds for the same, the Lender being hereby irrevocably constituted an attorney of the Obligors for the purpose thereof, any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Obligors and their respective assigns and all other persons claiming the said property or any part or parcel thereof, by, from, through, or under the Obligors or their respective assigns, and the proceeds of any such sale shall be distributed in the manner hereinafter provided;

- (d) the Lender or any agent or representative thereof, may become the purchaser at any sale of the Secured Property whether made under the power of sale herein contained, pursuant to foreclosure, or other judicial proceedings;
- (e) the Lender, or any agent or representative thereof, may exercise its rights and remedies pursuant to the Guarantees and the Security Agreements which it holds from the Obligors in the alternative to, or in supplement to, the exercising of any other rights or remedies provided hereunder; and
- (f) the Lender may exercise any and all other remedies allowed by all applicable laws, including, without limitation, such rights and/or remedies as are provided for in the PPSA.

#### **10.2 Remedies Not Exclusive**

No remedy for the enforcement of the rights of the Lender shall be exclusive of, or depend on, any other remedy, but any one or more remedies may from time to time be exercised independently or in combination.

#### **10.3 Remedies Not Prejudiced by Delay**

No delay or omission of the Lender to exercise any remedy shall impair any such remedy or shall be construed to be a waiver of any Event of Default hereunder or under the Security, or acquiescence therein.

#### **10.4 Yield Possession**

Upon the occurrence of an Event of Default which is continuing, the Obligors shall yield possession of the Secured Property and the conduct of its business in connection therewith to the Lender and agrees to put no obstacles in the way of, but to facilitate by all legal means, the actions of the Lender hereunder, and not to interfere with the carrying out of the powers hereby granted to it. The Obligors shall forthwith, by and through their respective officers and directors, at any time upon the occurrence of an Event of Default which is continuing and a request in writing by the Lender, execute such documents and transfers as may be necessary to place the Lender in legal possession of the Secured Property and its business in connection therewith, and thereupon all the powers and functions, rights and privileges of each and every of its directors and officers shall cease and determine solely with respect to the possession of the Secured Property, unless specifically continued in writing by the Lender, or unless the property shall have been restored to the Obligors.

#### **10.5 Lender Entitled to Perform Covenants**

Upon the occurrence of an Event of Default which is continuing, the Lender may, in its discretion, perform any of the covenants of the Obligors capable of being performed by the Lender, and if any such covenant requires the payment or expenditure of money, the Lender may make payments or expenditure with its own funds, or with money borrowed by or advanced to it for such purpose, but shall be under no obligation to do so, and all sums so expended or advanced shall be at once payable by the Obligors on demand, shall bear interest at a rate of interest that is the applicable interest rate payable hereunder plus two (2%) percent per annum, calculated and payable monthly, in arrears, until paid, and shall be payable out of any funds coming into the possession of the Lender in priority to the Obligations, but no such performance or payment shall be deemed to relieve the Obligors from any Event of Default hereunder.

## **10.6 The Lender as Power of Attorney**

Upon the occurrence of an Event of Default which is continuing, and written notification thereof to the Borrower by the Lender, the Obligors hereby irrevocably appoints the Lender to be its attorney, and in its name and on its behalf, acting reasonably, to execute and carry out any deeds, documents, transfers, conveyances, assignments, assurances, consents and things (including, without limitation, any filings at the PPSA) which the Obligors ought to, or may, sign, execute and do hereunder, and generally to use its name in the exercise of all or any of the powers hereby conferred on the Lender, with full power of substitution and revocation. In the exercise of all of its rights hereunder, the Lender shall be, so far as concerns responsibility for its action or inaction, the agent of the Obligors. This appointment is coupled with an interest, is irrevocable, and shall terminate only upon payment in full of the Obligations set forth in this Agreement and/or any other Loan Documents.

## **10.7 For the Protection of the Lender**

In realizing upon the Secured Property, the Lender shall not be responsible for any loss occasioned by any demand, collection, enforcement, sale or other realization thereof, or the failure to, or delay in relation to any such demand, collection, enforcement or sale of any portion thereof, and the Lender shall not be bound to protect the Secured Property from depreciating in value (other than, in each case, as a result of the gross negligence or willful misconduct of the Lender). Upon any sale or realization of the Secured Property by way of public auction, the Lender may become purchaser free from any right or equity of redemption, which right or equity is expressly waived by the Obligors, and the Lender may, in paying the purchase price, apply so much of the obligations of the Obligors, hereunder on account of the purchase price as may be necessary for such purpose.

## **10.8 Charges for Late Payment**

Notwithstanding any waiver or enforcement of an Event of Default hereunder, the Obligors acknowledge that the Lender shall be paid interest on overdue interest at the applicable rate set out in Section 2.8 and the sum of Cdn.\$250.00 in each instance, to compensate for costs, penalties or expenses caused to the Lender arising as a result of any payment made after its due date hereunder.

## **ARTICLE 11 – APPLICATION OF FUNDS**

### **11.1 Appointment of Receiver**

After the occurrence and during the continuance of an Event of Default, the Lender may appoint a receiver, manager, or receiver and manager of any of the Obligors, the Secured Property, or any part thereof (hereinafter called the **"Receiver"**), and may remove any Receiver so appointed and appoint another in his stead, and the following provisions shall take effect:

- (a) such appointment may be made at any time after the Security shall have become enforceable and either before or after the Lender shall have entered into or taken possession of the Secured Property, or any part thereof, but such appointment may be revoked upon the direction in writing of the Lender;
- (b) every such Receiver shall be vested with all or any of the powers and discretions of the Lender;

- (c) such Receiver may carry on the business of the Obligors or any part thereof, and may exercise all the powers conferred upon the Lender hereby;
- (d) the Lender may from time to time fix the remuneration of every such Receiver, which remuneration shall be reasonable, and direct the payment thereof out of the Secured Property, or the proceeds thereof in priority to payment of the Obligations;
- (e) the Lender may from time to time require any such Receiver to give security for the performance of his duties, and may fix the nature and amount thereof, but shall not be bound to require such security;
- (f) every such Receiver may, with the consent in writing of the Lender, borrow money for the purpose of carrying on the business of the Obligors, for the maintenance of the Secured Property, or any part or parts thereof, or for any other purposes approved by the Lender, and may issue security on the Secured Property in priority to the Security and in the amounts from time to time required to carry out the duties of the Receiver appointed hereunder, which shall bear interest as shall be reasonably determined by the Receiver;
- (g) except to the extent otherwise directed by the Lender, all monies from time to time received by such Receiver shall be paid over to the Lender;
- (h) every such Receiver shall so far as concerns responsibility for his acts and omissions in exercising all or any of the powers and discretions conferred upon him hereunder, be deemed the agent of the Obligors and not of the Lender and the Lender shall not be responsible for any act or default of any Receiver; and
- (i) the Receiver may be appointed by the Lender to act on its behalf in connection with the exercise of the rights and remedies pursuant to the Security.

### **11.2 Application of Funds**

Except as otherwise herein provided, the monies arising from any enforcement of the Security shall be applied as follows:

- (a) firstly, in payment of, or reimbursement to the Lender of, the expenses, disbursements and Advances of the Lender (including the fees and expenses of any Receiver, agent or representative appointed pursuant hereto or under the Security and any legal fees with respect thereto, on a solicitor and client basis) incurred or made in connection with the enforcement of this Agreement or the realization of the Security;
- (b) secondly, in payment of interest on overdue interest, interest and Principal included in the Obligations, in that order of priority, and in the case of accrued and unpaid interest in reverse order of maturity; and
- (c) the surplus, if any, shall be paid to the Borrower or its assigns.

### **11.3 Deficiency**

If the monies received by the Lender or any Receiver are insufficient to repay to the Lender all monies due to it, the Obligors shall forthwith pay or cause to be paid to the Lender such deficiency.

## ARTICLE 12 – NOTICES

Any demand or notice to be given by any party hereto to any other party shall be in writing and may be given by personal delivery, or except during any period when postal service is interrupted, by prepaid registered mail or by email or by other means of instantaneous transmission that produces a permanent copy ("**other communication**") addressed as follows:

(a) to the Obligors at:

Green Impact Partners Inc.  
666 Burrard Street, Suite 2500,  
Vancouver, British Columbia, V6C 2X8  
Attention: Kathy Bolton, Chief Financial Officer  
Email: [\[redacted - contact information\]](#)

(b) to the Lender at:

Canadian Western Bank  
12230 Jasper Avenue  
Edmonton, Alberta T5N 3K3  
Attention: Pedro Lima, AVP Business Development  
[\[redacted - contact information\]](#)

and if given by registered mail shall be deemed to have been received by the party to whom it was addressed on the date falling four Business Days following the date upon which it has been deposited in the post office with postage and cost of registration prepaid, and if personally delivered to an adult during normal business hours, when so delivered, and if given by other communication the third business hour after transmission and confirmation of receipt. Provided that any of the above-named parties may change the address designated from time to time, by notice in writing to the other parties hereto.

*[SIGNATURE PAGES FOLLOW]*

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

**CANADIAN WESTERN BANK**

**GREEN IMPACT OPERATING CORP.**

Per: \_\_\_\_\_  
(signed) "*Blair Zahara*"  
Name: \_\_\_\_\_  
Title: **Blair Zahara**  
**AVP & Deputy Manager**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Per: \_\_\_\_\_  
(signed) "*Andy McPherson*"  
Name: \_\_\_\_\_  
Title: **Andy McPherson**  
**VP & Market Lead**  
**Edmonton Downtown District**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**GREEN IMPACT PARTNERS INC.**

**GREEN IMPACT PARTNERS U.S., INC.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



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

**CANADIAN WESTERN BANK**

**GREEN IMPACT OPERATING CORP.**

Per:

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

Per:

*(signed) "Kathy Bolton"*  
\_\_\_\_\_  
Name: Kathy Bolton  
Title: President

Per:

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

Per:

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

**GREEN IMPACT PARTNERS INC.**

**GREEN IMPACT PARTNERS U.S., INC.**

Per:

*(signed) "Jesse Douglas"*  
\_\_\_\_\_  
Name: Jesse Douglas  
Title: Chief Executive Officer

Per:

*(signed) "Kathy Bolton"*  
\_\_\_\_\_  
Name: Kathy Bolton  
Title: Chief Executive Officer, Treasurer, Secretary

Per:

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

Per:

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

**TRANSITION ENERGY INC.**

**AKIRA INFRA I LTD.**

Per: (signed) "Jesse Douglas"  
Name: Jesse Douglas  
Title: President

Per: (signed) "Kathy Bolton"  
Name: Kathy Bolton  
Title: President

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

**2302922 ALBERTA LTD.**

(signed) "Kathy Bolton"

**STURE LLC**

Per:   
Name: Kathy Bolton  
Title: President

Per: (signed) "Kathy Bolton"  
Name: Kathy Bolton  
Title: Manager

Per: \_\_\_\_\_  
Name:  
Title:

Per: (signed) "Jesse Douglas"  
Name: Jesse Douglas  
Title: Manager

**GREEN IMPACT PARTNERS  
EMPLOYMENT CORP.**

Per: (signed) "Kathy Bolton"  
Name: Kathy Bolton  
Title: President

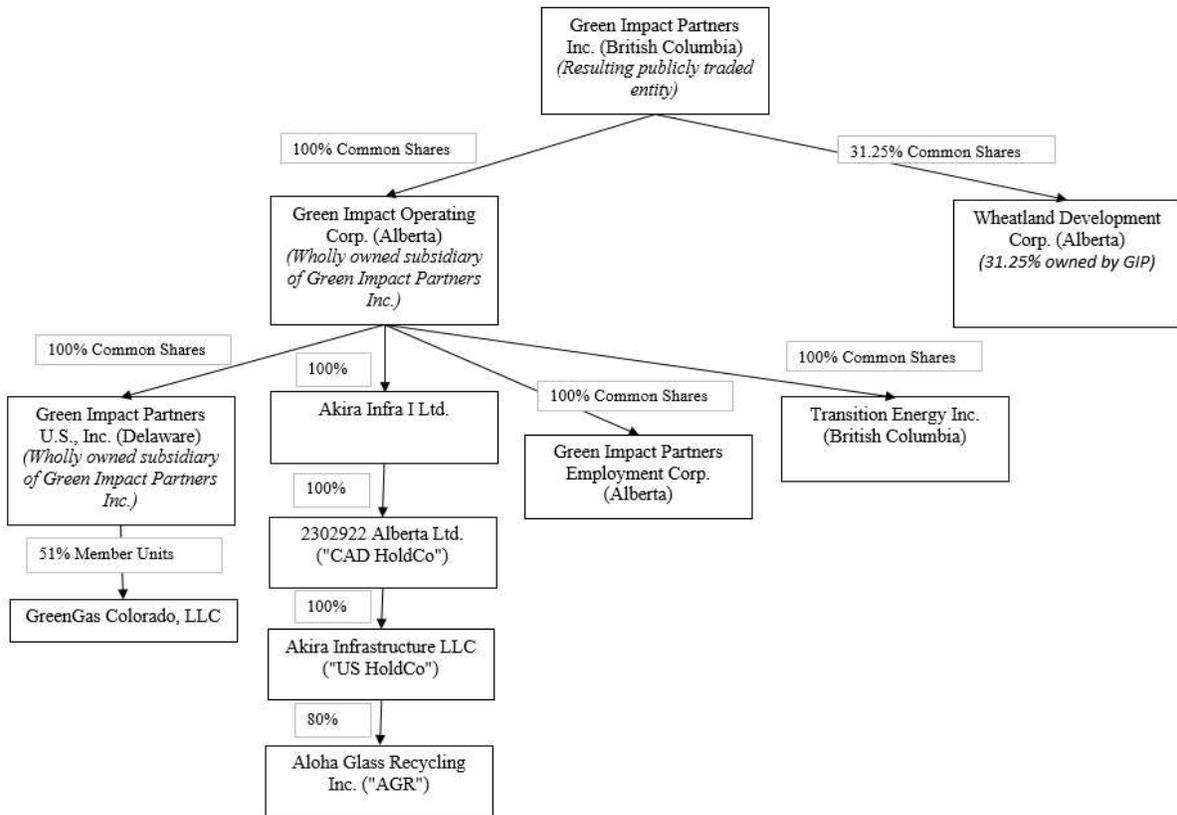
Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "A"**

**ASSETS**

*[redacted - commercially sensitive information]*

**SCHEDULE "B"**  
**CORPORATE ORGANIZATIONAL CHART**



**SCHEDULE "C"**

**LOCATION OF ASSETS AND CHIEF EXECUTIVE OFFICES**

*[redacted - commercially sensitive information]*

**SCHEDULE "D"**  
**PERMITTED ENCUMBRANCES**

Nil.