Form 49
[Rule 13.19]

CLERK OF THE COURT
FILED
OCT 21 2016
CALGARY, ALBERTA

COURT FILE NUMBER	1601-14057
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANTS	IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended AND IN THE MATTER OF THE BANKRUPTCY OF QUINTERA DRILLING LIMITED PARTNERSHIP and QUINTERA DRILLING 2010 INC.
DOCUMENT	**AFFIDAVIT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Norton Rose Fulbright Canada LLP 400 3rd Avenue SW, Suite 3700 Calgary, Alberta T2P 4H2 CANADA Howard A. Gorman, Q.C. and John Cassell howard.gorman@nortonrosefulbright.com Tel: +1 403.267.8222 Fax: +1 403.264.5973 Lawyers for the Applicant, Quintera Drilling Limited Partnership and Quintera Drilling 2010 Inc. File no.: 01032461-0001

AFFIDAVIT OF RICHARD KUZYK

Sworn ~~(or Affirmed)~~ on October 20, 2016.

I, Richard Kuzyk of Alberta, SWEAR/AFFIRM AND SAY THAT:

1. I am a Director of Quintera Drilling 2010 Inc. (the "**Quintera Inc.**"), which is the general partner of Quintera Drilling Limited Partnership ("**Quintera LP**") and as such, I have personal knowledge of the facts herein deposed to.

2. Quintera LP is a limited partnership registered pursuant to the Partnership Act of Manitoba. Attached hereto as **Exhibit "A"** is a copy of a partnership search for Quintera LP.

3. Quintera Inc. is a corporation registered pursuant to the laws of Alberta. Attached hereto as **Exhibit "B"** is a copy of a corporate search for Quintera Inc.

I. Overview of Business of Quintera Drilling LP

4. Quintera LP was formed in 2010 and is an oil and gas drilling contractor that operates rigs throughout Western Canada and in particular throughout the Western Canadian Sedimentary Basin in Alberta and Saskatchewan. Quintera LP owns and operates a fleet of ten drilling rigs.

5. Quintera LP's principal office is located in Nisku, Alberta. Quintera LP currently has two full-time employees. Quintera LP also typically has additional employees engaged in operating its drilling rigs when those drilling rigs are up and running. Quintera LP expects to begin operating one drilling rig the week of October 24, 2016 and anticipates hiring sixteen (16) employees to operate that drilling rig. If the Proposal contemplated herein is approved, Quintera LP also anticipates having sufficient financial resources to operate the drilling rig and pay employees for the foreseeable future.

6. Quintera LP's primary assets are its drilling rigs and the revenue generated from those drilling rigs when they are in operation.

II. Asset and Liabilities

a. Assets

7. As of the date of the filing of this Affidavit, the value of Quintera LP's owned assets total $4,348,613 consisting of:

(a) Accounts receivable, net of allowance for doubtful accounts - $569,176;

(b) Prepaid expenses - $29,437; and

(c) Capital assets - $3,750,000.

b. Liabilities

8. As of October 19, 2016, the amounts owed to Quintera LP's trade creditors totalled approximately $114,779.39 and other unsecured creditors $321,237.45. Attached hereto as **Exhibit "C"** is a listing of Quintera LP's unsecured creditors and the amounts owed as of October 19, 2016.

9. In July 2015, Quintera LP as borrower entered into amended and restated credit facilities with Alberta Treasury Branches (**"ATB"**) (with Quintera Inc. as guarantor) as follows:

(a) Operating Loan Facility (Revolving) in the amount of $5,000,000;

(b) Non-Revolving Reducing Loan Facility in the amount of $11,404,702;

(c) Non-Revolving Reducing Loan Facility in the amount of $4,113,200;

(d) Evergreen Line of Credit Facility in the amount of $4,500,000;

(e) Corporate MasterCard;

(f) Foreign Exchange, Interest Rate and Commodity Derivatives

(collectively the "**ATB Credit Facilities**"). Attached hereto as **Exhibit "D"** is a copy of the July 2015 commitment letter from ATB setting out the ATB Credit Facilities.

10. As at October 20, 2016, Quintera LP owed ATB approximately $20 million under the ATB Credit Facilities. ATB represents Quintera LP's primary secured creditor (with the only other secured creditor being Ford Credit and 1664861 Alberta Ltd. in relation to several vehicles discussed below). On August 4, 2016, ATB made a demand of Quintera LP regarding the outstanding amounts under the ATB Facilities which included notices pursuant to section 244 of the *Bankruptcy and Insolvency Act* ("**BIA**"). Attached hereto as **Exhibit "E"** is a copy of the August 4, 2016 Letter from ATB, including s.244 notices.

11. The total value of Quintera LP's liabilities (excluding preferred units) is $21,270,728.

12. As of the date of the filing of this Affidavit, all source deductions and obligations owed to Canada Revenue Agency have been paid and are up to date.

13. In December 2015, Quintera LP entered into a commercial lease agreement ("**Lease**") with 392826 Alberta Ltd. for premises located in Nisku, Alberta to operate its business. Pursuant to the terms of the Lease, Quintera LP's annual Basic Rent is approximately $180,000 for the first two years of the term of the Lease, plus approximately $55,000 in operation costs. Attached hereto as **Exhibit "F"** is a copy of the Lease.

14. Quintera LP also has several lease and finance agreements ("**Ford Finance Agreements**") with Ford Credit Canada Limited ("**Ford Credit**") and/or 1664861 Alberta Ltd. for the finance of several vehicles used in Quintera LP's operations. Attached hereto as **Exhibit "G"** is a copy of the Ford Finance Agreements.

III. Financial Difficulties of Quintera LP

15. The rapid decrease in the price of oil beginning in the summer of 2014 and the subsequent decrease in rig activity has negatively impacted Quintera LP's revenue and cash flow in a significant manner. As a result, beginning in August 2015, Quintera LP was unable to make its full interest payments on the ATB Credit Facilities, but rather could only make one half of the interest payments

while the other half was capitalized as part of the Indebtedness owing under the ATB Credit Facilities. Presently, Quintera LP is unable to generally pay its debts as they come due.

16. Attached hereto as **Exhibit "H"** is a copy of Quintera LP's weekly cash forecast commencing with the week ending October 21, 2016 and through the end of December 2016.

17. As of the date of swearing this Affidavit, I expect that on October 21, 2016, Quintera LP and Quintera Inc. will have each filed a voluntary assignment into bankruptcy and that Ernst & Young Inc. will be appointed as Trustee in Bankruptcy over Quintera LP and Quintera Inc.

IV. Summary of BIA Proposal

18. Quintera LP has obtained agreement in principle from its primary secured creditor, ATB that it may be willing to agree to a compromise of the total outstanding amounts owing to it under the ATB Credit Facilities in the event Quintera LP paid ATB an agreed-upon amount ("**Compromise Amount**") by November 15, 2016.

19. Quintera LP and Quintera Inc. intend to put forward a proposal ("**Proposal**") under the BIA that, among other things, provides for the following:

(a) The reduction of the amounts owing under the ATB Credit Facilities to the Compromise Amount;

(b) the payment in full of all of the claims of unsecured creditors that have been made by the date specified in the Proposal;

(c) maintaining the Lease in force and not disclaiming it through the Proposal; and

(d) maintaining the Ford Finance Agreements and not disclaiming them through the bankruptcy process.

20. Quintera LP and Quintera Inc. have arranged for the funding of the amounts contemplated in the Proposal ("**Proposal Funds**") and the payment of the Compromise Amount through a third party. In the event the Proposal is approved by Quintera LP and Quintera Inc.'s creditors and the Court, the Proposal Funds and an amount equivalent to the Compromise Amount will be advanced forthwith by the third party.

V. Timing Issues with the Proposal

21. Time is of the essence in having the Proposal approved as ATB has indicated that it is required to receive payment of the Compromise Amount by November 15, 2016.

22. Additionally, despite its cash flow issues and financial difficulties, Quintera LP continues to perform work for one major client (which is the client referenced above that Quintera LP anticipates commencing the drilling rig for beginning the week of October 24, 2016) and assuming the Proposal is approved by its creditors and the Court, I verily believe that Quintera LP, through its general partner Quintera Inc. will emerge as a solvent, financially viable entity.

23. Notwithstanding this possibility, at its current cash flow and reserves, Quintera LP does not have sufficient assets to survive a prolonged interruption in its operations without potentially irreparably damaging its business and its ability to continue operating and emerge out of a BIA Proposal as a viable entity.

24. In the event the Trustee for Quintera LP and Quintera Inc. is permitted to file the Proposal with the Superintendent in Bankruptcy and send the Proposal to its creditors in advance of the first meeting of creditors, it will minimize the disruption to Quintera LP's business as it will allow the creditors to vote on the Proposal immediately following the first meeting of creditors.

25. I verily believe that the amounts proposed to be paid to Quintera LP's creditors in the Proposal are in excess of what the creditors would receive in liquidation proceedings.

REMAINDER OF PAGE BLANK

26. I make this Affidavit for no improper purpose and in support of an application for an Order providing for the following relief:

(a) Dispensing with service of the application;

(b) Permitting Quintera LP and Quintera Inc. to file the Proposal prior to the first meeting of creditors and prior to inspector review and approval and no later than October 26, 2016;

(c) Setting the date of the first meeting of creditors;

(d) Providing for the appointment of inspectors at the first meeting of creditors;

(e) Permitting a vote to be held on the Proposal by Quintera's LP and Quintera Inc.'s creditors immediately following the first meeting of creditors.

SWORN (OR AFFIRMED) BEFORE ME at the City of Calgary, Alberta, this 20th day of October, 2016.

(Commissioner for Oaths in and ~~for the~~ Province of Alberta) John M. Cassell Barrister & Solicitor

(Print Name and Expiry of Lawyer/ Student-at-Law/Commissioner or JP)

RICHARD KUZYK

Tab "A"

** END OF FILE SUMMARY **
MANITOBA COMPANIES OFFICE

SEARCH AS OF 2016/10/20

NAME:	QUINTERA DRILLING LIMITED PARTNERSHIP	
BUSINESS NUMBER:	849981519MC0001	
DATE OF REGISTRATION:	2010/09/27	
CURRENT STATUS / STATUS DATE:	BUSINESS NAME FILED	2010/09/27
YEAR OF LAST RENEWAL	2013	
NATURE OF BUSINESS:	CRUDE PETROLEUM AND NATURAL GAS INDUSTRY	
PLACE OF BUSINESS:	16221 123 AVENUE EDMONTON AB T5V 1N9	
MAILING ADDRESS:	AIKINS & CO LLP 30TH FLOOR-360 MAIN ST WINNIPEG MB R3C 4G1	
GENERAL PARTNER	QUINTERA DRILLING 2010 INC. 16221 123 AVENUE EDMONTON AB T5V 1N9	

THIS IS EXHIBIT "A"
referred to in the Affidavit of
Richard Kuzyk
Sworn before me this 20th
Day of October A.D. 2016

A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA
John M. Cassell
Barrister & Solicitor

Tab “B”

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

THIS IS EXHIBIT "B" referred to in the Affidavit of Richard Kuzyk
Sworn before me this 20th Day of October A.D. 2016
A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA
John M. Cassell
Barrister & Solicitor

Date of Search: 2016/10/19
Time of Search: 01:52 PM
Search provided by: NORTON ROSE FULBRIGHT CANADA LLP

Service Request Number: 25932224
Customer Reference Number: 01032461-0001

Corporate Access Number: 2015605195
Legal Entity Name: QUINTERA DRILLING 2010 INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2010/09/23 YYYY/MM/DD

Registered Office:
Street: 16221 123 AVE NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5V 1N9

Records Address:
Street: 16221 123 AVE NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5V 1N9

Directors:

Last Name: KUZYK
First Name: RICHARD
Middle Name: B.
Street/Box Number: 128 EAGLE TERRACE ROAD
City: CANMORE

Province:	ALBERTA
Postal Code:	T1W 2Y5

Last Name:	SIRETT
First Name:	BILL
Street/Box Number:	595 BURRARD STREET
City:	VANCOUVER
Province:	BRITISH COLUMBIA
Postal Code:	V7X 1L3

Last Name:	TEEUWSEN
First Name:	GERALD
Street/Box Number:	BOX 12, SITE 12, RR #4
City:	PONOKA
Province:	ALBERTA
Postal Code:	T4J 1R4

Voting Shareholders:

Last Name:	KUZYK
First Name:	RICK
Street:	128 EAGLE TERRACE ROAD
City:	CANMORE
Province:	ALBERTA
Postal Code:	T1W 2Y5
Percent Of Voting Shares:	100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure:	THE ANNEXED SCHEDULE "A" IS INCORPORATED INTO AND FORMS PART OF THIS FORM.
Share Transfers Restrictions:	THE ANNEXED SCHEDULE "B" IS INCORPORATED INTO AND FORMS PART OF THIS FORM.
Min Number Of Directors:	1
Max Number Of Directors:	7

Business Restricted To:	NONE.
Business Restricted From:	NONE.
Other Provisions:	THE ANNEXED SCHEDULE "C" IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
QUINTERA DRILLING LIMITED PARTNERSHIP	LP17744517

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2016	2016/08/11

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2010/09/23	Incorporate Alberta Corporation
2013/08/28	Change Address
2013/08/28	Change Director / Shareholder
2016/08/11	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2010/09/23
Restrictions on Share Transfers	ELECTRONIC	2010/09/23
Other Rules or Provisions	ELECTRONIC	2010/09/23
Share Structure	ELECTRONIC	2010/09/27
Restrictions on Share Transfers	ELECTRONIC	2010/09/27
Other Rules or Provisions	ELECTRONIC	2010/09/27
Memo to File	ELECTRONIC	2010/09/27

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.

Tab "C"

THIS IS EXHIBIT "C"
referred to in the Affidavit of
Richard Kuzyk
Sworn before me this 20th
Day of Oct A.D. 2016

A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA
John M. Cassell
Barrister & Solicitor

Quintera Drilling LP
October 19, 2016

Trade Creditors

Name	Total	Current	31 to 60	61 to 90	91+
AgComm Petroleum Sales Ltd	59.85	0.00	0.00	0.00	0.00
Bell Acc.0013	115.90	0.00	115.90	0.00	0.00
Boyds xxxcavating	493.50	0.00	0.00	0.00	493.50
Canadian Freightways	804.02	0.00	192.79	611.23	0.00
Commercial Solutions Inc.	1,222.46	0.00	0.00	1,222.46	0.00
DaPaJo Construction Ltd.	514.50	0.00	514.50	0.00	0.00
Dash Distributors Inc.	110.42	107.33	0.00	3.09	0.00
David Starling	5,040.00	1,260.00	2,520.00	1,260.00	0.00
Direct Energy Regulated Services	119.76	63.43	56.33	0.00	0.00
Diversified Chain & Rigging	950.59	336.62	613.97	0.00	0.00
DNOW Canada ULC	1,126.97	1,522.68	0.00	0.00	0.00
Eastend Iron Industries Ltd	315.00	315.00	0.00	0.00	0.00
Epcor	3,762.18	1,772.58	0.00	1,989.60	0.00
Ernst & Young LLP	2,950.50	0.00	2,950.50	0.00	0.00
Force Inspection Services Inc.	37,303.55	0.00	0.00	0.00	37,303.55
Global Heat Transfer Ltd	83.95	0.00	0.00	83.95	0.00
Greenline Tire Sales	1,127.37	0.00	0.00	1,127.37	0.00
Gregg Distributors Ltd	769.82	0.00	0.00	769.82	0.00
Greyhound Courier Express	81.39	0.00	22.80	58.59	0.00
Harwood Ford Sales Brooks	77.30	0.00	0.00	0.00	77.30
KPMG LLP	16,008.30	0.00	16,008.30	0.00	0.00
Leduc Co-op Ltd.	1,012.43	0.00	398.46	613.97	0.00
Leduc County	43.56	0.00	43.56	0.00	0.00
Lloyd Innes	378.24	210.00	168.24	0.00	0.00
M & M Valve Services Inc	416.62	0.00	0.00	416.62	0.00
Motion Industries (Canada) Inc	6,286.73	3,807.94	2,478.79	0.00	0.00
Midnight Oil Enterprises Inc.	703.50	703.50	0.00	0.00	0.00
Norton Rose Fulbright Canada LP	2,916.90	2,916.90	0.00	0.00	0.00
Pason Systems Corp.	3,360.00	2,310.00	1,050.00	0.00	0.00
Petro-Canada	59.85	0.00	0.00	0.00	59.85
Pitney Bowes Global Credit Services	69.65	0.00	69.65	0.00	0.00
Progressive Waste Solutions	579.65	292.68	286.97	0.00	0.00
Regulator's Oilfield Hauling Ltd.	10,462.20	1,575.00	1,497.30	1,497.30	5,892.60
Ricoh Canada Inc	254.31	0.00	254.31	0.00	0.00
Straight Line BOP & Valve Inc.	1,056.96	1,056.96	0.00	0.00	0.00
Superior Industrial Frictions Ltd	2,231.19	1,186.42	724.60	488.17	-168.00
TalonX Creative Agency Inc.	105.00	0.00	105.00	0.00	0.00
Taylor Oil Tools Inc.	1,365.00	682.50	0.00	682.50	0.00
TDM Hose & Hydraulics Ltd.	62.82	62.82	0.00	0.00	0.00
Telus Communications Inc.	1,029.70	1,029.70	0.00	0.00	0.00
TeraGo Networks Inc.	1,099.35	366.45	366.45	366.45	0.00
U.F.A. Co-op Ltd.	484.79	484.79	0.00	0.00	0.00
Urban Impact	401.46	291.90	109.56	0.00	0.00
Warrior Manufacturing Services Ltd.	7,422.00	1,890.00	4,881.00	651.00	0.00
	114,779.39	24,245.20	35,428.98	11,842.12	43,658.80

Intercompany

Polytubes Limited Partnership	258,037.45	258,037.45	0.00	0.00	0.00
Creative Business Solutions	63,200.00	63,200.00	0.00	0.00	0.00
	321,237.45	321,237.45	-	-	-
	436,016.84	345,482.65	35,428.98	11,842.12	43,658.80

Tab "D"

Phone:403-974-5757
Fax: 403-974-5784

July 30, 2015

THIS IS EXHIBIT "D"
referred to in the Affidavit of
Richard Kuzyk
Sworn before me this 20th
Day of October A.D. 2016

A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA
John M. Cassell
Barrister & Solicitor

Quintera Drilling Limited Partnership
410-505 8th Avenue SW
Calgary, AB T2P 1G2

Attn: Rick Kuzyk, CEO of Quintera Drilling 2010 Inc.

Dear Sir:

Alberta Treasury Branches has approved and offers financial assistance on the terms and conditions in the attached amended and restated commitment letter (**"Amended and Restated Commitment Letter"**), which amends and restates the original commitment letter dated August 12, 2013, as amended by a first amending agreement dated December 12, 2013 and a side letter agreement dated March 31, 2014 (collectively, the **"Original Commitment Letter"**).

You may accept our offer by returning the enclosed duplicate of this letter, signed as indicated below, by 4:00 p.m. on or before August 7th, 2015 or our offer will automatically expire. We reserve the right to cancel our offer at any time prior to acceptance.

Thank you for your business.

Yours truly,

ALBERTA TREASURY BRANCHES

By: ______________________
Wes Jardine, Director

By: ______________________
Philip Zhu, Associate Director

Encl.

ATB Corporate Financial Services

Accepted this ____ day of August, 2015

Quintera Drilling Limited Partnership by its general partner Quintera Drilling 2010 Inc., as borrower

Per: ____________________________

Per: ____________________________

Acknowledged this ____ day of August, 2015

Quintera Drilling 2010 Inc., as guarantor

Per: ____________________________

Per: ____________________________

AMENDED AND RESTATED COMMITMENT LETTER

LENDER: ALBERTA TREASURY BRANCHES

BORROWER: QUINTERA DRILLING LIMITED PARTNERSHIP

GUARANTOR: QUINTERA DRILLING 2010 INC.

1. AMOUNTS AND TYPES OF FACILITIES (the "Facilities" and each referred to as a "Facility")

Facility #1 - Operating Loan Facility (Revolving) – Cdn. $5,000,000.00

- Facility #1 is available by way of:
  - Prime-based loans in Canadian dollars
  - Letters of Credit and Letters of Guarantee (to an aggregate maximum of $250,000.00) in Canadian dollars

- Facility #1 is to be used for the general operating purposes of Borrower

- Notwithstanding the amount of Facility #1 (and except as otherwise provided in the Repayment section hereof), advances will be limited to the amount equal to the lesser of:

  - the Facility #1 Maximum Principal Amount; and

  - 75% of Good Accounts Receivable of Borrower

Facility #2 – Non-Revolving Reducing Loan Facility – Cdn. $11,404,702.00

- Facility #2 is available by way of Prime-based loans in Canadian dollars

- Facility #2 was used to payout all indebtedness and liabilities owing by Borrower to HSBC.

- Facility #2 is fully drawn as at the date hereof.

- Facility #2 is non-revolving. Amounts repaid may not be reborrowed

Facility #3 – Non-Revolving Reducing Loan Facility – Cdn. $4,113,200.00

- Facility #3 is available by way of Prime-based loans in Canadian dollars

- Facility #3 was used to facilitate the Unit Purchase pursuant to the Unit Purchase Agreement and the balance for general corporate purposes.

- Facility #3 is fully drawn as at the date hereof.

- Facility #3 is non-revolving. Amounts repaid may not be reborrowed.

Facility #4 – Evergreen Line of Credit Facility – Cdn. $4,500,000.00

- Facility #4 is available by way of Prime-based loans in Canadian dollars

- Facility #4 is available by way of a series of reducing loans in the minimum amount of $250,000 unless otherwise approved by the Lender, provided that the aggregate principal amount of all such loans outstanding at any time will not exceed the Facility #4 Maximum Principal Amount.

- Each loan under Facility #4 is to be used to finance the purchase of equipment that is consistent in purpose with Borrower's current fixed assets.

- Advances under this Facility #4 will be determined by Lender. Lender will finance up to 60% of the equipment purchases. Each such purchase to be evidenced by a paid invoice including serial numbers of such capital assets supported by an officer's certificate requesting the advance, the form of which is contained in Schedule "B" attached hereto. Prior to each advance, Lender must be satisfied it has or, concurrently with such advance, will have a registered first charge on the capital asset being purchased.

Other Facilities – Corporate MasterCard

- Corporate MasterCard facilities are available to a maximum of $100,000.00. Corporate MasterCard fees are detailed in the Corporate MasterCard documentation.

Other Facilities – Foreign Exchange, Interest Rate and Commodity Derivatives

- At Borrower's request, Lender may enter into foreign exchange forward contracts and/or interest rate and commodity derivatives with Borrower from time to time. Lender makes no commitment to enter into any such contract or derivative and may at any time in its sole discretion decline to enter into any such contract or derivative. Any Security Documents will also secure Borrower's liability and obligations pursuant to any such contracts or derivatives.

2. INTEREST RATES AND PREPAYMENT:

Facility #1:

- Pricing applicable to Facility #1 is as follows:
  - Prime-based loans: Interest is payable in Canadian dollars at Prime plus 1.00% per annum
  - Letters of Credit / Letters of Guarantee: Fee is 2.50% per annum with a minimum fee of $250.00, payable in the currency in which it is issued.

- Non-refundable facility fee calculated at a rate of 0.35% per annum is payable monthly in Canadian dollars on the last day of each month, calculated daily on the unused portion of the authorized amount of Facility #1.

- Facility #1 may be prepaid in whole or in part at any time (subject to the notice periods provided hereunder) without penalty.

Facility #2:

- Pricing applicable to Facility #2 is as follows:
  - Prime-based loans: Interest is payable in Canadian dollars at Prime plus 2.00% per annum

- Facility #2 may be prepaid in whole or in part at any time (subject to the notice periods provided hereunder) without penalty.

Facility #3:

- Pricing applicable to Facility #3 is as follows:
  - Prime-based loans: Interest is payable in Canadian dollars at Prime plus the Applicable Facility #3 Margin per annum

- The Applicable Facility #3 Margin shall be equal to the percentage rate per annum set out in the following table opposite the applicable Funded Debt to EBITDA ratio for the Borrower at the time of determination:

Level	Funded Debt to EBITDA Ratio	Prime-based loans
1	<2.75:1.00	2.75%
2	≥2.75:1.00 but < 3.00:1.00	3.00%
3	≥3.00:1.00 but < 3.50:1.00	3.50%
4	≥3.50:1.00	3.75%

- The effective date of any change to the Applicable Facility #3 Margin shall be the 1st day of the fiscal quarter immediately following the last day of the fiscal period during which the Borrower is required to deliver financial statements hereunder. If financial statements are not delivered as required hereunder, the Applicable Facility #3 Margin shall immediately be the highest rate applicable, until such time as such financial statements are delivered and the ratio determined.

- Facility #3 may be prepaid in whole or in part at any time (subject to the notice periods provided hereunder) without penalty.

Facility #4:

- Pricing applicable to each loan made available under Facility #4 is as follows:
  - Prime-based loans: Interest is payable in Canadian dollars at Prime plus 2.00% per annum

- Non-refundable facility fee calculated at a rate of 0.35% per annum is payable monthly in Canadian dollars on the last day of each month, calculated daily on the unused portion of the authorized amount of Facility #4,

- Facility #4 may be prepaid and the unused portion may be cancelled in whole or in part at any time (subject to the notice periods provided hereunder) without penalty. Amounts repaid under Facility #4 may be re-borrowed up to the Facility #4 Maximum Principal Amount.

3. REPAYMENT:

Facility #1:

- Facility #1 is payable in full on demand by Lender, and Lender may terminate the availability thereof (including any undrawn portion) at any time without notice.

- Facility #1 may revolve in multiples as permitted hereunder, and Borrower may borrow, repay, reborrow and convert between types of Borrowings, up to the amount and subject to the notice periods provided hereunder.

Facility #2:

- Facility #2 is payable in full on demand by Lender, and Lender may terminate the availability thereof (including any undrawn portion) at any time without notice.

- Notwithstanding the foregoing, until demand, Borrower shall make monthly interest-only payments on the principal amount outstanding under Facility #2 from May 1, 2015 until April 30, 2016 (the "**Payment Relief Period**"), after which date, the Borrower shall make principal payments, in the amount of $285,120, plus accrued interest payments monthly on the last day of each month commencing May 31, 2016, with the balance of all amounts owing under Facility #2 being due and payable in full on the earlier of demand and August 31, 2018. Recommencing May 31, 2016, payment amounts of principal and accrued interest are, if necessary, subject to adjustment on notice to Borrower to ensure the original amortization period of 60 months under the Original Commitment Letter (exclusive of the Payment Relief Period) is maintained.

Facility #3:

- Facility #3 is payable in full on demand by Lender, and Lender may terminate the availability thereof (including any undrawn portion) at any time without notice.

- Notwithstanding the foregoing, until demand, Borrower shall make monthly interest-only payments on the principal amount outstanding under Facility #2 during the Payment Relief Period, after which, the Borrower shall make principal payments, in the amount of $102,840, plus accrued interest payments monthly on the last day of each month commencing May 31, 2016, with the balance of all amounts owing under Facility #2 being due and payable in full on the earlier of demand and August 31, 2018. Recommencing May 31, 2016, payment amounts of principal and accrued interest are, if necessary, subject to adjustment on notice to Borrower to ensure the original amortization period of 60 months under the Original Commitment Letter (exclusive of the Payment Relief Period) is maintained.

Facility #4:

- Facility #4 is payable in full on demand by Lender, and Lender may terminate the availability thereof (including any undrawn portion) at any time without notice.

- Notwithstanding the foregoing, until demand, Borrower shall make monthly interest-only payments on the principal amount outstanding under Facility #4 during the Payment Relief Period, after which, the Borrower shall make principal plus accrued interest payments monthly on the last day of each month commencing May 31, 2016, with the balance of all amounts owing under Facility #4 being due and payable in full on the earlier of demand and August 31, 2018. Payment amounts of principal and accrued interest are, if necessary, subject to adjustment on notice to Borrower to ensure an amortization period of 60 months from the date of each advance of a loan hereunder is maintained.

- The payment schedule for each loan under this Facility will be determined when drawn. Each advance of a loan and the particulars thereof will be evidenced by and detailed in a separate confirmation.

4. MANDATORY REPAYMENTS OF EXCESS CASH FLOW AMOUNT

In addition to repayments of the Financial Obligations under the Facilities described above, the Borrower shall, for the fiscal year ending December 31, 2015 and each fiscal year thereafter, within 15 Business Days after the date on which the Borrower delivers its annual audited financial statements to the Lender pursuant to Section 10(a) hereof, repay to the Lender an amount (not less than zero) equal to:

i) the Excess Cash Flow Amount; <u>minus</u>

ii) any amount by which a Facility (revolving or non-revolving) is voluntarily prepaid by the Borrower (with a corresponding permanent reduction in such Facility commitment) during such fiscal year.

Such cash sweep repayments shall be applied firstly to Facility # 3, and shall be used firstly to repay unpaid accrued interest and fees, if any, and then to permanently repay outstanding principal under Facility #3 in the inverse order of maturity until Facility #3 is repaid in full. After Facility #3 is paid in full, the payments required under this Section shall be applied to Facility #2 and shall be used firstly to repay unpaid accrued interest and fees, if any, and then to permanently repay outstanding principal under Facility #2 in the inverse order of maturity until Facility #2 is repaid in full. Such cash sweep repayments shall cease once Facility #2 and Facility #3 are repaid in full.

5. FEES:

- Non-refundable amendment fee of $25,000 is payable on acceptance of this Amended and Restated Commitment Letter. Lender is hereby authorized to debit Borrower's current account for any unpaid portion of the fee.

- A renewal fee of $18,105 is payable on acceptance of this Amended and Restated Commitment Letter for Facility #1 and Facility #4. Lender is hereby authorized to debit the Borrower's current account for any unpaid portion of the fee.

- A fee of 15 bps is payable on each drawdown under Facility #4.

- Any amount in excess of established credit facilities may be subject to a fee where Lender in its sole discretion permits excess Borrowings, if any.

- For reports or statements not received within the stipulated periods (and without limiting Lender's rights by virtue of such default), Borrower will be subject to a fee of $50.00 per month (per monthly or quarterly report or statement) and $250.00 per month (per annual report or statement) for each late reporting occurrence, which will be deducted from Borrower's account.

6. SECURITY DOCUMENTS:

All security documents (whether held or later delivered) (collectively referred to as the "**Security Documents**") shall secure all Facilities and all other obligations of Borrower to Lender (whether present or future, direct or indirect, contingent or matured).

The security documents required at this time are as follows:

(a) General Security Agreement from Borrower providing a security interest over all present and after acquired personal property and a floating charge on all lands and specifically registered against serial-numbered equipment; **[received]**

(b) Guarantee from each Guarantor in support of the loan made by the Lender to the Borrower; **[received]**

(c) General Security Agreement from each Guarantor providing a security interest over all present and after acquired personal property and a floating charge on all lands and specifically registered against serial-numbered equipment; **[received]**

(d) Confirmations and acknowledgements granted by each of the Borrower and the Guarantor;

(e) in respect of loans from the limited partner(s) of the Borrower, if any, made to the Borrower, a Postponement and Assignment of Claims from the limited partner(s) of the Borrower;

(f) in respect of loans, if any, made to the Borrower by a third party, a Subordination Agreement in form and substance satisfactory to the Lender in its sole discretion; and

(g) Such other security, documents, and agreements the Lender or its legal counsel may reasonably request including, but not limited to a mortgage over lands which the Borrower owns or will own in the future.

The security documents are to be registered in the following jurisdictions: Alberta, British Columbia, Manitoba and Saskatchewan.

7. REPRESENTATIONS AND WARRANTIES:

Borrower represents and warrants to Lender that:

(a) if a Loan Party is a corporation, it is a corporation duly incorporated, validly existing and duly registered or qualified to carry on business in the Province of Alberta and in each other jurisdiction where it carries on any material business;

(b) if a Loan Party is a partnership, it is a partnership duly created, validly existing and duly registered or qualified to carry on business under the laws of its jurisdiction of formation, and in each other jurisdiction where it carries on any material business;

(c) the execution, delivery and performance by each Loan Party of this agreement and each Security Document to which it is a party have been duly authorized by all necessary actions and do not violate its governing documents or any applicable laws or agreements to which it is subject or by which it is bound;

(d) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any provision of this agreement or any Security Document given in connection herewith;

(e) the most recent financial statements of Borrower and, if applicable, any Guarantor, provided to Lender fairly present its financial position as of the date thereof and its results of operations and cash flows for the fiscal period covered thereby, and since the date of such financial statements, there has occurred no material adverse change in its business or financial condition;

(f) each Loan Party has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than Permitted Encumbrances;

(g) each Loan Party is in compliance in all material respects with all applicable laws including, without limitation, all environmental laws, and there is no existing material impairment to its properties and assets as a result of environmental damage, except to the extent disclosed in writing to Lender and acknowledged by Lender; and

(h) Borrower has no Subsidiaries, except Subsidiaries that have provided security to the Lender if and to the extent required by Section 8(c) below.

All representations and warranties are deemed to be repeated by Borrower on each request for an advance hereunder.

8. POSITIVE COVENANTS:

Borrower covenants with Lender that so long as it is indebted or otherwise obligated (contingently or otherwise) to Lender, it will do and perform the following covenants. If any such covenant is to be done or performed by a Guarantor, Borrower also covenants with Lender to cause Guarantor to do or perform such covenant.

(a) Borrower will pay to Lender when due all amounts (whether principal, interest or other sums) owing by it to Lender from time to time;

(b) Borrower will deliver to Lender the Security Documents, in all cases in form and substance satisfactory to Lender and Lender's solicitor;

(c) Borrower will ensure that at least 95% of its consolidated assets are held by those Loan Parties which have provided security in favour of Lender;

(d) Borrower will use the proceeds of loans only for the purposes approved by Lender;

(e) each Loan Party will maintain its valid existence as a corporation or partnership, as the case may be, and except to the extent any failure to do so could not reasonably be expected to have a Material Adverse Effect, will maintain all licenses and authorizations required from regulatory or governmental authorities or agencies to permit it to carry on its business, including, without limitation, any licenses, certificates, permits and consents for the protection of the environment;

(f) each Loan Party will maintain appropriate books of account and records relative to the operation of its business and financial condition;

(g) each Loan Party will maintain and defend title to all of its property and assets, will maintain, repair and keep in good working order and condition (normal wear and tear excepted) all of its property and assets and will continuously carry on and conduct its business in a proper, efficient and businesslike manner;

(h) each Loan Party will maintain appropriate types and amounts of insurance with Lender shown as first loss payee on any property insurance covering any assets on which Lender has security, and promptly advise Lender in writing of any significant loss or damage to its property;

(i) each Loan Party will provide evidence of insurance to Lender:

i) in situations where Lender has taken a fixed charge on an asset or property whether on real property or personal property; and

ii) in all other situations, on request;

(j) each Loan Party will permit Lender, by its officers or authorized representatives at any reasonable time and on reasonable prior notice, to enter its premises and to inspect its plant, machinery, equipment and other real and personal property and their operation, and to examine and copy all of its relevant books of accounts and records;

(k) each Loan Party will remit all sums when due to tax and other governmental authorities (including, without limitation, any sums in respect of employees and GST), and upon request, will provide Lender with such information and documentation in respect thereof as Lender may reasonably require from time to time;

(l) each Loan Party will comply with all applicable laws, including without limitation, environmental laws, except to the extent any failure to do so could not reasonably be expected to have a Material Adverse Effect;

(m) Borrower will promptly advise Lender in writing, giving reasonable details, of (i) the discovery of any contaminant or any spill, discharge or release of a contaminant into the environment from or upon any property of a Loan Party which could reasonably be expected to result in a Material Adverse Effect, (ii) any event which constitutes, or which with notice, lapse of time or both, would constitute a breach of any provision hereof or of any Security Documents, and (iii) each event which has or is reasonably likely to have a Material Adverse Effect;

(n) Borrower undertakes that, upon request from Lender, Borrower will grant a fixed mortgage and charge to Lender on any or all real property of Borrower so designated by Lender. Borrower shall promptly provide to Lender all information reasonably requested by Lender to assist it in that regard. Borrower acknowledges that this undertaking constitutes present and continuing security in favour of Lender, and that Lender may file such caveats, security notices or other filings in regard thereto at any time and from time to time as Lender may determine.

9. NEGATIVE COVENANTS:

Borrower covenants with Lender that while it is indebted or otherwise obligated (contingently or otherwise) to Lender, it will not do any of the following, without the prior written consent of Lender. If a Guarantor is not to do an act, Borrower also covenants with Lender not to permit Guarantor to do such act.

(a) a Loan Party will not create or permit to exist any mortgage, charge, lien, encumbrance or other security interest on any of its present or future assets, other than Permitted Encumbrances;

(b) a Loan Party will not create, incur, assume or allow to exist any Indebtedness other than:

i) trade payables incurred in the ordinary course of business;

ii) any Indebtedness owing to another Loan Party (but only if that Loan Party has provided security in favour of Lender);

iii) any Indebtedness secured by a Permitted Encumbrance; and

iv) any unsecured advances from affiliates/shareholders which are postponed in all respects to the Facilities; and

v) any Indebtedness owing to Lender;

(c) a Loan Party will not sell, lease or otherwise dispose of any assets except (i) inventory sold, leased or disposed of in the ordinary course of business, (ii) obsolete equipment which is being replaced with equipment of a type used or useful to the Borrower's business, (iii) assets sold, leased or disposed of to another Loan Party (but only if that Loan Party has provided security in favour of Lender), and (iv) assets sold, leased or disposed of during a fiscal year having an aggregate fair market value not exceeding $250,000.00 for such fiscal year;

(d) a Loan Party will not provide financial assistance (by means of a loan, guarantee or otherwise) to any person (other than Lender) other than loans permitted under clause (b) above;

(e) a Loan Party will not pay to or for the benefit of shareholders, affiliates or persons associated with shareholders (within the meaning of the Alberta Business Corporations Act) any amounts by way of salaries, bonuses, dividends, management fees, repayment of loans (principal or interest) or otherwise during the Payment Relief Period and thereafter only amounts which would not cause a breach of any other provision contained herein. Notwithstanding anything herein contained, a Loan Party shall be authorized to pay Gerald Teeuwsen, Chad Young, Curtis Hayworth and any other employees of a Loan Party that ATB consents to from time to time their respective salaries in the normal course of business as employees of the Borrower;

(f) a Loan Party will not reduce its capital or redeem, purchase or otherwise acquire, retire or pay off any of its present or future share capital other than to another Loan Party;

(g) a Loan Party will not amalgamate, consolidate, or merge with any person other than a Loan Party and then only if no default or event of default is then in existence or would thereafter be in existence, and will not enter into any partnership with any other person unless the partnership becomes a Loan Party hereunder and provides security in favour of Lender;

(h) a Loan Party will not consent to or facilitate a change in the ownership of its shares or allow a material change in its management without the prior written consent of Lender;

(i) a Loan Party will not acquire any assets in, or move or allow any of its assets to be moved to, a jurisdiction where Lender has not registered or perfected the Security Documents;

(j) a Loan Party will not change the present nature of its business;

(k) Borrower will not operate accounts with or otherwise conduct any banking business with any financial institution other than Lender other than to the extent expressly permitted in the definition of Permitted Encumbrances hereunder;

(l) a Loan Party will not enter into any Hedging Agreement which is not used for risk management in relation to its business or which is not entered into in the ordinary course of its business but is entered into for speculative purposes, or which, in the case of commodity swaps or similar transactions of either a financial or physical nature, have a term exceeding two years;

(m) a Loan Party will not allow any pollutant (including any pollutant now on, under or about such land) to be placed, handled, stored, disposed of or released on, under or about any of its lands unless done in the normal course of its business and then only as long as it complies with all applicable laws in placing, handling, storing, transporting, disposing of or otherwise dealing with such pollutants, except to the extent any failure to do so could not reasonably be expected to have a Material Adverse Effect;

(n) Borrower will not utilize Borrowings to finance a hostile takeover.

(o) Borrower shall not incur any expenditures for a capital expenditure in a fiscal year, without the prior written consent of the Lender, if the aggregate of all capital expenditures in such fiscal year, including such proposed capital expenditure, would exceed the budget for such capital expenditures provided to and approved by the Lender by more than $1,000,000, with the Lender acknowledging and agreeing that the amount of capital expenditures for the fiscal year ending December 31, 2014 is equal to $8,675,930.00 and for the fiscal year ending December 31, 2015 has been approved by the Lender at $900,000.00;

10. REPORTING COVENANTS:

Borrower will provide to Lender:

(a) within 210 days after the end of its fiscal year ended December 31, 2014, and within 120 days after the end of each of its fiscal years thereafter:

i) financial statements of Borrower on an audited basis and on a consolidated basis prepared by a firm of qualified accountants.

ii) a compliance certificate executed by a senior officer of Borrower in the form attached hereto as Schedule "A";

iii) an environmental questionnaire and disclosure statement in the form requested by Lender;

iv) annual income statement, balance sheet and cash flow statements from Borrower (broken out on a quarterly or monthly basis with annual totals) with commentary relative to capital expenditures, financial requirements and forecast assumptions for the next following fiscal year; and

v) for the fiscal year ending December 31, 2015 and each fiscal year thereafter, a cash flow sweep certificate detailing calculation of the Excess Cash Flow executed by a senior officer of the Borrower in a form satisfactory to the Lender.

(b) within 60 days following the end of each of its first 3 fiscal quarters:

i) internally produced consolidated financial statements of Borrower for that quarter, and

ii) a compliance certificate executed by a senior officer of Borrower in the form attached hereto as Schedule "A";

(c) within 30 days following the end of each calendar month, aged accounts payable and accounts receivables listings as at the end of such month, and giving separate listings and statements for each business location of Borrower certified by a senior officer of Borrower;

(d) on request, any further information regarding its assets, operations and financial condition that Lender may from time to time reasonably require.

11. FINANCIAL COVENANTS:

Borrower will not at any time, without the prior written consent of Lender, breach the following restrictions:

(a) permit the Current Ratio to fall below 1.25:1.00;

(b) permit the Funded Debt to EBITDA Ratio, calculated on a trailing twelve month basis, to exceed:

i) 5.00:1.00 for the twelve month period ending June 30, 2016;

ii) 4.50:1.00 for the twelve month period ending September 30, 2016; and

iii) 3.50:1.00 for each fiscal quarter end thereafter.

(c) Permit EBITDA, on a trailing twelve months basis, to fall below:

i) \$4,145,161 for the twelve month period ending June 30, 2015;

ii) \$2,369,909 for the twelve month period ending September 30, 2015;

iii) $1,446,558 for the twelve month period ending December 31, 2015;

iv) $2,975,685 for the twelve month period ending March 31, 2016;

v) $2,874,115 for the twelve month period ending June 30, 2016;

vi) $3,481,486 for the twelve month period ending September 30, 2016; and

vii) $4,748,139 for the twelve month period ending December 31, 2016.

For further clarity, this covenant will not be tested after December 31, 2016.

(d) permit the Interest Coverage Ratio to be less than 1.25:1.00 commencing from the date hereof to the fiscal quarter ending December 31, 2015 and 2.25:1.00 thereafter.

Each of the above financial ratios shall be maintained at all times and shall be detailed in the compliance certificate required to be delivered hereunder.

12. CONDITIONS PRECEDENT:

It is a condition precedent to each advance hereunder that, at the time of such advance, all representations and warranties hereunder must be true and correct in all material respects as if made on such date, and there must be no default hereunder or under any Security Document.

In addition, no Facilities will be available until the following conditions precedent have been satisfied, unless waived by Lender:

(a) Lender shall have received this agreement duly executed and delivered by each Loan Party;

(b) Lender has received all Security Documents and all registrations and filings have been completed in Alberta, British Columbia, Manitoba and Saskatchewan, in all cases in form and substance satisfactory to Lender;

(c) Lender shall have received a favourable opinion from Borrowers' counsel relating to, among other things, the authorization, execution, delivery and enforceability of this agreement and the new Security Documents (other than the confirmations and acknowledgements referred to in Section 6(d) above), in form and substance satisfactory to the Lender and its counsel;

(d) Lender shall have received a favourable opinion from the Lender's counsel relating to this agreement and the Security Documents (other than the confirmations and acknowledgements referred to in Section 6(d) above);

(e) Lender shall have received a certified copy of the constating documents and directors' resolutions of the Loan Parties with respect to its authorization, execution and delivery of this agreement and the Security Documents to which it is a party;

(f) Lender shall have received incumbency certificates from each Loan Party;

(g) Lender shall have received a certificate of status or, if applicable, partnership search (or equivalent) with respect to the Loan Parties for each jurisdiction in which such Loan Party conducts business or owns assets;

(h) Lender shall have received certificates of insurance confirming satisfactory insurance, in the opinion of the Lender, has been obtained by the Loan Party, and naming the Lender as first loss payee;

(i) Loan Parties have provided all authorizations and all financial statements, appraisals, environmental reports and any other information that Lender may require;

(j) Lender has received payment of all fees due in respect hereof;

(k) Lender is satisfied as to the value of Loan Parties' assets and financial condition, and Loan Parties' ability to carry on business and repay any amount owed to Lender from time to time;

(l) All representations are true and correct; and

(m) Lender shall have received such other documents as the Lender may reasonably request.

13. AUTHORIZATIONS AND SUPPORTING DOCUMENTS

Borrower has delivered or will deliver the following authorizations and supporting documents to Lender:

- Corporate Borrower:
  - a) Incorporation documents including Certificate of Incorporation, Articles of Incorporation (including any amendments) and last Notice of Directors;
  - b) Business Corporation Agreement;
  - c) Corporate MasterCard documentation;
  - d) Environmental Questionnaire & Disclosure Statement;
  - e) Credit Information and Alberta Land Titles Office Name Search Consent Form;
- General:
  - a) Solicitor Opinion Letter from counsel to the Loan Parties; and
  - b) Solicitor Opinion Letter from counsel to Lender.

14. DRAWDOWNS, PAYMENTS AND EVIDENCE OF INDEBTEDNESS

- Interest on Prime-based loans is calculated on the daily outstanding principal balance, and is payable on the last day of each month.
- If revolvement of loans is permitted hereunder, principal advances and repayments on Prime-based loans are to be in the minimum sum of Cdn. $50,000.00 or multiples of it.
- If Letters of Credit are available hereunder, the term of each Letter of Credit shall not exceed one (1) year, although automatic extensions thereof (unless notified by Lender) are permitted. On any demand being made by a beneficiary for payment under a Letter of

Credit, the amount so paid shall be automatically deemed to be outstanding as a Prime-based loan under the relevant Facility.

- Borrower shall monitor its Borrowings (including the face amount and maturity date of each Letter of Credit) to ensure that the Borrowings hereunder do not exceed the maximum amount available hereunder.

- Borrower shall provide notice to Lender prior to requesting an advance or making a repayment or conversion of Borrowings hereunder, as follows:

  For Borrowings:
  - under Cdn. $5,000,000.00 – same day notice
  - Cdn. $5,000,000.00 and over – one Business Day prior written notice

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

- If the amount of Borrowings outstanding under any Facility, when converted to the Equivalent Amount in Canadian dollars, exceeds the amount available under such Facility, Borrower shall, unless Lender otherwise agrees in its sole discretion, immediately repay such excess to Lender.

- If any amount due hereunder is not paid when due, Borrower shall pay interest on such unpaid amount (including without limitation, interest on interest) if and to the fullest extent permitted by applicable law, at a rate per annum equal to Prime plus 5% (if such amount is payable in Canadian dollars).

- The branch of Lender (the "Branch of Account") where Borrower maintains an account and through which the Borrowings will be made available is located at ATB Stephen Avenue Branch, 239-8th Avenue SW, T2P 1B9. Funds under the Facilities will be advanced into and repaid from account no. 760-00196936600 (if in Canadian currency) at the Branch of Account, or such other branch or account as Borrower and Lender may agree upon from time to time.

- Lender shall open and maintain at the Branch of Account accounts and records evidencing the Borrowings made available to Borrower by Lender under this agreement. Lender shall record the principal amount of each Borrowing and the payment of principal, interest and fees and all other amounts becoming due to Lender under this agreement. Lender's accounts and records (and any confirmations issued hereunder) constitute, in the absence of manifest error, conclusive evidence of the indebtedness of Borrower to Lender pursuant to this agreement.

- Borrower authorizes and directs Lender to automatically debit, by mechanical, electronic or manual means, any bank account of Borrower for all amounts payable by Borrower to Lender pursuant to this agreement. Any amount due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day, and interest shall accrue accordingly.

15. MISCELLANEOUS:

(a) All legal and other costs and expenses incurred by Lender in respect of the Facilities, the Security Documents and other related matters will be paid or reimbursed by Borrower on demand by Lender.

(b) All Security Documents will be prepared by or under the supervision of Lender's solicitors, unless Lender otherwise permits. Acceptance of this Amended and Restated Commitment Letter will authorize Lender to instruct Lender's solicitors to prepare all necessary Security Documents and proceed with related matters.

(c) Lender, without restriction, may waive in writing the satisfaction, observance or performance of any of the provisions of this Amended and Restated Commitment Letter. The obligations of a Guarantor (if any) will not be diminished, discharged or otherwise affected by or as a result of any such waiver, except to the extent that such waiver relates to an obligation of such Guarantor. Any waiver by Lender of the strict performance of any provision hereof will not be deemed to be a waiver of any subsequent default, and any partial exercise of any right or remedy by Lender shall not be deemed to affect any other right or remedy to which Lender may be entitled.

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

(e) Lender is authorized but not obligated, at any time, to apply any credit balance, whether or not then due, to which Borrower or Guarantor is entitled on any account in any currency at any branch or office of Lender in or towards satisfaction of the obligations of Borrower or such Guarantor due to Lender under this agreement or any guarantee granted in support hereof, as applicable. Lender is authorized to use any such credit balance to buy such other currencies as may be necessary to effect such application.

(f) Words importing the singular will include the plural and vice versa, and words importing gender will include the masculine, feminine and neuter, and anything importing or referring to a person will include a body corporate and a partnership and any entity, in each case all as the context and the nature of the parties requires.

(g) Where more than one person is liable as Borrower (or as a Guarantor) for any obligation hereunder, then the liability of each such person for such obligation is joint and several with each other such person.

(h) If any portion of this agreement is held invalid or unenforceable, the remainder of this agreement will not be affected and will be valid and enforceable to the fullest extent permitted by law. In the event of a conflict between the provisions hereof and of any Security Document, the provisions hereof shall prevail to the extent of the conflict.

(i) Where the interest rate for a credit is based on Prime the applicable rate on any day will depend on the Prime rate in effect on that day, as applicable. The statement by Lender as to Prime and as to the rate of interest applicable to a credit on any day will be binding and conclusive for all purposes. All interest rates specified are nominal annual rates. The effective annual rate in any case will vary with payment frequency. All interest payable hereunder bears interest as well after as before maturity, default and judgment with interest on overdue interest at the applicable rate payable hereunder. To the extent permitted by law, Borrower waives the provisions of the *Judgment Interest Act* (Alberta).

(j) Any written communication which a party may wish to serve on any other party may be served personally (in the case of a body corporate, on any officer or director thereof) or by leaving the same at or couriering or mailing the same by registered mail to the Branch of Account (for Lender) or to the last known address (for Borrower or any Guarantor), and in the case of mailing will be deemed to have been received two (2) Business Days after mailing except in the case of postal disruption.

(k) Unless otherwise specified, references herein to "$" and "dollars" mean Canadian dollars.

(l) If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Agreement, it is necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due hereunder in any currency other than the Judgment Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose, rate of exchange means the rate at which Lender would, on the relevant date, be prepared to sell a similar amount of such currency against the Judgment Currency, in accordance with normal banking procedures. In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which judgment is given and the date of payment of the amount due, Borrower will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such day is the amount in the Judgment Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in such other currency. Any additional amount due from Borrower under this paragraph will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due in connection with this Agreement.

(m) Lender shall have the right to assign, sell or participate its rights and obligations in the Facilities or in any Borrowing thereunder, in whole or in part, to one or more persons, provided that the consent of Borrower shall be required if no default is then in existence, such consent not to be unreasonably withheld or delayed.

(n) Borrower shall indemnify Lender against all losses, liabilities, claims, damages or expenses (including without limitation legal expenses on a solicitor and his own client basis) (i) incurred in connection with the entry into, performance or enforcement of this agreement, the use of the Facility proceeds or any breach by Borrower or any Guarantor of the terms hereof or any document related hereto, or (ii) arising out of or in respect of: (A) the release of any hazardous or toxic waste or other substance into the environment from any property of Borrower or any of its Subsidiaries, and (B) the remedial action (if any) taken by Lender in respect of any such release, contamination or pollution. This indemnity will survive the repayment or cancellation of any of the Facilities or any termination of this agreement.

(o) For certainty, the permission to create a Permitted Encumbrance shall not be construed as a subordination or postponement, express or implied, of Lender's Security Documents to such Permitted Encumbrance.

(p) Each accounting term used hereunder, unless otherwise defined herein, has the meaning assigned to it under GAAP consistently applied. If there occurs a change in generally accepted accounting principles (an "Accounting Change"), including as a result of a conversion to International Financial Reporting Standards, and such change would result in a change (other than an immaterial change) in the calculation of any financial covenant, standard or term used hereunder, then at the request of Borrower or Lender, Borrower and Lender shall enter into negotiations to amend such provisions so as to reflect such Accounting Change with the result that the criteria for evaluating the financial condition of Borrower or any other party, as applicable, shall be the same after such Accounting Change, as if such Accounting Change had not occurred. If, however, within 30 days of the foregoing request by Borrower or Lender, Borrower and Lender have not reached agreement on such amendment, the method of calculation shall not be revised and all amounts to be determined thereunder shall be determined without giving effect to the Accounting Change.

(q) Borrower's information, corporate or personal, may be subject to disclosure without its consent pursuant to provincial, federal, national or international laws as they apply to the product or service Borrower has with Lender or any third party acting on behalf of or contracting with Lender.

(r) Borrower acknowledges that the terms of this agreement are confidential, and Borrower agrees not to disclose the terms hereof or provide a copy hereof to any person without the prior written consent of Lender, unless and to the extent required by applicable law.

(s) Time shall be of the essence in all provisions of this agreement.

(t) This agreement may be executed in counterpart.

(u) This agreement shall be governed by the laws of Alberta.

(v) James-Scott Lee of McCarthy Tétrault LLP is designated as Lender's solicitor

16. NEXT REVIEW DATE:

All demand Facilities are subject to review by Lender at any time in its sole discretion, and at least annually. The next annual review date has been set for May 31, 2016 but may be set at an earlier or later date at the sole discretion of Lender.

17. DEFINITIONS:

"**Advance**" means any actual or deemed advance or other extension or utilization of credit pursuant to the Agreement, and includes without limitation, Prime-based loans, Letter of Credit advances, Letters of Guarantee advances, MasterCard advances and any renewal or extension of any of the foregoing.

"**Borrowings**" means all amounts outstanding under the Facilities, or if the context so requires, all amounts outstanding under one or more of the Facilities or under one or more borrowing options of one or more of the Facilities.

"**Business Day**" means a day, excluding Saturday and Sunday, on which banking institutions are open for business in the province of Alberta and, when used in connection with a Libor-based loan, means a day on which dealings in U.S. currency deposits may also be concluded by and between leading banks in the London inter-bank market.

"**Cash Flow**" means, in respect of Borrower for any period, the net income of Borrower determined on a consolidated basis in accordance with GAAP; provided that (but without duplication) there shall be

(i) added thereto deferred taxes, amortization, depreciation, depletion and other non-cash charges expensed during the period, and (ii) minus Unfunded Capital Expenditures during the period.

"Current Assets" means for a day, the amount of current assets of Borrower as determined in accordance with GAAP on a consolidated basis.

"Current Liabilities" means, for a day, the amount of current liabilities of Borrower as determined in accordance with GAAP on a consolidated basis to exclude amounts outstanding under Facility #2, Facility #3, Facility #4 and the current portion of capital lease obligations.

"Current Ratio" means, at any time, the ratio of (i) Current Assets to (ii) Current Liabilities.

"EBITDA" means, for any period, net income (excluding extraordinary items) from continuing operations plus, to the extent deducted in determining net income, Interest Expense and income taxes expensed during the period, and depreciation, depletion and amortization deducted for the period.

"Equity" means, at any time and as determined in accordance with GAAP on a consolidated basis, an amount equal to the amount of shareholders' equity of Borrower, including share capital, retained earnings and postponed advances from affiliates/shareholders (if postponed on terms and in a manner acceptable to Lender) but excluding:

(a) the redemption amount of any preferred shares of Borrower which are redeemable at the option of the holder to the extent they are included in Long Term Debt;

(b) convertible debentures to the extent they are included in Long Term Debt;

(c) advances to affiliates/shareholders;

(d) goodwill; and

(e) intangible assets.

"Equivalent Amount" means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through Lender in accordance with normal banking procedures.

"Excess Cash Flow" means, without duplication, for each fiscal year of the Borrower commencing with the fiscal year ending December 31, 2015:

(a) Cash Flow;

(b) Minus the Financing Obligations to the extent paid in cash during the relevant period; and

(c) plus the decrease (or minus an increase) in working capital (except as a result of the reclassification of items from short-term to long-term or vice versa) during the relevant period;

"Excess Cash Flow Amount" means, as at the last day of any fiscal year (commencing with the fiscal year ending December 31, 2015 and each fiscal year thereafter), an amount equal to:

(a) if the Funded Debt to EBITDA Ratio as at the end of the relevant fiscal year or portion thereof is less than 2.00:1.00, zero percent (0%) of Excess Cash Flow determined for such fiscal year; and

(b) if the Funded Debt to EBITDA Ratio as at the end of the relevant fiscal year or portion thereof is equal to or greater than 2.00:1.00, fifty percent (50%) of Excess Cash Flow determined for such fiscal year;

"**Facility #1 Maximum Principal Amount**" means $5,000,000.00;

"**Facility #4 Maximum Principal Amount**" means $4,500,000.00;

"**Financing Obligations**" means, in respect of the 12-month period ending on the last day of a fiscal quarter and as determined on a consolidated basis in respect of the Borrower:

(c) Financing Charges plus

(d) the aggregate amount of all scheduled payments of Funded Debt during such period.

"**Financing Charges**" means, for any fiscal period, without duplication, interest expense determined on a consolidated basis in accordance with GAAP, as the same would be set forth or reflected in a consolidated statement of income (loss) and deficit of the Borrower;

"**Funded Debt**" means, in respect of Borrower, all outstanding non-postponed interest-bearing debt (but only excluding such postponed debt if it is postponed on terms and in a manner acceptable to Lender), including capital leases (as defined according to GAAP), debt subject to scheduled repayment terms and letters of credit/guarantees, plus (to the extent not included in Equity),

(a) the redemption amount of any preferred shares of Borrower which are redeemable at the option of the holder; and

(b) the amount of any convertible debentures issued.

"**Funded Debt to EBITDA Ratio**" means, for any period based on a trailing 12 month basis, the ratio of (i) Funded Debt to (ii) EBITDA, on a trailing 12 month basis.

"**Generally Accepted Accounting Principles**" or "**GAAP**" means generally accepted accounting principles as may be described in the Canadian Institute of Chartered Accountants Handbook and other primary sources recognized from time to time by the Canadian Institute of Chartered Accountants.

"**Good Accounts Receivable**" means unencumbered accounts receivable of Borrower from Canadian *or* U.S. debtors excluding (i) bad or doubtful accounts; (ii) all amounts due from any affiliate, (iii) the entire amount of accounts, any portion of which is outstanding more than 90 days after billing date, provided that the under 90 day portion may be included where the over 90 day portion is less than 10% of the entire account, and provided that the entire account may be included where Lender has nevertheless designated the account as good, (iv) the amount of all holdbacks or contra accounts, and (v) any accounts which Lender has previously advised to be ineligible.

"**Hedging Agreement**" means any swap, hedging, interest rate, currency, foreign exchange or commodity contract or agreement, or confirmation thereunder, entered into from time to time in connection with:

(a) interest rate swaps, forward rate transactions, interest rate options, cap transactions, floor transactions and similar rate-related transactions;

(b) forward rate agreements, foreign exchange forward agreements, cross currency transactions and other similar currency-related transactions; or

(c) commodity swaps, hedging transactions and other similar commodity-related transactions (whether physically or financially settled), including without limitation commodity swaps;

the purpose of which is to hedge (a) interest rate, (b) currency exchange, and/or (c) commodity price exposure, as the case may be.

"**Indebtedness**" means all present and future obligations and indebtedness of a person, whether direct or indirect, absolute or contingent, including all indebtedness for borrowed money, all obligations in respect of swap or hedging arrangements and all other liabilities which in accordance with GAAP would appear on the liability side of a balance sheet (other than items of capital, retained earnings and surplus or deferred tax reserves).

"**Interest Coverage Ratio**" means, for any period based on a trailing 12 month period, the ratio of (i) EBITDA, to (ii) Interest Expense.

"**Interest Expense**" means, for any period, the cost of advances of credit during that period, including interest charges, the interest component of capital leases, capitalized interest, fees payable on bankers' acceptances and guaranteed notes, and fees payable in respect of letters of credit and letters of guarantee.

"**Letter of Credit**" means a standby or documentary letter of credit issued by the Lender on behalf of the Borrower.

"**Letter of Guarantee**" means a letter of guarantee issued by the Lender on behalf of the Borrower.

"**Loan Parties**" means the Borrower and all Guarantors, other than any Guarantors that are natural persons, and "**Loan Party**" means any of them.

"**Long Term Debt**" means, for a day and as determined in accordance with GAAP on a consolidated basis, all indebtedness, obligations and liabilities of Borrower which would be classified as long term debt upon a balance sheet of Borrower, plus (to the extent not included in Equity),

(a) the redemption amount of any preferred shares of Borrower which are redeemable at the option of the holder; and

(b) the amount of any convertible debentures issued.

"**Material Adverse Effect**" means a material adverse effect on:

(a) the financial condition of Borrower or of any Guarantor; or

(b) the ability of Borrower or any Guarantor to repay amounts owing hereunder or under its guarantee in respect hereof.

"**Permitted Encumbrances**" means, in respect of the Borrower and any Guarantor, the following:

(a) liens for taxes, assessments or governmental charges not yet due or delinquent or the validity of which is being contested in good faith;

(b) 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 in good faith;

(c) liens under or pursuant to any judgment rendered or claim filed which are or will be appealed in good faith provided any execution thereof has been stayed;

(d) undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law or which relate to obligations not due or delinquent;

(e) liens arising by operation of law such as builders' liens, carriers' liens, materialmens' liens and other liens of a similar nature which relate to obligations not due or delinquent;

(f) easements, rights-of-way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights-of-way and servitudes for railways, sewers, drains, gas and oil 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 Borrower or such Guarantor;

(g) security given to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of Borrower or such Guarantor, all in the ordinary course of its business which singularly or in the aggregate do not materially impair the operation of the business of Borrower or such Guarantor;

(h) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions to title;

(i) operating leases;

(j) capital lease transactions (according to GAAP) or sale-leaseback transactions where the indebtedness represented by all such transactions does not at any time exceed $100,000.00 in aggregate;

(k) security interests granted or assumed to finance the purchase of any property or asset (a "Purchase Money Security Interest") where:

   i) the security interest is granted at the time of or within 60 days after the purchase,

   ii) the security interest is limited to the property and assets acquired, and

   iii) the indebtedness represented by all Purchase Money Security Interests does not at any time exceed $100,000.00 in aggregate;

(l) security interests or liens (other than those hereinbefore listed) of a specific nature (and excluding for greater certainty floating charges) on properties and assets having a fair market value not in excess of $100,000.00 in aggregate.

"**Prime**" means the prime lending rate per annum established by Lender from time to time for commercial loans denominated in Canadian dollars made by Lender in Canada.

"**Subsidiaries**" means

(a) a person of which another person alone or in conjunction with its other subsidiaries owns an aggregate number of voting shares sufficient to elect a majority of the directors regardless of the manner in which other voting shares are voted; and

(b) a partnership of which at least a majority of the outstanding income interests or capital interests are directly or indirectly owned or controlled by such person,

and includes a person in like relation to a Subsidiary.

"**Unfunded Capital Expenditures**" means, for any period, the sum of all capital expenditures not financed or paid for by (i) new equity, (ii) advances under the Facilities (excluding Facility #1 (the Operating Loan Facility)), and (iii) Permitted Encumbrances.

"**Unit Purchase**" means the purchase by the Borrower of the "LP Units" and the "Trust Units" (as defined in the Unit Purchase Agreement) from the Vendors.

"**Unit Purchase Agreement**" means the unit purchase agreement dated August 9, 2013, made between the Borrower, the Vendors and others.

"**Vendors**" means the Hemsing Trust, Dave Hemsing, Katherine Brisbin (Pigott), Rodney Brisbin (Pigott), Heather Pigott, Jo Pigott, Ronald Pigott, Donald Brooker, Linda Brooker, Scott Frylund, Beverly Frylund, Charlotte Plumer, William Plumer, Eric Skrove, Joy Skrove and Karen Hemsing.

SCHEDULE "A"
FORM OF COMPLIANCE CERTIFICATE

To: Alberta Treasury Branches
Corporate Financial Services
6th Floor, 444 – 7th Avenue SW
Calgary, AB T2P 0X8_
Attention: Wes Jardine

I, ______________________________ hereby certify as of the date of this certificate as follows:

(a) I am the ___________________ *[insert title]* of Quintera Drilling 2010 Inc., the general partner of Quintera Drilling Limited Partnership ("**Borrower**") and I am authorized to provide this certificate to you for and on behalf of Borrower.

(b) This certificate applies to the **[month/fiscal quarter/fiscal year]** ending ____________.

(c) I am familiar with and have examined the provisions of the letter agreement (the "**Agreement**") dated _________________________, 20______ between the Borrower and Alberta Treasury Branches ("**Lender**"), as lender, and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of Borrower and of any Guarantor. Terms defined in the Agreement have the same meanings when used in this certificate.

(d) No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute a breach of any covenant or other term or condition of the Agreement and there is no reason to believe that during the next fiscal quarter of Borrower, any such event or circumstance will occur.

OR

We are or anticipate being in default of the following terms or conditions, and our proposed action to meet compliance is set out below:

Description of any breaches and proposed action to remedy: ____________________
____

(e) Our financial ratios are as follows:

i) EBITDA on a trailing 12 month basis is $__________;

ii) the Current Ratio is ____:1.00, being not less than the required ratio of 1.25:1.00;

iii) the ratio of Funded Debt to EBITDA is ___:1.00, being not more than the required ratio of **[5.00/4.50/3.50]**:1.00;

iv) the Interest Coverage Ratio is ____:____, being not less than the required ratio of 1.25:1.00;

(f) The detailed calculations of the foregoing ratios and covenants are set forth in the addendum annexed hereto and are true and correct in all respects.

This certificate is given by the undersigned officer in his/her capacity as an officer of the Borrower without any personal liability on the part of such officer.

Dated this _____ day of ____________, 20___.

____

Quintera Drilling Limited Partnership, by its general partner, Quintera Drilling 2010 Inc.

Per: ______________________________
Name: ______________________________
Title: ______________________________

APPENDIX

(i) the **Current Ratio** is ____:1.00, calculated as follows:

Current Assets:	$________
divided by:	
Current Liabilities excluding amounts outstanding under Facility #2, Facility #3, Facility #4 and the current portion of capital lease obligations:	$________

(ii) the ratio of **Funded Debt to EBITDA** is ___:1.00, calculated as follows:

Funded Debt = all non-postponed interest-bearing debt	$________
+ (if not already included)	
• capital lease obligations	+ $________
• debt subject to scheduled repayment terms	+ $________
• letters of credit/letters of guarantee	+ $________
+ (to extent not included in Equity):	
• preferred shares redeemable at option of holder	+ $________
• convertible debentures	+ $________
	= $________
EBITDA = net income (excluding extraordinary items) from continuing operations	$________
+ (to extent deducted in determining net income)	
• Interest Expense	+ $________
• income taxes expensed	+ $________
• depreciation, depletion and amortization	+ $________
	= $________

(iii) the **Interest Coverage Ratio** is _____:_1.00, calculated as follows:

EBITDA =

net income (excluding extraordinary items) from continuing operations	$________

\+ (to extent deducted in determining net income)

• Interest Expense	+ $________
• income taxes expensed	+ $________
• depreciation, depletion and amortization	+ $________
	= $________

divided by:

Interest Expense	$________
	= $________

SCHEDULE "B"
OFFICER CERTIFICATE RE: FACILITY **[#4]** ADVANCE

To: Alberta Treasury Branches
Corporate Financial Services
6^{th} Floor, 444 – 7^{th} Avenue SW
Calgary, AB T2P 0X8_
Attention: Wes Jardine

I, ________________________________ hereby certify as of the date of this certificate as follows:

(g) I am the ____________________ ***[insert title]*** of Quintera Drilling 2010 Inc., the general partner of Quintera Drilling Limited Partnership ("**Borrower**") and I am authorized to provide this certificate to you for and on behalf of Borrower.

(h) I am familiar with and have examined the provisions of the letter agreement (the "**Agreement**") dated __________________________, 20______ between the Borrower and Alberta Treasury Branches ("**Lender**"), as lender, and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of Borrower and of any Guarantor. Terms defined in the Agreement have the same meanings when used in this certificate.

(i) Attached hereto as Exhibit "A" is a true and complete copy of an invoice relating to **[the purchase of equipment]**;

(j) Attached hereto as Exhibit "B" is a true and complete copy of a **[cheque or bank draft]** evidencing payment by the Borrower to the vendor of **[the equipment being purchased]** of at least 40% of the invoiced amount referenced in Exhibit "A" hereto.

(k) The undersigned hereby irrevocably gives the Lender notice pursuant to Section 1 of the Agreement that it requests an advance under **[Facility #4]** in the amount of $<>.

(l) All representations and warranties contained in the Agreement are true and correct and there exists no Default or Event of Default.

This certificate is given by the undersigned officer in his/her capacity as an officer of the Borrower without any personal liability on the part of such officer.

Dated this _____ day of ____________, 20___.

____

Quintera Drilling Limited Partnership, by its general partner, Quintera Drilling 2010 Inc.

Per: ______________________________
Name: ______________________________
Title: ______________________________

Tab "E"

THIS IS EXHIBIT "E"
referred to in the Affidavit of
Richard Kuzuk
Sworn before me this 20th
Day of October A.D. 2016
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA
John M. Cassell
Barrister & Solicitor

August 4, 2016

Hand Delivered

Quintera Drilling Limited Partnership
601 Manitou Road SE
Calgary, AB T2G 4C2

Dear Sirs:

Re: Cdn.$25,117,902 Secured Credit Facilities granted by Alberta Treasury Branches in favour of Quintera Drilling Limited Partnership.

Reference is made to the secured credit facilities (the "**Credit Facilities**") Alberta Treasury Branches ("**ATB**") has granted to Quintera Drilling Limited Partnership ("**Quintera LP**") as guaranteed by Quintera Drilling 2010 Inc. ("**Quintera 2010**") under and pursuant to the Amended and Restated Commitment Letter, dated July 30, 2015 between Quintera LP, by and though its general partner, Quintera 2010, as borrower, Quintera 2010, as guarantor, and ATB, as lender (the "**Commitment Letter**").

As of August 4, 2016, Quintera LP is indebted (such indebtedness collectively referred to herein as the "**Total Indebtedness**") to ATB in the following amounts:

Credit Facility	**Indebtedness**	**Per Diem**
Facility #1 – Operating Loan Facility (Revolving)	$300,171.71	
Facility #2 – Non-Revolving Reducing Loan	$11,409,107.81	
Facility #3 – Non-Revolving Reducing Loan	$4,115,380.56	
Facility #4 – Evergreen Line of Credit Facility	$3,961,565.12	
Facility #5 – Corporate MasterCard	$1,340.00	
Quintera LP's Total Indebtedness	**$19,787,565.20**	**$4,098.53**

(Facilities #1 through #5 are collectively referred to herein as the "**Credit Facilities**").

Pursuant to the Commitment Letter, the Credit Facilities are repayable on demand. ATB hereby demands repayment of Quintera LP's Total Indebtedness, plus any interest, standby fees, costs, and expenses that have accrued and continue to accrue in accordance with the terms and conditions of the Commitment Letter. Given the fact that the Credit Facilities vary as-to interest and other pricing, please contact us on the date repayment is to be made and we shall provide the then outstanding balance inclusive of costs recoverable by ATB under and pursuant to the Commitment Letter.

ATB hereby provides notice that as of the date hereof the availability under the Credit Facilities (including any undrawn portions of amounts that were heretofore available) is terminated.

If full payment, as set forth above, is not made within ten (10) days from the date hereof then ATB will take whatever steps it deems appropriate to secure payment of all amounts outstanding.

Reference is also made to the Continuing Guarantee dated August 15, 2013 granted by Quintera 2010 to and in favour of ATB (the "**Guarantee**") wherein Quintera 2010 guaranteed all of the debts, liabilities, and obligations of Quintera LP to ATB. Quintera 2010 has granted security to ATB for the payment and performance of its obligation arising under and pursuant to the Guarantee. By way of copy of this letter to Quintera 2010, ATB demands that Quintera 2010 perform its obligations under the Guarantee within the time stipulated for repayment by Quintera LP.

We enclose Notices of Intention to Enforce Security in accordance with Section 244(1) of the *Bankruptcy and Insolvency Act* addressed to both Quintera LP and Quintera 2010. ATB would request Quintera LP and Quintera 2010 to consider providing consent to ATB enforcing its security prior to the expiration of the statutorily mandated ten (10) day period and that if either or both of Quintera LP or Quintera 2010 determine it advisable to provide its consent, to endorse the consents attached to the Notices of Intention to Enforce Security.

ATB expressly reserves its rights as against Quintera LP and Quintera 2010 in connection with any further amounts that may become due and owing to ATB or to take such steps as may be necessary or advisable to protect the security held by ATB prior to the expiration of the demand period stipulated herein.

Yours truly,

Alex Corbett, CA, CIRP
Turnaround Group Consultant

FORM 86
Notice of Intention to Enforce Security
(Rule 124)

TO: **Quintera Drilling Limited Partnership in care of its general partner, Quintera Drilling 2010 Inc.** (the "**Debtor**"), an insolvent person

TAKE NOTICE THAT:

1. Alberta Treasury Branches ("**ATB**"), a secured creditor, intends to enforce its security on the Debtor's property, being all of the Debtor's present and after acquired personal and real property, assets, and undertakings.

2. The security that is to be enforced is in the form of a General Security Agreement, dated August 15, 2013, granted by the Debtor, by and though its general partner, Quintera Drilling 2010 Inc., to and in favour of ATB (the "**Security**").

3. The total amount of indebtedness secured by the Security, as of August 4, 2016, is \$19,787,565.20 plus all accrued and accruing interest, costs, expenses, and fees including, without limitation, solicitor and own client costs on a full indemnity basis.

4. The secured creditor, ATB, will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Calgary, Alberta, this 4th day of August, 2016.

ALBERTA TREASURY BRANCHES

Per: ______________________

Name:
Title: Alex Corbett, CA, CIRP, LIT
Turnaround Group Consultant

CONSENT TO EARLY ENFORCEMENT

The undersigned, Quintera Drilling Limited Partnership, being the Debtor referenced in the Notice of Intention to Enforce Security to which this consent is annexed, does hereby consent, in accordance with Section 244(2) of the *Bankruptcy and Insolvency Act* (Canada), to the early enforcement by Alberta Treasury Branches, the secured creditor, of all securities held notwithstanding the fact that the requisite 10-day period, as prescribed by Section 244(2) of the *Bankruptcy and Insolvency Act* (Canada), has not yet elapsed. The Debtor furthermore waives any and all cure periods to which it may be entitled to.

DATED at Calgary, Alberta, this 9th day of August, 2016.

QUINTERA DRILLING LIMITED PARTNERSHIP, by and though its general partner, QUINTERA DRILLING 2010 INC.

Per: ______________________
Name: Rick Kozyh
Title: CEO

Per: ______________________
Name:
Title:

FORM 86
Notice of Intention to Enforce Security
(Rule 124)

TO: **Quintera Drilling 2010 Inc.** (the "**Debtor**"), an insolvent person

TAKE NOTICE THAT:

1. Alberta Treasury Branches ("**ATB**"), a secured creditor, intends to enforce its security on the Debtor's property, being all of the Debtor's present and after acquired personal and real property, assets, and undertakings.

2. The security that is to be enforced is in the form of a General Security Agreement, dated August 15, 2013, granted by the Debtor to and in favour of ATB (the "**Security**").

3. The total amount of indebtedness secured by the Security, as of August 4, 2016, is $19,787,565.20 plus all accrued and accruing interest, costs, expenses, and fees including, without limitation, solicitor and own client costs on a full indemnity basis.

4. The secured creditor, ATB, will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Calgary, Alberta, this 4th day of August, 2016.

ALBERTA TREASURY BRANCHES

Per: ______________________
Name:
Title: Alex Corbett, CA, CIRP, LIT
Turnaround Group Consultant

CONSENT TO EARLY ENFORCEMENT

The undersigned, Quintera Drilling 2010 Inc., being the Debtor referenced in the Notice of Intention to Enforce Security to which this consent is annexed, does hereby consent, in accordance with Section 244(2) of the *Bankruptcy and Insolvency Act* (Canada), to the early enforcement by Alberta Treasury Branches, the secured creditor, of all securities held notwithstanding the fact that the requisite 10-day period, as prescribed by Section 244(2) of the *Bankruptcy and Insolvency Act* (Canada), has not yet elapsed. The Debtor furthermore waives any and all cure periods to which it may be entitled to.

DATED at Calgary, Alberta, this 4th day of August, 2016.

QUINTERA DRILLING 2010 INC.

Per: ______________________________
Name: Rick Kuzyk
Title: CEO

Per: ______________________________
Name:
Title:

Tab "F"

THIS IS EXHIBIT "F"
referred to in the Affidavit of
Richard Kuzyk
Sworn before me this 20th
Day of October A.D. 2016
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA
John M. Cassell
Barrister & Solicitor

THIS LEASE dated for reference the {December 1, 2015}

BETWEEN:

392826 ALBERTA LTD. a corporation incorporated pursuant to the laws of the Province of Alberta (the "Landlord")

AND:

QUINTERA DRILLING LP., a corporation incorporated pursuant to the laws of the Province of Alberta

(the "Tenant")

ARTICLE 1 - BASIC TERMS AND DEFINITIONS

1.1 Basic Terms.

The basic terms of this Lease are:

(a) Premises: The Landlord leases to the Tenant and the Tenant leases from Landlord, that portion of those lands located in Leduc County, Alberta and legally described as Plan 0227516 Block 5, Lot 9A (the "Lands") as identified in Schedule A hereto comprising 13,866 Sq.Ft (the "Leased Lands") Schedule C together with the building located on the Lands (the "Building"). In this Lease, the Leased Lands and Building shall be collectively referred to herein as the "Premises".

(b) Term: 3 years, expiring November 30, 2018, subject to Section 5.5 herein.

(c) Commencement Date: December 1, 2015

(d) Annual Basic Rent exclusive of GST:

Term	Rate	Annual Basic Rent	Monthly Basic Rent	Operation Costs
Year 1	$9.00	$180,258	$15,021.00	$55,464.00
Year 2	$9.00	$180,258	$15,021.00	$55,464.00
Year 3	$11.70	$217,696.20	$18,141.35	$55,464.00

Year 4 and year 5 – Market rates to be negotiated.

1.2 Permitted Uses.

The Premises shall be used for the purpose of operating a drilling company, repairing and servicing of company owned oil field tools and equipment only and for no other purpose.

1.2 Definitions.

The Landlord and the Tenant hereby agree that in this Lease the following words or phrases shall, unless there is something in the context inconsistent therewith, have the meanings hereinafter set out:

(a) "Additional Rent" shall mean those amounts payable by the Tenant to the Landlord in accordance with Section 4.2 and all other sums which may be payable to the Landlord hereunder or reimbursable to the Landlord hereunder, including, without limitation, all interest and penalties payable hereunder, whether or not such sums are referred to as Additional Rent or otherwise, but excluding the Annual Basic Rent;

(b) "Annual Basic Rent" shall mean the amount specified as such in subsection 1.1(d);

(c) "Building Systems" means at any time: (i) all heating, ventilating and air-conditioning and other climate control systems and other systems, services, installations and facilities installed in or servicing the Building including, without limitation, the following systems, services, installations and facilities: elevators and escalators, mechanical (including plumbing, sprinkler, drainage and sewage), electrical and other utilities, lighting, sprinkler, life safety (including fire prevention, communications, security and surveillance), computer (including environmental, security and lighting control), ice and snow melting, refuse removal, window washing and music; and (ii) all machinery, appliances, equipment, apparatus, components, computer software and appurtenances forming part of or used for or in connection with any of such systems, services, installations and facilities including, but not limited to, boilers, motors, generators, fans, pumps, pipes, conduits, ducts, valves, wiring, meters and controls, and the structures and shafts housing and enclosing any of them.

(d) "Business Days" shall mean any other day than Saturday, Sunday, or a statutory holiday in Alberta;

(e) "Change of Control" means, in the case of any corporation or partnership, the transfer or issue by sale, assignment, subscription, transmission on death, mortgage, charge, security interest, operation of law or otherwise, of any shares, voting rights or an interest which would result in any change in the effective control of such corporation or partnership, unless such change occurs as a result of trading in the shares of a public corporation listed on a recognized stock exchange in Canada or the United States.

(f) "Commencement Date" shall mean the date specified in subsection 1.1(c);

(g) "Consultant's Report" means the phase two environmental assessment of the Lands to be obtained by the Landlord in accordance with the terms of Section 5.3 herein;

(h) "Hazardous Substances" shall mean any explosives, radioactive materials, asbestos materials, urea formaldehyde, chlorobiphenyls (PCB's), hydrocarbon contaminants, pollutants, contaminants, hazardous, corrosive or toxic substances, special waste or any other substance the storage, use or other dealing of which is prohibited or controlled under any statute, regulation, bylaw or other lawful requirement of any governmental authority with respect to the environment, health or occupational health and safety;

(i) "Landlord" shall mean only the Landlord or the mortgagee in possession for the time being of the Premises;

(j) "Landlord's Mortgagees" shall mean the mortgagees, debenture holders and trustees on behalf of a mortgagee holding Mortgages;

(k) "Lease" shall mean this lease, together with all schedules attached hereto;

(l) "Lease Year" shall mean, in the case of the first Lease Year, the period beginning on the Commencement Date and terminating 12 months from the last day of the calendar month in which the Commencement Date occurs (except that if the Commencement Date occurs on the first day of a calendar month, the first Lease Year shall terminate on the day prior to the first anniversary of the Commencement Date) and, in the case of each subsequent Lease Year, shall mean each 12 month period after the first Lease Year;

(m) "Mortgages" shall have the meaning set out in Section 4.30;

(n) "NFL lands" means those lands legally described as Plan 7520436, Block 5, Lot 8 which are located directly west of the Premises as identified on Schedule A hereto;

(o) "Operating Costs" shall mean all the costs of operation, use, insurance, administration, management, supervision, replacement, repair and maintenance of the Premises which are not directly billed to and paid for by the Tenant including but not limited to:

(i) the cost of all insurance maintained by the Landlord under this Lease, including without limitation coverage for loss of or damage to property, loss of rental income and public or third party liability;

(ii) the cost of snow removal, salting and sanding the parking lot, gardening and landscaping, maintaining, repairing and patrolling (as applicable) parking areas, sidewalks, driveways, fencing;

(iii) the cost of cleaning, maintaining, repairing, replacing, redecorating and securing the interior and exterior of the Building, including windows, doors, roof, floors, walls, drains, plumbing, sewage systems, lighting, sprinkler and fire safety systems, security systems, and any other systems forming a part of the Premises;

(iv) the cost of heating and air conditioning the Building;

(v) the cost of maintaining, repairing all heating, air conditioning and ventilation equipment;

(vi) the cost of replacing all heating, air conditioning and ventilation equipment, all to the extent that such costs are fully chargeable in the fiscal year of the Landlord in which they are incurred in accordance with generally accepted accounting practices;

(vii) the cost of hot and cold water, all electricity, telephone, water, gas and any other utilities, fuel or energy supplied to or used or consumed in respect of the Premises;

(viii) the cost of garbage removal and any recycling program applicable to or adopted in respect of the Premises; and

Provided, however, notwithstanding anything contained in this Lease the Tenant shall not be responsible for, and there shall be excluded or deducted (as appropriate) from Operating Costs the following costs, charges and expenses for which the Landlord shall be solely responsible:

(i) principal, interest or other carrying charges or mortgage payments or other financing by the Landlord in respect of the Premises; and

(ii) any costs in respect of which the Landlord is reimbursed by insurance, but only to the extent of the amount actually received by the Landlord.

(p) "Relative Portion" shall mean, with respect to any amount payable under this Lease, that fraction which has as its denominator the period of time expressed in days in respect of which an amount payable hereunder is calculated and which has as its numerator the number of days within the same calculation period, but which fall within the Term or any renewal period;

(q) "Rent" shall mean Annual Basic Rent and Additional Rent;

(r) "remainder of the NFL lands" means that portion of the NFL lands not subleased to the Tenant pursuant to the Sublease;

(s) "Sublease" means the sublease of the Subleased lands by the Landlord to the Tenant dated December 1, 2015;

(t) "Subleased lands" means that portion of the NFL lands which have been leased to the Tenant by the Landlord pursuant to the Sublease which are identified on Schedule C hereto;

(u) "Taxes" shall mean, without duplication, the aggregate of all taxes, local improvements or similar rates, duties, assessments and/or charges, municipal realty taxes, water taxes, school taxes, or any other taxes, rates, duties, assessments both general or special or any rate, duty, assessment, charge or tax levied, charged or assessed in lieu thereof now or at any time hereafter levied or imposed upon or in respect of the Premises or any part thereof and by any governmental authority whether federal, provincial, municipal or otherwise, together with all costs and expenses (including legal and other professional fees and interest and penalties on deferred payments) incurred by the Landlord in good faith contesting or appealing any such taxes, levies, rates, assessments or charges levied in lieu thereof, but excluding the Tenant's Taxes;

(v) "Tenant's Taxes" shall mean all taxes, license and permit fees, rates, duties and assessments imposed or levied by any lawful authority covering any period during the Term and any renewal thereof and relating to or in respect of the business of the Tenant or relating to or in respect of personal property and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions owned or installed by the Tenant at the expense of the Tenant or being the property of the Tenant, or relating to or in respect of improvements to the Premises built, made or installed by the Tenant or any previous tenant of the Premises, on behalf of the Tenant or at the Tenant's request whether any such taxes are payable by law by the Tenant or by the Landlord and whether such taxes are included by the taxing authority in the taxes, licenses, rates, duties and assessments imposed or levied on or with respect to the Premises; and all sales, goods and services, value-added or other taxes assessed or imposed on the Tenant or the Landlord, whether or not in existence on the Commencement Date, in respect of the Rent payable to the Landlord by the Tenant under this Lease, the rental of the Premises by the Landlord to the Tenant or the provision of any goods, services or utilities whatsoever by the Landlord to the Tenant under this Lease and any agreement to Lease between the Landlord and the Tenant pursuant to which this Lease was entered into; and

(w) "Term" shall mean the term specified in subsection 1.1(a).

ARTICLE 2 - DEMISE AND TERM

2.1 Demise.

The Landlord as owner, subject to such Mortgages and encumbrances as are registered against title as of the date hereof, hereby demises and leases the Premises to the Tenant and the Tenant takes the Premises on lease from the Landlord, subject to the terms and conditions set out in this Lease to have and to hold the Premises unto the Tenant for the Term from and including the Commencement Date.

ARTICLE 3 - RENT

3.1 Annual Basic Rent and Additional Rent.

Yielding and paying therefor during the Term the following Rent payable at the Landlord's address specified on page 1 or at such other place as the Landlord may from time to time designate in writing:

(a) Annual Basic Rent together with applicable GST thereon is payable in advance in equal consecutive monthly instalments on the first day of each and every month in each and every year of the Term commencing on the Commencement Date and continuing until and including the first day of the month immediately preceding the Expiry Date; and

(b) Additional Rent payable in accordance with the provisions of this Lease. The estimated monthly Additional Rent for the year 2016 is $55,464.00.

3.2 No Set-Off.

The Tenant covenants and agrees with the Landlord that all of the Rent payable under this Lease shall be paid by the Tenant to the Landlord without demand, deduction, set-off or abatement whatsoever, except as specifically provided in subsection 7.3(a). The Tenant covenants and agrees that the Landlord may at its option apply all sums received from or due to the Tenant against any amounts due and payable hereunder in such manner as the Landlord may see fit.

3.3 Post-Dated Cheques or Pre-Authorized Withdrawal.

The Tenant covenants and agrees to provide the Landlord with a series of 12 post-dated cheques on the Commencement Date and on each yearly anniversary thereafter during the Term and any renewal thereof. Each cheque shall be in the amount of the monthly instalment of the Annual Basic Rent provided for herein, and shall include the Tenant's monthly instalment of Additional Rent and Taxes if required by the Landlord pursuant to Section 4.2. If the Commencement Date is not the first day of a month, then the first cheque shall be in the amount of the Relative Portion of the monthly instalment otherwise required. If the Landlord so requests, the Tenant shall instead supply the Landlord with an automatic debiting authorization by which payments in respect of the monthly instalments due hereunder area automatically deducted from the Tenant's bank account and credited to the Landlord's bank account. The failure of the Tenant to comply in any way with the provisions of this Section 3.3 shall be deemed to be a default under this Lease and shall entitle the Landlord to exercise any and all remedies available to the Landlord under this Lease.

3.4 Adjustment.

If the Term shall commence or cease on a day other than the commencement of or the end of any period of time in respect of which any amount payable hereunder is calculated, then the Tenant shall pay to the Landlord its Relative Portion of such amount for such period of time.

3.5 Net Lease.

It is the intention of the parties hereto that this Lease shall be a net lease and that the Rent provided to be paid to the Landlord hereunder shall be net to the Landlord and shall yield to the Landlord the entire such rental during the Term and any renewal thereof without abatement for any cause whatsoever except as set forth in subsection 7.3(a). Save as specifically set forth in this Lease, all costs, expenses and obligations of every kind and nature whatsoever relating to the Premises, whether or not herein referred to and whether or not of a kind now existing or within the contemplation of the parties hereto, shall be paid by the Tenant.

ARTICLE 4 - TENANT'S COVENANTS

The Tenant hereby covenants and agrees with the Landlord as follows:

4.1 Rent.

The Tenant shall pay, throughout the Term, the Annual Basic Rent and the Additional Rent, together with applicable GST thereon at the times and in the manner specified in this Lease.

4.2 Taxes and Operating Costs.

(a) Taxes

(i) The Tenant will reimburse the Landlord for all Taxes incurred or assessed with respect to the Premises or any part thereof and invoiced by the Landlord to the Tenant, within 30 days after delivery of the invoice.

(ii) The Tenant will, on the Landlord's request, promptly deliver to the Landlord receipts for payment of all Taxes and any assessments or other information related to Taxes incurred or assessed with respect to the Premises or any part thereof.

(b) Operating Costs and Utilities

(i) The Tenant acknowledges and agrees that, as the Tenant is the sole Tenant of the Premises, it will be responsible for arranging for itself provision of all utilities and services, to or for the Premises, including without limitation the utilities and services specified under the definition of Operating Costs in this Lease, and that the Landlord shall have no liability for the provision, or cost, of such items. The Tenant shall indemnify and save harmless the Landlord with respect thereto.

(ii) The Tenant will pay to the suppliers, when due, all Operating Costs which are billed directly to the Tenant by the supplier. The Tenant shall provide the Landlord with confirmation of all such payments if requested to do so by the Landlord.

(iii) The Landlord may, at its option, estimate in advance any Operating Costs that will be incurred by the Landlord and payable to the Landlord by the Tenant for each fiscal year of the Premises and the Building (currently being January 1 to December 31, but subject to adjustment by the Landlord to any other 12 month period designated by it from time to time) and the Tenant shall pay to the Landlord such amounts in equal monthly instalments in advance during each fiscal year or other designated period, as the case may be, on the first day of each calendar month. Within a reasonable period of time following each fiscal year or other designated period, as the case may be, the Landlord shall furnish to the Tenant a statement of Operating Costs payable to the Landlord for such fiscal year or other designated period. If the amount payable by the Tenant as shown on any such statement is greater or less than the aggregate of amounts paid by the Tenant pursuant to this Section 4.2, the proper adjusting credit shall be made by the Landlord or payment made by the Tenant, as the case may be, within 14 days after delivery of the statement. Any credit made by the Landlord or payment made by the Tenant and accepted by the Landlord in respect of any adjustment made hereunder, shall be without prejudice to the right of the Landlord or the Tenant to claim a readjustment provided such claim is made within 12 months from the date of delivery of the statement referred to in this Section 4.2.

4.3 Tenant's Taxes.

The Tenant shall promptly pay the Tenant's Taxes as they become due. The Tenant shall provide to the Landlord, upon request, the official receipt for each payment made by the Tenant in respect of the Tenant's Taxes.

4.4 Utilities.

The Tenant shall pay or cause to be paid promptly when due, all charges for electricity, gas, other fuel, water, telephone and other utilities consumed on the Premises during the Term.

4.5 Acknowledgement.

For greater certainty, the Tenant acknowledges and agrees that, as it is the sole tenant of the Premises, it is responsible directly for arranging for all utilities and services for the Premises and the provisions of Section shall not be interpreted as altering the respective obligations of the Landlord and Tenant as specifically set out in this Lease. From time to time, at the request of the Landlord, the Tenant shall confirm to the Landlord the cost of utilities and services for the Premises.

4.6 Insurance.

The Tenant covenants with the Landlord that the Tenant will, at its sole cost, obtain and maintain in force throughout the Term and during any such other time as the Tenant occupies the Premises:

(a) "all risks" insurance, including flood, earthquake, sewer backup and water damage insurance, covering all of the Tenant's property or property for which the Tenant is legally liable or installed by or on behalf of the Tenant or any previous tenant in the Premises including, without limitation, its improvements, furniture, equipment, fittings, fixtures and stock-in-trade, in amounts adequate to cover fully any loss that the Tenant could sustain (if there is a dispute as to the amount which comprises full replacement cost, the decision of the Landlord shall be conclusive); and

(b) comprehensive general liability insurance (including without limitation, tenant's legal liability and employer's liability and contractual liability to cover the responsibilities assumed under this Lease) against claims for personal injury, death or property damage occurring upon or in or about the Premises or the common areas and facilities, such coverage to include the activities and operations conducted by the Tenant and any other person on the Premises, and by the Tenant and any other person performing work on behalf of the Tenant and those for whom the Tenant is in law responsible in any part of the Premises. Such policies shall be written on a comprehensive basis with limits of not less than $5,000,000.00 per occurrence or such higher limits as the Landlord, acting reasonably, requires from time to time;

(c) comprehensive boiler and machinery insurance on a blanket repair or replacement basis for each accident in an amount equal to the replacement cost of all leasehold improvements, including all boilers, pressure vessels, air-conditioning equipment, electrical apparatus, production equipment and other miscellaneous equipment installed, owned and/or operated by the Tenant, or a previous tenant of the Premises, or those on behalf of the Tenant, in the Premises, extended to include business interruption insurance in an amount which will reimburse the Tenant for direct or indirect loss of earnings, including continuing and extra expenses.

4.7 Policies

The Tenant will effect all insurance policies with insurers, upon terms and in amounts, as to deductibles and otherwise, satisfactory to the Landlord, acting reasonably. The Tenant will furnish to the Landlord insurance certificates confirming such coverage. The Tenant will pay the premium for each policy. If the Tenant fails to purchase or to keep in force such insurance the Landlord may, but shall not be obligated to, effect such insurance, at the Tenant's cost. All policies shall be non-contributing and shall apply only as primary and not as excess in any other insurance available to the Landlord, and shall not be invalidated as respects the interests of the Landlord, its property manager or the Landlord's Mortgagees by reason of any breach or violation of any warranties, representations, declarations or conditions contained in the policies.

4.8 Landlord as Insured

The Tenant will cause each of the policies for the insurance referred to in Section 4.6 to contain an undertaking by the insurer(s) to notify the Landlord at least 30 days prior to cancellation or to making any other change material to the Landlord's interests. The liability policy will include the Landlord as an additional insured, with cross-liability and severability of interest clauses among the Landlord, the other insureds and the Tenant.

4.9 Subrogation

The Tenant will cause any property insurance policy (including boiler and machinery insurance) obtained by it pursuant to this Lease to contain a waiver of subrogation clause in favour of the Landlord, and those for whom it is in law responsible.

4.10 Landlord's Insurance

The Landlord shall, at all times throughout the Term carry:

(a) "all risks" insurance on the Building in such reasonable amounts and with such reasonable deductions as would be carried by a prudent owner of a reasonably similar commercial development, having regard to size, age and location;

(b) public liability and property damage insurance with respect to the Landlord's operations in the Building in such reasonable amounts not less than $5,000,000 and with such reasonable deductions as would be carried by a prudent owner of a reasonably similar commercial development, having regard to size, age and location; and

(c) such other form or forms of insurance as the Landlord reasonably considers advisable or the Landlord's Mortgagees require.

Notwithstanding any contribution by the Tenant to the cost of the Landlord's insurance premiums provided herein, the Tenant acknowledges and agrees that no insurable interest is conferred upon the Tenant under this Lease for purposes of any policies of insurance carried by the Landlord and the Tenant has no right to receive any proceeds of any such insurance policies carried by the

Landlord. The Landlord will furnish to the Tenant insurance certificate(s) confirming the coverage described above.

The Landlord and the Tenant hereby waive any claim arising in favour of one against the other, or anyone claiming through either, by way of subrogation or otherwise, for any loss of or damage to any property of either which loss or damage is recovered under policies of insurance. Said waiver shall be in addition to any other waiver or release contained in this Lease with regard to loss or damage to property of either the Landlord or the Tenant.

The Landlord and the Tenant will provide to each other annually certificates of insurance evidencing that the insurance coverage to be maintained by each of them is in place, at least 30 days prior to the expiry of the relevant policy.

All public liability Insurance shall contain a provision for cross-liability or severability of interest as between the Landlord and the Tenant.

All policies of insurance required under this Lease shall contain a waiver of the insurer's right of subrogation as against the Landlord or the Tenant, as the case may be.

4.11 Increases in Rates

The Tenant will not permit or omit or do anything which might result in an increase in the cost of insurance of the Landlord or which might result in an actual or threatened cancellation of, or adverse change in, any insurance policy of the Landlord. If any rate of insurance shall be increased as aforesaid, the Tenant shall pay to the Landlord the amount of the increase forthwith upon demand. If any insurance policy of the Landlord is cancelled or threatened to be cancelled by reason of the use or occupancy of the Premises by the Tenant or any act or omission of the Tenant, the Tenant shall forthwith remedy or rectify such use, occupation, act or omission forthwith upon being requested to do so in writing by the Landlord. If the Tenant shall fail to so remedy or rectify, the Landlord may, acting reasonably at its option, but shall not be obligated to, do so at the Tenant's cost or terminate this Lease.

4.12 Release

Without limiting the foregoing, neither the Landlord or its property manager, (except in the case of the gross negligence or wilful misconduct of the Landlord or its property manager and), shall be liable for any personal injury, death or property loss or damage sustained by the Tenant or its employees, agents, sublessees, licensees or invitees in or on the Premises caused by theft or breakage or by steam, water, rain, snow, radioactive materials, microwaves, deleterious substances, gases, pollutants or any other materials or substances which may leak into, issue or flow from any part of the Premises or any adjacent or neighbouring lands and premises or from the water, steam or drainage pipes or plumbing works of the same or from any place, or any loss or damage caused by or attributable to the condition or arrangements of any electric or other wiring or any damage caused by anything done or omitted to be done by any other tenant or occupant of the Premises, and the Tenant shall indemnify the Landlord and its property manager against all actions or liabilities arising out of such personal injury, death or property damage or loss. Except in the case of the gross negligence or wilful misconduct of the Landlord or its property manager, the Tenant hereby releases the Landlord and its property manager, and their respective directors, officers, agents and employees, from all claims for damages or other expenses arising out of such personal injury, death or property loss or damage.

4.13 Repair.

(a) The Tenant shall accept possession of the Premises in "as is, where is" condition and the Landlord will have no responsibility for completing any work or improvements to the Premises except as may be expressly set out in this Lease. Excepting only those structural repairs described in paragraph 4.13(b) hereof that shall be the responsibility of the Landlord, the Tenant shall, at all times during the Term and any renewal thereof, promptly, at its own expense, repair and maintain and replace, as necessary, the Premises and all equipment, fixtures and improvements in the same condition as of the Commencement Date, save and except reasonable wear and tear, damage by fire and other risks for which the Landlord is insured or ought to be insured pursuant to the terms of this Lease, Structural Repairs (as defined in paragraph (c) below) and major repairs or replacements to any of the machinery, boilers, plumbing, wiring, heating, air-conditioning and lighting systems unless such repairs and replacements were caused by an act, omission, negligence (including the failure to perform maintenance of any of the foregoing) or default of the Tenant or those for whom the Tenant is in law responsible.

(b) (b) At the end or sooner termination of the Term or any renewal thereof the Tenant shall yield up to the Landlord, without notice from the Landlord, the Premises repaired and maintained in the condition aforesaid. The Tenant will provide to the Landlord inspection reports from time to time confirming that it has undertaking prudent preventative maintenance and necessary repairs of material aspects of the Premises, such as electrical and mechanical systems and heating, ventilating and air-conditioning system, air compressor, crane system and hotsy pressure washing system.

(c) (c) Subject to paragraph 7.3(b) hereof, the Landlord shall be responsible only for structural repairs necessarily required to correct inherent defects in design or construction of the following components of the Building:

(i) the roof, the roof deck and roof membrane;

(ii) the bearing walls (excluding perimeter caulking of walls, doors and windows, tuckpointing of bricks and blocks, parging repairs),;

(iii) outside perimeter walls;

(iv) the floor, sub-floor and foundation;

(v) structural columns, joist and supporting beams;

(vi) (collectively "Structural Repairs")

save and except damage caused by the negligence or wilful acts or omissions of the Tenant or those for whom it is in law responsible in which case the Tenant shall be responsible for such repairs.

4.14 Repair on Notice.

(a) The Tenant shall permit the Landlord, acting reasonably, and its duly authorized agents or nominees, with or without workmen and others, at all reasonable times to enter upon the Premises for the purpose of examining the state of repair, condition and use thereof, and to permit such entry after the Landlord shall have given 24 hours' notice in writing to the Tenant of such intended entry and examination and in every case the Tenant shall afford the Landlord all aid and facilities in such entry and examination and upon notice in writing of defect or want of repair being given by the Landlord to the Tenant, to cause the same to be repaired, as required by Section 4.3(a) hereof, within 30 days from the date of the giving of such notice by the Landlord.

(b) If the Tenant shall at any time default in the performance or observance of any of the covenants in the Lease for or relating to the repair or maintenance of the Premises or any part thereof and such default shall continue for 30 days after notice in writing from the Landlord of default in respect of repair or maintenance of the Premises then the Tenant shall permit the Landlord and its duly authorized agents and nominees, with or without workmen and others, and without prejudice to the Landlord's right of re-entry, to enter into and upon the Premises and repair and maintain the same at the expense of the Tenant and the Tenant shall afford the Landlord all aid and facilities in doing or causing the same to be done, and shall repay to the Landlord on demand all costs and expenses in respect of such repairs and maintenance as aforesaid.

4.15 Business and Trade Fixtures.

The Tenant may install its usual business and trade fixtures in the usual manner, provided such installation does not damage the Premises and provided further that the Tenant shall have, if requested by the Landlord, submitted plans and specifications for such business and trade fixtures to the Landlord and obtained its prior written consent thereto, which consent shall not be unreasonably withheld. All business and trade fixtures owned or installed by the Tenant in or on the Premises shall remain the property of the Tenant and shall be removed by the Tenant at the expiration of the Term or any renewal thereof or at the sooner termination thereof, provided that the Tenant at its expense shall repair any damage to the Premises caused by such removal, and provided further, that the Tenant shall not be in default under any covenant or agreement contained herein at the time of such removal, and if in default, the Landlord shall have a lien on the Tenant's business and trade fixtures as security against loss or damage resulting from any such default by the Tenant and the Tenant's business and trade fixtures shall not be removed by the Tenant until such default is cured, unless otherwise directed by the Landlord. The Landlord may elect to require the Tenant to remove all or any part of the business and trade fixtures owned or installed by or on behalf of the Tenant at the expiration or termination of the Term or any renewal thereof, in which event such removal shall be done at the Tenant's expense and the Tenant shall at its expense, repair any damage to the Premises caused by such removal. If the Tenant does not remove its business and trade fixtures forthwith after written demand by the Landlord, such property shall, if the Landlord elects, be deemed to become the Landlord's property or the Landlord may remove the same at the expense of the Tenant and the cost of such removal, plus and administration fee of 15% of such costs, shall be paid by the Tenant forthwith to the Landlord on written demand, and the Landlord shall not be responsible for any loss or damage to such property as a result of such removal.

4.16 Alterations and Additions.

(a) The Tenant shall not remove, alter or change the position or style of, or add to, the Premises or any part thereof, without in any and every such case having first submitted plans and specifications thereof to the Landlord and having obtained the prior written consent of the Landlord thereto, and, unless otherwise provided by such consent, all such alterations, additions, erections or excavations shall be done either by or under the direction of the Landlord, as the Landlord may determine, but at the cost of the Tenant. All work shall be done in a good and workmanlike manner and at such times and in such manner as the Landlord may approve, and only by contractors or tradesmen approved in writing by the Landlord. The Tenant shall reimburse the Landlord forthwith on demand for all costs and expenses incurred by the Landlord in the review and approval of any plans and specifications by the Landlord's architects and engineers. The Tenant shall obtain and pay for all required building and occupancy permits in respect of its work as aforesaid. The Tenant shall, at its own cost and expense, take out or cause to be taken out any additional insurance coverage reasonably required by the Landlord to protect the respective interests of the Landlord and the Tenant during all periods when any such work is being performed.

(b) Any and all installations, alterations, additions, partitions, improvements or fixtures other than the Tenant's business and trade fixtures in or upon the Premises, whether placed there by the Tenant or the Landlord or a previous occupant of the Premises, shall, immediately upon such placement, become and shall thereafter remain the property of the Landlord without compensation therefor to the Tenant. Notwithstanding anything herein contained, the Landlord shall be under no obligation to repair, maintain, replace or insure such installations, alterations, additions, partitions and fixtures or anything in the nature of a leasehold improvement made or installed by or on behalf of the Tenant or a previous occupant of the Premises. Except as set out in Section 4.15 herein or as otherwise agreed by the Landlord in writing, no leasehold improvements or trade fixtures shall be removed from the Premises by the Tenant either during or at the expiry or earlier termination of the Term except that:

(i) the Tenant may, during the Term, in the usual course of its business, remove its trade fixtures, provided that the Tenant is not in default under this Lease; and

(ii) the Tenant shall, at its sole cost: (i) remove all of its trade fixtures; and (ii) remove such of the leasehold improvements and wiring, cables and related devices and equipment in the Premises and restore the Premises to the then current base building standard of the Building, all as the Landlord shall require by Notice prior to the expiration of the Term. Such removal and restoration shall be completed by the later of: (A) the end of the Term; and (B) 15 days after the Landlord's Notice, provided that in the event of termination of this Lease prior to the expiry of the Term, such removal and restoration shall be completed no later than 15 days after the date the Landlord recovers possession of the Premises.

The Tenant shall at its own expense repair any damage caused to the Building by the leasehold improvements, trade fixtures or wiring, cables and related devices and equipment and/or such removal and restoration. If the Tenant does not remove its trade fixtures, or wiring, cables and related equipment prior to the expiry or earlier termination of the Term, such trade fixtures or wiring, cables and related devices and equipment shall, at the option of the Landlord, be deemed abandoned and become the property of the Landlord and may be removed from the Premises and sold or disposed of by the Landlord in such manner as it deems advisable and the Tenant shall pay to the Landlord on demand all costs incurred by the Landlord in connection therewith, plus an administration fee of 15% of the costs.

4.17 Use of Premises.

The Tenant shall not use the Premises nor allow the Premises to be used for any purpose other than that specified in subsection 1.1, nor in any manner inconsistent with such use and occupation, and the Tenant shall not, at any time during the Term or any renewal thereof, commit or suffer to be committed any waste upon the Premises nor shall the Tenant use, exercise, or carry on, or permit or suffer to be used, exercised or carried on, in or upon the Premises, or any part thereof, any noxious, noisome or offensive art, trade, business, occupation or calling, or keep, sell, use handle or dispose of any merchandise, goods or things which are objectionable, or by which the Premises or any part thereof may be damaged or injuriously affected, and no act, matter or thing whatsoever shall, at any time during the Term or any renewal thereof, be done in or upon the Premises, or any part thereof, which may result in annoyance, nuisance, grievance, damage or disturbance to any occupiers or owners of any other lands or premises or to the holders of any registered easement, right of way or other encumbrance charging the whole or part of the Premises. The Tenant shall not place in the Building any heavy machinery or equipment without first obtaining the consent in writing of the Landlord. The Tenant shall occupy the Premises for the purpose aforesaid continuously and without interruption throughout the Term and any renewal thereof. The Tenant shall immediately advise the Landlord of the presence of and shall do all things necessary to remove, any dangerous condition from time to time existing on the Premises and arising as a result of the act or omission of the Tenant or any person for whom the Tenant is, at law, responsible.

4.18 Signs.

The Tenant shall not, at any time, affix or exhibit or permit to be affixed or exhibited upon any part of the Premises any sign, except such as shall have been first approved in writing by the Landlord and which comply at all times with the requirements of any lawful authority having jurisdiction over the same, provided that if any such sign no longer complies with the terms of the consent given by the Landlord or the requirements of any lawful authority having jurisdiction over the same then the Landlord, after giving the Tenant 30 days' notice shall have the right to remove any such sign at the Tenant's expense and the costs, charges and expenses of such removal, plus and administration fee of 15% of such costs, shall forthwith be paid by the Tenant to the Landlord. The provisions of sections 4.6, 4.7 and 4.8 hereof shall also apply, mutatis mutandi, to any such signs.

4.19 Rubbish.

The Tenant shall keep the Premises and any loading areas used by the Tenant clean and tidy and in good order and shall not permit waste or garbage to be placed or accumulate outside of the Premises but shall dispose of such waste or garbage in the manner designated by the Landlord from time to time.

4.20 Pollution.

(a) The Tenant covenants and agrees that following the execution of this Lease it shall indemnify and save harmless the Landlord and its directors, officers, servants, agents and employees from any and all claims, liabilities, actions, proceedings, demands, losses, costs, damages and expenses whatsoever which may be commenced against or suffered by the Landlord, its property manager, their, directors, officers, servants, agents or employees or which they may sustain, pay or incur as a result of any matter or thing arising out of or resulting from, attributable to or connected with any environmental liabilities relating to the Premises, or any portion thereof, caused or contributed to by the Tenant or anyone for whom it is responsible at law including, without limitation, damage from or removal of Hazardous Substances, clean-up and reclamation.

(b) The Tenant shall, at its sole cost and expense, comply with all laws and regulations from time to time in force relating to Hazardous Substances and the protection of the environment and shall immediately give written notice to the Landlord of the occurrence of any event in, on or under the Premises constituting an offence thereunder or being in breach thereof and upon the happening of such event, the Tenant shall, at its sole cost and expense, promptly remove all Hazardous Substances from the Premises in a manner which conforms with all laws and regulations governing the removal of the same and remediate any damage to the Premises caused by such event.

(c) Without limiting the generality of the foregoing, the Tenant shall not discharge nor permit the discharge of any oil or grease or any deleterious, objectionable, dangerous, radioactive, poisonous or explosive matter or substance on, in, under or above the Premises or into any water, ditches, water courses, culverts, drains or sewers and the Tenant shall take all reasonable measures for ensuring that any effluent discharged shall not be corrosive, poisonous or otherwise harmful to or cause obstruction, deposit or pollution within any waters, ditches, water courses, culverts, drains or sewers or to or within any sewage disposal works or to the bacteriological process of sewage purification, and the Tenant shall at the Landlord's request, acting reasonably, permit the testing and monitoring of any such effluent from the Tenant's operations and shall permit the Landlord access to the Premises for the purposes of carrying out such testing and monitoring, and any other testing of the environmental status of the Premises as required by the Landlord or the Landlord's Mortgagees from time to time, acting reasonably. The costs of all such monitoring and testing shall be included in Operating Costs.

(d) The Tenant's obligations hereunder shall survive the expiry or earlier termination of this Lease.

4.21 <u>Abate Nuisance.</u>

Upon written notice to the Tenant from the Landlord or from any lawful authority having jurisdiction requiring the abatement of any nuisance caused by vibration, noise or offensive smell or by any undue emission of smoke, vapour or dust caused by the Tenant or arising directly or indirectly out of the operations carried on upon the Premises, the Tenant shall forthwith abate such nuisance accordingly.

4.22 <u>Parking and Obstruction of Roads.</u>

The Tenant shall not permit any vehicles owned by or under the control of the Tenant to cause an obstruction on any roadways in or about the Premises and the Tenant shall use its best endeavours to ensure that all persons doing business with the Tenant and their servants and workmen shall not permit any vehicles to park in such area or cause such obstruction as aforesaid. The Tenant shall also use its best endeavours to ensure that vehicles owned by or under the control of the Tenant, its employees or persons doing business with the Tenant shall observe any regulations and instructions made or given by the Landlord or by any other person, corporation or body having authority to make or give such regulations or instructions with regard to the operation and parking of vehicles on the said roadways or other areas provided for the parking of vehicles on the Premises. The Tenant acknowledges that the Landlord may remove or cause removal of any motor vehicle of the Tenant, its employees, agents, customers or invitees parked in areas reserved for the use of any other person or obstructing any roadway and the Tenant will pay the cost of any such removal to the Landlord on demand. The Tenant shall use reasonable weight limit for entering the site during break up so as not to damage asphalt entrance.

4.23 No Auctions.

The Tenant shall not permit any sale by auction nor any fire sale, bankruptcy sale, moving sale, going-out-of business sale or bulk sale to be held upon the Premises or any part thereof, other than annual warehouse sales in the ordinary course of business.

4.24 Assignment and Subletting.

(a) The Tenant shall not assign this Lease or any interest therein, nor sublet the Premises or any part thereof, nor part with or share possession of all or any part of the Premises, including by way of Change of Control, without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.

(b) Notwithstanding and without prejudice to any other provision herein, in the event that the Tenant desires to assign, sublet or part with or share possession of not less than all of the Premises, including by way of Change of Control, or to transfer this Lease in any other manner, in whole, or to transfer any estate or interest thereunder, then and so often as such event shall occur the Tenant shall give prior written notice to the Landlord of such desire, specifying therein the proposed assignee, transferee, sublessee or occupier and shall provide to the Landlord such information on the nature of the business of the proposed assignee, transferee, sublessee or occupier and its financial responsibility and standing as the Landlord may reasonably require and the terms and conditions of the proposed assignment, transfer, sublease or change in possession and shall deliver to the Landlord a copy of the assignment, transfer or sublease intended to be executed by the Tenant and the assignee, transferee or subtenant. Upon the receipt of such notice and information from the Tenant, the Landlord shall in writing within 30 days after receipt of such notice notify the Tenant in writing, that:

(i) it consents; or

(ii) it does not consent as aforesaid to the assignment, transfer, subletting or parting with or sharing possession as the case may be.

(c) No such assignment, transfer, subletting or parting with or sharing possession shall in any manner release the Tenant from its obligations for the payment of the Rent and the observance and performance of the covenants, terms and conditions herein provided.

(d) The Tenant shall not permit any part of the Premises to be used or occupied by any persons other than the Tenant or any subtenants permitted under subsection 4.24(b) and the employees of the Tenant and of any such permitted subtenant, and shall not permit any part of the Premises to be used or occupied by any licensee or concessionaire, or permit any persons to be upon the Premises other than the Tenant, such permitted subtenants, and their respective employees, customers and others having legitimate business with them.

(e) The Tenant shall insert in every permitted sublease of the Premises a covenant by the sublessee with the sublessor to produce to the Landlord within one month immediately following the making thereof a copy of every assignment of the sub-demised premises made by the sublessee or the persons deriving title under it.

(f) The Tenant shall, at the request of the Landlord, require any assignee of the interest of the Tenant hereunder, at the time of such assignment, to enter into a written agreement with the Landlord whereby the assignee covenants and agrees with the Landlord to observe and perform all of the covenants, agreements, provisos, terms and conditions of this Lease, provided that if the Tenant fails to require the assignee to enter into such a written agreement at the Landlord's request the Landlord may refuse to grant its consent to the assignment, or where such consent is not required the assignment shall not be effective until such written agreement is executed by the assignee. Without in any way restricting the generality of the Landlord's right to refuse to consent to an assignment or subletting, the Landlord may refuse to grant its consent to an assignment or subletting in the event that this Lease is not in good standing.

(g) The Tenant shall forthwith upon demand by the Landlord, pay to or reimburse to the Landlord all solicitors' fees and all other costs, charges, and expenses reasonably incurred by the Landlord in connection with the Tenant's request for consent to any assignment, subletting or parting with or sharing of possession.

(h) Upon the Landlord's request, the Tenant shall:

(i) deliver a statutory declaration by one of its senior officers setting forth the details of its corporate and capital structure; and

(ii) make available to the Landlord or its representatives all of its corporate or partnership records as they relate to the ownership or control of the Tenant, as the case may be, for inspection at all reasonable times, shall be reasonably necessary.

4.25 Liens.

The Tenant shall not create or grant any mortgage, conditional sale agreement, security under the *Bank Act* or under any personal property security statute or other encumbrance in respect of its improvements, trade fixtures, goods or merchandise or permit any such mortgage, conditional sale agreement, security under the *Bank Act* or under any personal property security statute or other encumbrance to attach to the Premises. If and when any builder's or construction lien or other lien for work, labour, services or materials supplied to or for the Tenant or for the cost of which the Tenant may be in any way liable or claims therefore shall arise or be filed or any such mortgage, conditional sale agreement, security under the *Bank Act* or under any personal property security statute or other encumbrance shall attach, the Tenant shall within 30 days after receipt of notice thereof procure the discharge thereof, including any certificate of action registered in respect thereof, by payment or in such other manner as may be required or permitted by law, including payment into court, and failing which the Landlord may in addition to all other remedies hereunder avail itself of its remedy under Section 6.5 and may make any payments required to procure the discharge of any such lien or encumbrance, shall be entitled to be reimbursed by the Tenant as provided in Section 6.5, and its right to reimbursement shall not be affected or impaired if the Tenant shall then or subsequently establish or claim that any lien, mortgage, conditional sale agreement, security under the *Bank Act* or under any personal property security statute or other encumbrance so discharged was without merit or excessive or subject to any abatement, setoff or defence.

4.26 Registered Charges.

The Tenant shall pay all money owed by it under any conditional sale agreement or other charge registered or filed against the Premises, and immediately upon all of the payments having been made thereunder, the Tenant shall obtain a memorandum of satisfaction or other appropriate document of discharge and shall register the same at its own expense in the proper land title office or other appropriate office of public record as the Landlord may require to discharge the same from the title to the Premises.

4.27 Exhibit Premises.

The Landlord shall have the right to exhibit the Premises to:

(a) prospective tenants or sub-tenants during the 6 month period prior to the Expiry Date and any renewal of the Term; and

(b) the Landlord's Mortgagees and prospective mortgagees and any prospective purchaser of the whole or any part of the Landlord's interest in the Premises;

and for such purposes the Landlord shall have the right of entry to the Premises at any reasonable time, upon 48 hours written notice to the Tenant, and the Tenant at its option may have a servant or agent present at the time of such entry.

4.28 Registration of Lease.

The Tenant covenants and agrees with the Landlord that the Landlord shall not be obliged to execute or deliver this Lease in form registrable in any land title office and that the Tenant shall not register this Lease. The Tenant shall be permitted to register a caveat at the Land Titles Office with respect to its interest under the Lease. All costs and expenses in connection with any registration of this Lease or a caveat or notice thereof (if permitted by the Landlord) and any plans required for registration shall be borne by the Tenant.

4.29 Compliance with Laws.

The Tenant shall do, observe and perform all of its obligations and all matters and things necessary or expedient to be done, observed or performed by the Tenant by virtue of any law, statute, by-law, ordinance, regulation or lawful requirements of any governmental authority or any public utility or railway company lawfully acting under statutory authority and all demands and notices in pursuance thereof whether given to the Tenant or the Landlord and in any manner or degree affecting the Premises, the state of repair or condition thereof, the safety thereof, the use thereof by the Tenant or the exercise or fulfilment of any right or obligation arising under or as a result of this Lease. If any such demand or notice is given lawfully requiring the execution of works, then:

(a) if such notice is given to the Tenant, the Tenant shall forthwith deliver the same or a true copy thereof to the Landlord and the Tenant shall forthwith, at its own expense, execute to the satisfaction of the Landlord and the person giving such notice all such works as the Landlord may approve in writing in order to comply with the requirements of the said notice; or

(b) if such notice is given to the Landlord, the Landlord shall notify the Tenant and thereupon the Tenant shall, at its own expense, forthwith execute to the satisfaction of the Landlord and the person giving such notice all such works as the Landlord and the person giving such notice may require in order to comply with the requirements of the said notice.

Notwithstanding the foregoing, the Landlord shall have the right to execute any such works and the Tenant shall afford to the Landlord all necessary access to the Premises and other facilities for that purpose and the Tenant shall, on demand by the Landlord, pay to the Landlord all costs and expenses incurred by the Landlord in executing and performing any and all such works.

4.30 Subordination.

This Lease, and any registration in respect thereof, including a caveat, is and shall be subject, subordinate and postponed to all mortgages, including any debentures and any deeds of trust and mortgages securing bonds and all indentures supplemental thereto (herein collectively called the "Mortgages") which may now or hereafter charge the Premises or any part thereof and to all renewals, modifications, consolidations, replacements and extensions of the Mortgages, to the intent that, without execution of any document other than this Lease, the Mortgages and all renewals, modifications, consolidations, replacements and extensions thereof shall have priority over this Lease notwithstanding the respective dates of execution or registration thereof. Without limiting the generality of the foregoing, the Tenant agrees to execute promptly any document in confirmation of such subordination, postponement and priority which the Landlord may request and the Tenant hereby irrevocably constitutes and appoints the Landlord the agent and attorney of the Tenant for the purpose of executing any such document and of making application in the name of the Tenant at any time and from time to time to register postponements of this Lease, and any registrations in respect thereof, including a caveat, in favour of any of the Mortgages or any renewal, modification, consolidation, replacement or extension of any of the Mortgages in order to give effect to the foregoing provisions of this paragraph. Provided however, the subordination and postponement of this Lease and any registrations in respect thereof, including a caveat, to any of the Mortgages shall not be effective with respect to a specific Mortgage unless and until the Landlord's Mortgagee holding such Mortgage shall confirm in writing to the Tenant that the Tenant shall have the right, if not in default under this Lease, to remain in possession of the Premises in accordance with the terms of this Lease in the event such Landlord's Mortgagee obtains title to the Premises by way of foreclosure or otherwise.

4.31 Attornment.

Whenever required by any of the Landlord's Mortgagees under any of the Mortgages the Tenant shall attorn to and become a tenant or licensee of such Landlord's Mortgagee or a tenant of any purchaser from such Landlord's Mortgagee in the event of an exercise by such Landlord's Mortgagees of the power of sale in any of the Mortgages set out, for the then unexpired residue of the Term upon all of the terms and conditions hereof.

4.32 Estoppel Certificate.

The Tenant shall at any time and from time to time upon five days' prior notice from the Landlord execute and deliver to the Landlord or the Landlord's Mortgagees or a prospective purchaser of the Premises or the whole or any portion of the Landlord's interest in the Premises, a statement in writing confirming the terms of this Lease, certifying that this Lease in unmodified and in full force and effect (or, if modified, stating the modifications and that the same is in full force and effect as modified), the amount of the Rent then being paid hereunder, the dates to which the Rent and other charges hereunder have been paid, that the Landlord has complied with all the terms of this Lease, that the Premises are acceptable to the Tenant, that the Tenant shall not amend, modify or surrender this Lease or make any prepayment of the Rent other than the Rent for the current month without the prior written consent of the Landlord's Mortgagees, that there are no outstanding set-offs or equities disclosed or undisclosed as between the Landlord and the Tenant, that no money other than a maximum of one month's Rent in accordance with the provisions of the Lease has been prepaid by the Tenant to the Landlord, that the Tenant is aware of the assignment by the Landlord to the Landlord's Mortgagees of all Rent under this Lease, and any other matters pertaining to this Lease in respect of which the Landlord may desire certification. The Tenant hereby irrevocably constitutes and appoints the Landlord the agent and attorney of the Tenant for the purpose of executing and delivering such certificate or certificates for and on behalf of the Tenant.

4.33 Rules and Regulations.

The Tenant shall comply and cause every Person over whom it has control to comply with the rules and regulations with respect to the Premises which the Landlord apprises the Tenant of in writing from time to time (the "Rules and Regulations"). The Landlord shall have the right from time to time to make reasonable amendments, deletions and additions to such Rules and Regulations upon written notice to the Tenant. If the Rules and Regulations conflict with any other provisions of this Lease, the other provisions of this Lease shall govern. The Landlord shall not be obligated to enforce the Rules and Regulations and shall not be responsible to the Tenant for failure of any person to comply with the Rules and Regulations.

4.34 Indemnity.

(a) Subject to sub-paragraph (b) below, the Tenant shall indemnify and save harmless the Landlord and those for whom it is in law responsible, from and against any and all manner of claims, actions or causes of action, demands, damages, costs, losses or expenses of whatever kind (including legal fees on a solicitor and own client basis) that may arise directly or indirectly out of this Lease or any act or omission of the Tenant or anyone for whom the Tenant is at law responsible, in the use or occupation of the Premises. This liability to indemnify and save harmless shall survive any termination of this Lease, and the expiry of the Term or any renewal thereof, anything in this Lease to the contrary notwithstanding.

(b) The Landlord shall not be indemnified or held harmless by the Tenant with respect to any matters relating to or arising from the presence of Hazardous Substances upon the Premises that exceed acceptable Alberta Environment levels for such substances and that are disclosed or referred to in the Consultant's Report.

(c) The Landlord shall indemnify and save harmless the Tenant and those for whom it is in law responsible, from and against any and all manner of claims, actions or causes of action, demands, damages, costs, losses or expenses of whatever kind (including legal fees on a solicitor and own client basis) that may arise directly or indirectly out of the presence of Hazardous Substances upon the Premises that exceed acceptable Alberta Environment levels for such substances and that are disclosed in or referred to in the Consultant's Report. This liability to indemnify and save harmless shall survive any termination of this Lease, and the expiry of the Term or any renewal thereof, anything in this Lease to the contrary notwithstanding.

4.35 Sales or Dispositions by Landlord.

The Landlord shall have the unrestricted right to sell, transfer, lease, license, charge or otherwise dispose of all of any part of its interest in the Building or any interest of the Landlord in this Lease. In the event of any sale, transfer, lease or other disposition the Landlord shall thereupon, and without further agreement, be released or all liability under this Lease arising from and after such disposition.

4.36 Landlord's Equipment

The Tenant shall be authorized to use the compressor (the "compressor") and the 5 ton overhead crane (the "crane") The Pressure washer (The Hotsy) located within the Building during the term of the Lease and any renewal thereof. The Tenant shall be responsible for the upkeep, maintenance and repair of the compressor, crane and the pressure washer (The Hotsy) during the term of the Lease and any renewal thereof and shall take all steps in doing so that a reasonable owner of such equipment would in the circumstances. The Tenant shall not be permitted to remove the crane, compressor or the hotsy from the Premises during the term of the Lease or any renewal thereof other than for purposes of upkeep, maintenance and repair.

ARTICLE 5 - LANDLORD'S COVENANTS

The Landlord covenants with the Tenant as follows:

5.1 Quiet Enjoyment.

If the Tenant pays the Rent and performs the covenants herein on its part contained, the Tenant shall be entitled to quiet enjoyment of the Premises, subject to the rights of owners or occupiers of the easements and rights-of-way, if any, now or hereafter registered against title to the Premises.

5.2 Landlord's Work

The Landlord shall complete the matters referred to in Schedule B to this Lease prior to the Commencement Date.

5.3 Environmental Report

Prior to the execution of the formal lease, the Landlord shall provide, at its sole cost and expense, a phase I / II environmental assessment of the Lands (the "Consultant's Report" or the "Report") prepared by a duly qualified independent professional engineer experienced in environmental assessments (the "Consultant"). The Landlord shall provide the Tenant with a copy of the Consultant's Report.

At the expiration or early termination of the Lease, the Tenant shall be obligated at its sole cost and expense to engage the Consultant to prepare an environmental assessment of the lands (the "Going out Assessment"). The Going Out Assessment shall be prepared and delivered to the Landlord 60 days prior to the expiration of the Term or within 30 days following its termination, if earlier terminated. The tenant in making the assessment as to whether or not the environment conditions in which the Lands existed at the commencement date as set forth in the Going In Assessment are met and shall be obligated to complete only the same site investigations and assessments as were conducted prior to the Commencement Date in conjunction with the Going in Assessment.

ARTICLE 6 - REMEDIES UPON DEFAULT

6.1 Re-entry on Default.

If:

(a) any payments of the Rent or any part thereof are in arrears and are not paid within 5 Business Days after notice from the Landlord;

(b) any breach, non-observance or non-performance of any covenant, agreement, stipulation, proviso, condition, rule or regulation herein contained on the part of the Tenant to be kept, performed or observed hereunder and any such breach, non-observance or non-performance shall continue for 10 Business Days after written notice thereof to the Tenant by the Landlord;

(c) the Premises is vacated or remains unoccupied for 10 consecutive Business Days other than where the Tenant has accepted continuing responsibility for the Premises in writing to the Landlord 10 Business Days before vacating the Premises;

(d) the Term or any renewal thereof or any of the goods and chattels of the Tenant shall at any time during the Term or any renewal thereof be seized or taken in attachment by any creditor of the Tenant and any such seizure or attachment is not released or vacated within 30 Business Days after such occurrence;

(e) a writ of execution, sequestration or extent shall issue against the goods and chattels of the Tenant and such writ is not stayed or vacated within 30 Business Days after the date of such issue;

(f) any petition or other application is presented to any court of competent jurisdiction for the dissolution, liquidation or winding up of the Tenant or for the appointment of a receiver of receiver and manager;

(g) the Tenant becomes bankrupt or insolvent or takes the benefit of any statute now or hereafter in force for bankrupt or insolvent debtors;

(h) if the Premises is used for any purpose other than that for which they were let without the prior written consent of the Landlord;

(i) the Tenant makes an assignment for the benefit of creditors or shall make any sale or other disposition of its goods and chattels pursuant to or which should legally have been done pursuant to any legislation relating to bulk sales (except one incidental to any reorganization of the Tenant, if any, or its amalgamation with any other company);

(j) the Landlord believes and has commercially good grounds to believe that the Tenant is or is likely to become an "insolvent person", as that term is defined in the *Bankruptcy Act*, as amended; and

(k) in the event that the Tenant has filed a notice of intention to make a proposal or a proposal under the *Bankruptcy Act*, as amended, the Tenant has defaulted under any of subsections 6.1(a) to (j) above after the date of the filing of such notice of intention to file a proposal or such proposal;

(l) The Tenant is in default of any of the terms and conditions for the Sublease and such default continues for 10 Business Days after written notice thereof to the Tenant by the Landlord;

then and in any such event:

(i) the Landlord, in addition to any other remedy now or hereafter provided, may re-enter and take possession immediately of the Premises or any part thereof in the name of the whole by force if necessary without any previous notice of intention to re-enter and may remove all persons and property therefrom and may use such force and assistance in making such removal as the Landlord may deem advisable to recover at once full and exclusive possession of the Premises and such re-entry shall not operate as a waiver or satisfaction in whole or in part of any right, claim or demand arising out of or connected with any breach, non-observance or non-performance of any covenant or agreement on the part of the Tenant to be kept, observed or performed; and

(ii) the next ensuing three months' Annual Basic Rent and Additional Rent (to be determined at rates estimated by the Landlord acting reasonably) and any additional money owing hereunder shall immediately become due and payable and shall be recoverable by the Landlord as if it were Rent in arrears, but the Tenant shall remain liable under this Lease.

6.2 Sale and Reletting.

Upon the Landlord becoming entitled to re-enter upon the Premises under any of the provisions of this Lease the Landlord, in addition to all other rights and remedies, shall have the right to enter the Premises as the agent of the Tenant either by force or otherwise, without being liable for any prosecution therefor and to relet the Premises as the agent of the Tenant, and to receive all rent therefor, and as agent of the Tenant to take possession of any business and trade fixtures of the Tenant and any goods and property whatsoever on the Premises and to sell the same at public or private sale without notice and to apply the proceeds of such sale and any rent derived from reletting the Premises, after deducting its costs of conducting such sale and its costs of reletting, in payment of the Rent due under this Lease, and the Tenant shall be liable to the Landlord for any deficiency.

6.3 Termination.

Upon the Landlord becoming entitled to re-enter upon the Premises under any of the provisions of this Lease, the Landlord, in addition to all other rights and remedies, shall have the right to determine forthwith this Lease and the Term or any renewal thereof by giving notice in writing addressed to the Tenant of its intention so to do, and thereupon the Rent shall be computed, apportioned and paid in full to the date of such determination of this Lease, the Tenant shall pay any other amounts for which the Tenant is liable under this Lease pursuant to Section 7.6, the Tenant shall forthwith deliver up possession of the Premises to the Landlord and the Landlord may re-enter and take possession of the Premises.

6.4 Distress.

Whensoever the Landlord shall be entitled to levy distress against the goods and chattels of the Tenant it may use such force as it may deem necessary for the purpose and for gaining admission to the Premises without being liable for any action in respect thereof or for any loss or damage occasioned thereby and the Tenant hereby expressly releases the Landlord from all actions, proceedings, claims or demands whatsoever for or on account of or in respect of any such forcible entry of any loss or damage sustained by the Tenant in connection therewith. The Tenant waives and renounces the benefit of any present or future statute taking away or limiting the Landlord's right of distress, and covenants and agrees that notwithstanding any such statute none of the goods and chattels of the Tenant on the Premises at any time during the Term or any renewal thereof shall be exempt from levy by distress for Rent in arrears.

6.5 Payments by Landlord Regarded as Rent.

If the Tenant shall fail to observe or perform any of the covenants or obligations of the Tenant under or in respect of this Lease the Landlord may from time to time at its discretion perform or cause to be performed any of such covenants or obligations or any part thereof and for such purpose may do such things as may be requisite and may enter upon the Premises to do such things and all costs and expenses incurred and expenditures made by or on behalf of the Landlord shall be forthwith paid by the Tenant to the Landlord an administration fee of 15% of such costs plus interest as set out in Section 7.6 and if the Tenant fails to pay the same the Landlord may add the same to the Rent and recover the same by all remedies available to the Landlord for the recovery of Rent in arrears, provided that if the Landlord commences or completes either the performance or the causing to be performed of any of such covenants or obligations or any part thereof, the Landlord shall not be obliged to complete such performance or causing to be performed or be later obliged to act in like fashion. If the Landlord shall suffer or incur any damage, loss, cost or expense whatsoever for which the Tenant is in any way liable hereunder, by reason of any failure of the Tenant to observe or comply with any of the covenants or agreements of the Tenant herein contained, then in every such case the amount of any such damage, loss, cost or expense shall be due and payable by the Tenant to the Landlord on demand by the Landlord and the Landlord shall have the right at its option to add the cost or amount of any such damage, loss, cost or expense to the Rent hereby reserved and any such amount shall thereupon immediately be due and payable as Rent and recoverable by the Landlord by all remedies available to the Landlord for the recovery of Rent in arrears.

6.6 Landlord's Expenses Enforcing Lease.

If it shall be necessary for the Landlord to retain the services of any person for the purpose of assisting the Landlord in enforcing any of its rights hereunder or otherwise available at law, the Landlord shall be entitled to collect from the Tenant the cost of all such services including, but not limited to, all legal fees and disbursements incurred in enforcing the Landlord's rights hereunder and in connection with all necessary court proceedings at trial or on appeal on a solicitor and own client basis, as if the same were Rent reserved and in arrears hereunder.

6.7 Remedies Cumulative.

No remedy conferred upon or reserved to the Landlord under this Lease, by statute or otherwise, shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy available to the Landlord and all such remedies and powers of the Landlord may be exercised concurrently and from time to time and as often as the Landlord deems expedient.

6.8 No Waiver.

(a) The failure of the Landlord to exercise any right or option in connection with any breach or violation of any term, covenant or condition herein contained shall not be deemed to be a waiver or relinquishment of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of the Rent or any portion hereunder by the Landlord shall not be deemed to be a waiver of a preceding breach by the Tenant of any term, covenant or condition of this Lease other than the failure of the Tenant to pay the particular amount of the Rent so accepted, regardless of the Landlord's knowledge of such preceding breach at the time of acceptance of such amount of the Rent.

(b) The acceptance of any of the Rent from, or the performance of any obligation hereunder by, a person other than the Tenant shall not be construed as an admission by the Landlord of any right, title or interest of such person as a subtenant, assignee, transferee or otherwise in the place and stead of the Tenant.

(c) The acceptance by the Landlord of a part payment of any money required to be paid hereunder shall not constitute waiver or release of the right of the Landlord to payment in full of such money.

6.9 Damage or Injury.

The Landlord shall not be liable for any personal injury, death or property loss or damage sustained by the Tenant or those for whom it is in law responsible, caused by any materials or substances which may leak into, issue or flow from any part of the Premises or any adjacent or neighbouring lands and premises.

ARTICLE 7 - MUTUAL COVENANTS, AGREEMENTS AND PROVISOS

It is hereby agreed by the Landlord and the Tenant as follows:

7.1 No Warranties/Survival of Offer to Lease.

This Lease and the Schedules annexed hereto, form an integral part hereof and set forth all the covenants, promises, agreements, conditions or understandings between the parties hereto concerning the Premises and the subject matter of this Lease and replaces and renders null and void all previous agreements to lease, offers to lease and interim agreements including without limitation that offer to lease between the Landlord and the Tenant with respect to the Premises. The Tenant acknowledges and agrees that no representations, warranties, agreements or conditions have been made that are not set out specifically in this Lease, and that no agreement collateral hereto shall be binding upon the Landlord unless it be made in writing and duly executed on behalf of the Landlord.

7.2 Notices.

All notices, demands and requests which may or are required to be given pursuant to this Lease shall be in writing and shall be sufficiently given if delivered personally to the party or an officer of the party for whom it is intended or telecopied or mailed prepaid and registered, in the case of the Landlord and the Tenant to the respective addresses specified on page 1, or at such other addresses in Alberta as the parties may from time to time advise by notice in writing. The Tenant shall require any mortgagee, assignee or sublessee of the Tenant's interest hereunder to supply their respective mailing address to the Landlord. The date of receipt of any such notice, demand or request shall be deemed to be the date of delivery or transmission of such notice, demand or request if served personally or telecopied or if mailed as aforesaid on the third day next following the date of such mailing (excluding Saturdays, Sundays and statutory holidays in Alberta), unless there is between the date of mailing and actual receipt a mail strike or other labour dispute which adversely affects mail service in Alberta, in which case:

(a) the party giving the notice, demand or request shall deliver such notice, demand or request by an alternative method; and

(b) the time of giving such notice, demand or request shall be the time of actual receipt of such notice, demand or request.

7.3 Damage and Destruction.

(a) If all or any part of the Building is damaged by fire or other casualty thereby rendering all or a portion of the Building unusable by the Tenant, then the Rent shall abate, in the proportion that part of the Building which is rendered unusable bears to the whole of the Building.

(b) Except as provided in subsection 7.3 hereof, if the Building are damaged by fire or other casualty insured against by the Landlord hereunder, then the damage to the Building shall be repaired by the Landlord at its expense except that repairs to installations, alterations, additions, partitions, improvements and fixtures made by or on behalf of the Tenant or any previous tenant or occupant of the Building or any part thereof shall be performed by the Tenant or, at the option of the Landlord, shall be performed by the Landlord at the expense of the Tenant. All repairs which the Landlord is required to make hereunder shall be made with due diligence, provided that the Landlord shall not be liable to the Tenant for any loss or damage suffered by the Tenant as a result of any delay which may arise by reason of adjustment of insurance on the part of the Landlord or on account of labour troubles or any other cause beyond the Landlord's control

(c) If, in the Landlord's opinion, the Building is damaged by fire or other casualty to the extent that it cannot reasonably be repaired or rebuilt within 120 days after the occurrence of such damage and if the Landlord shall decide not to restore the same then the Landlord shall within 90 days after the happening of such fire or other casualty give to the Tenant a notice in writing of such decision and thereupon the Term and any renewal of this Lease shall expire forthwith and the Tenant shall vacate the Premises and surrender the same to the Landlord. If the Building is damaged as aforesaid and the Landlord does not give notice as aforesaid, then the Landlord shall diligently proceed to repair the Building, excluding installations, additions, partitions, improvements and fixtures made by or on behalf of the Tenant or any previous tenant or occupant of the Premises, subject to any reasonable delay which may arise by reason of adjustment of insurance on the part of the Landlord or on account of labour troubles or any other cause beyond the Landlord's control. If the Building, excluding installations, additions, partitions, improvements and fixtures made by or on behalf of the Tenant or any previous tenant or occupant of the Building, is not repaired within nine months from the time of the fire or other casualty causing the damage (subject to such time period being extended by the length of any reasonable delay which may arise by reason of adjustment of insurance on the part of the Landlord or on account of labour troubles or any other cause beyond the Landlord's control), then the Tenant may at its option, to be exercised within 10 days of the termination of the said period of 9 months (or the termination of such later period as extended hereby) by notice in writing, terminate this Lease. Upon the termination of this Lease by the Landlord as provided in this subsection 7.3(c) the Tenant's liability for the Rent shall cease as of the day following the fire or casualty, but in the event of the termination of this Lease by the Tenant as provided in this subsection 7.3(c) the Rent shall be due and payable for the period of time up to the date of the termination of this Lease by the Tenant.

7.4 Overholding.

If the Tenant shall hold over after the expiration of the Term or any renewal thereof and the Landlord shall accept the Rent or any portion thereof the new tenancy thereby created shall be deemed a monthly tenancy (with either party having the right to terminate such monthly tenancy at any time on 30 days' Notice) and not a yearly tenancy and shall be subject to the covenants and conditions herein contained insofar as the same are applicable to a tenancy from month to month, except that if the Tenant remains in possession without the Landlord's written consent, the monthly instalments of Annual Basic Rent shall be 150% of the monthly instalments of Annual Basic Rent payable for the last month of the Term or any renewal thereof, prorated on a daily basis for each day that the Tenant remains in possession, and in addition the Tenant shall be liable for all costs, expenses, losses and damages resulting or arising from the failure of the Tenant to deliver up possession of the Premises to the Landlord.

7.5 Inability to Perform.

Whenever and to the extent that Landlord shall be unable to fulfil, or shall be delayed or restricted in the fulfilment of any obligation hereunder by reason of being unable to obtain the material, goods, equipment, service, utility or labour required to enable it to fulfil any such obligation or by reason of any statute, law or order-in-council or any regulation or order passed or made pursuant thereto or by reason of the order or direction of any administrator, controller or board, or any governmental department or officer or other authority, or by reason of not being able to obtain any permission or authority required thereby, or by reason of any other cause beyond its control whether of the foregoing character or not, the Landlord shall be entitled to extend the time for fulfilment of such obligation by a time equal to the duration of such delay or restriction, and the Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort or damage thereby occasioned, and shall not be entitled to cancel or terminate this Lease.

7.6 Interest.

Interest on any money due to the Landlord under this Lease shall be paid by the Tenant and shall accrue at the rate of 4% above the "prime rate" per annum quoted by the Landlord's principal bank, such rate of interest to be calculated and compounded monthly, not in advance, from the respective date upon which any such money becomes due to the Landlord.

7.7 Expropriation.

If the whole or any portion of the Premises shall be acquired or condemned by an authority having the power for such acquisition or condemnation then the Term and any renewal thereof shall cease from the date of entry by such authority. Nothing herein contained shall prevent the Landlord or the Tenant or both from recovering damages from such authority for the value of their respective interests or for such other damages and expenses allowed by law.

7.8 Accrual of Annual Basic Rent.

The Annual Basic Rent shall accrue from day to day. Where the calculation of any Additional Rent is not made until the termination or expiry of this Lease, the obligation of the Tenant to pay such Additional Rent shall survive the termination or expiry of this Lease and such amounts shall be payable by the Tenant upon demand by the Landlord.

7.9 Governing Law.

This Lease shall be governed by and construed in accordance with the laws of the Province of Alberta and the parties hereby attorn to the jurisdiction of the courts of Alberta. The parties acknowledge having expressly required that this Lease and all documents relating hereto be drawn up in the English language.

7.10 Number and Gender.

Where required the singular number shall be deemed to include the plural and the neuter gender the masculine of feminine.

7.11 Covenants.

The Landlord and the Tenant agree that all of the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate provision thereof. Should any provision or provisions of this Lease be illegal or not enforceable it or they shall be considered separate and severable from this Lease and its remaining provisions shall remain in force and be binding upon the parties hereto as though the said provision or provisions had never been included.

7.12 Time of the Essence.

Time shall be of the essence of this Lease.

7.13 Headings.

Any captions, headings and marginal notes throughout this Lease are for convenience and reference only and the words and phrases contained therein shall in no way be held deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of or the scope or intent of this Lease nor in any way affect this Lease.

7.14 Enurement.

This Lease shall extend to, be binding upon and enure to the benefit of the Landlord and the Tenant and their respective heirs, executors, administrators, successors and permitted assigns.

7.15 Joint and Several Liability.

All covenants, liabilities and obligations entered into or imposed upon the Tenant, if more than one person, and the Landlord, if more than one person, shall be joint and several covenants, liabilities and obligations.

7.16 Continuation of Obligations.

This Lease and the obligations of the Tenant hereunder shall continue in full force and effect notwithstanding any change in the person or persons comprising the Landlord.

7.17 Landlord's Limit of Liability.

The term "Landlord" as used in this Lease so far as covenants or obligations on the part of the Landlord are concerned shall be limited to mean the Landlord as hereinbefore set out while it retains its interest in the Premises, but upon sale, transfer or other disposition of that interest, the Landlord shall be automatically relieved after the date of such sale, transfer or other disposition of and from all liability arising out of the requirement for performance of any obligations on the part of the Landlord herein contained, it being understood and agreed hereby that the obligations contained in this Lease on the part of the Landlord shall be binding upon the Landlord, its successors and assigns, only during and in respect of the respective successive periods of its interest in the Premises. The Tenant agrees to attorn to a purchaser, transferee or person acquiring the interest of the Landlord in the Premises, such attornment to be effective and self-operative without the necessity of the execution of any further instrument on the part of the Landlord, the Tenant or any other person.

7.18 Consents.

Wherever and whenever the approval or consent of the Landlord is required to be obtained, such approval or consent may be given by such officer, agent, committee, person or persons as may from time to time be nominated or appointed in writing by the Landlord for such purpose, and any such power of nomination or appointment may be delegated by the Landlord. Such nominees, appointees or delegates shall have the right to withhold approval of or consent to and may reject any matter or thing submitted for approval or consent, and every such approval or consent given shall be in writing and may contain such conditions and stipulations as the Landlord may deem fit.

7.19 Renewal Option

The Tenant shall have the right, at its option, to renew and extend the Term for one (1) additional period of five (5) years, commencing immediately following the end of the Term (the "Renewal Period").

In order to exercise its option to renew, the Tenant shall advise the Landlord in writing on or prior to September 1, 2018 that it wishes to exercise its option to extend the Term of the Lease. The renewed Lease shall be on the same terms and conditions as set forth herein, save and except that:

a) There shall be no further option to renew or extend the Term of the Lease;

b) The Annual Basic Rent payable during the Renewal Period shall be based on the "fair market rental" paid for similar premises of similar quality and location as those of the Leased Premises as agreed upon by the Landlord and Tenant or failing such agreement, as determined by arbitration in accordance with the Arbitration Act (Alberta) as amended from time to time;

If the Tenant exercises its option to renew, then, within ten (10) business days after the Annual Basic Rent is agreed upon, the Landlord and the Tenant shall execute an amendment to the Lease which will confirm the Renewal Period Net Rent as agreed herein.

7.20 Deposit

The Landlord acknowledges receipt of the sum of $33,162.85 exclusive of GST which the Landlord shall apply to the first and last months rent of the Term.

7.22 Amendments.

This Lease shall constitute the entire agreement between the parties hereto with respect to the subject matter hereof and shall not be modified, amended or waived except by an instrument in writing duly executed and delivered by the parties hereto or by their successors and permitted assigns.

IN WITNESS WHEREOF the parties hereto have duly executed and delivered this Lease as of the day and year first above written.

392826 ALBERTA LTD.

Per: KBArnott
Name: KRYSTAL ARNOTT
Title: EXECUTIVE ASSISTANT.
c/s

QUINTERA DRILLING LP.

Per: President
Name:
Title:
c/s

Per:
Name:
Title:

SCHEDULE "B"

Landlord's Work

1. **The shop and office area located in the Building will be cleaned in a reasonable manner.**

2. **Damaged outer building Panels trim and weather stripping will be replaced, weather permitting.**

Schedule C

THIS LEASE dated for reference the 1st day of December, 2015

BETWEEN:

392826 ALBERTA LIMITED, a corporation incorporated pursuant to the laws of the Province of Alberta (the "Landlord")

AND:

QUINTERA DRILLING LP., a corporation incorporated pursuant to the laws of the Province of Alberta (the "Tenant")

ARTICLE 1 - BASIC TERMS AND DEFINITIONS

1.1 Basic Terms.

The basic terms of this Lease are:

(a) Premises: The Landlord leases to the Tenant and the Tenant leases from Landlord, that portion of those lands located in Leduc County, Alberta and legally described as Plan 7520436, Block 5, Lot 8 (the "NFL Lands") as identified in Schedule A hereto comprising approximately s 25,200 Sq. Ft. more or less (the "Premises").

(b) Term: 3 years, expiring November 30, 2018

(c) Commencement Date: December 1, 2015

(d) Annual Basic Rent exclusive of GST for the three years of the Term shall be $1.00. The Annual Basic Rent for the remaining years of the Term shall be the fair market value for rental of the Premises to be determined by mutual agreement between the Landlord and Tenant.

1.2 Permitted Uses.

The Premises shall be used for the purpose of operating a drilling company, repairing and servicing of company owned oil field tools and equipment only and for no other purpose.

1.3 Definitions.

The Landlord and the Tenant hereby agree that in this Lease the following words or phrases shall, unless there is something in the context inconsistent therewith, have the meanings hereinafter set out:

(a) "Additional Rent" shall mean those amounts payable by the Tenant to the Landlord in accordance with Section 4.2 and all other sums which may be payable to the Landlord hereunder or reimbursable to the Landlord hereunder, including, without limitation, all interest and penalties payable hereunder, whether or not such sums are referred to as Additional Rent or otherwise, but excluding the Annual Basic Rent;

(b) "Annual Basic Rent" shall mean the amount specified as such in subsection 1.1(d);

(c) "Business Days" shall mean any other day than Saturday, Sunday, or a statutory holiday in Alberta;

(d) "Change of Control" means, in the case of any corporation or partnership, the transfer or issue by sale, assignment, subscription, transmission on death, mortgage, charge, security interest, operation of law or otherwise, of any shares, voting rights or an interest which would result in any change in the effective control of such corporation or partnership, unless such change occurs as a result of trading in the shares of a public corporation listed on a recognized stock exchange in Canada or the United States.

(e) "Commencement Datc" shall mean the date specified in subsection 1.1(c);

(f) "Hazardous Substances" shall mean any explosives, radioactive materials, asbestos materials, urea formaldehyde, chlorobiphenyls (PCB's), hydrocarbon contaminants, pollutants, contaminants, hazardous, corrosive or toxic substances, special waste or any other substance the storage, use or other dealing of which is prohibited or controlled under any statute, regulation, bylaw or other lawful requirement of any governmental authority with respect to the environment, health or occupational health and safety;

(g) "Landlord" shall mean only the Landlord or the mortgagee in possession for the time being of the Premises;

(h) "Landlord's Mortgagees" shall mean the mortgagees, debenture holders and trustees on behalf of a mortgagee holding Mortgages;

(i) "Lease" shall mean this lease, together with all schedules attached hereto;

(j) "Lease Year" shall mean, in the case of the first Lease Year, the period beginning on the Commencement Date and terminating 12 months from the last day of the calendar month in which the Commencement Date occurs (except that if the Commencement Date occurs on the first day of a calendar month, the first Lease Year shall terminate on the day prior to the first anniversary of the Commencement Date) and, in the case of each subsequent Lease Year, shall mean each 12 month period after the first Lease Year;

(k) "Mortgages" shall have the meaning set out in Section 4.27;

(l) "392826 lands" means those lands legally described as Plan 0227516 Block 5, Lot 9A which are located directly west of the Premises;

(m) "Operating Costs" shall mean all the costs of operation, use, insurance, administration, management, supervision, replacement, repair and maintenance of the Premises which are not directly billed to and paid for by the Tenant including but not limited to:

   (i) the cost of all insurance maintained by the Landlord under this Lease, including without limitation coverage for loss of or damage to property, loss of rental income and public or third party liability;

   (ii) the cost of snow removal, and landscaping, maintaining, repairing and patrolling (as applicable) parking areas, sidewalks, driveways, fencing;

   (iii) the cost of garbage removal and any recycling program applicable to or adopted in respect of the Premises; and

   Provided, however, notwithstanding anything contained in this Lease the Tenant shall not be responsible for, and there shall be excluded or deducted (as appropriate) from Operating Costs the following costs, charges and expenses for which the Landlord shall be solely responsible:

   (i) principal, interest or other carrying charges or mortgage payments or other financing by the Landlord in respect of the Premises; and

   (ii) any costs in respect of which the Landlord is reimbursed by insurance, but only to the extent of the amount actually received by the Landlord.

(n) "Relative Portion" shall mean, with respect to any amount payable under this Lease, that fraction which has as its denominator the period of time expressed in days in respect of which an amount payable hereunder is calculated and which has as its numerator the number of days within the same calculation period, but which fall within the Term or any renewal period;

(o) "Rent" shall mean Annual Basic Rent and Additional Rent;

(p) "Taxes" shall mean, without duplication, the aggregate of all taxes, local improvements or similar rates, duties, assessments and/or charges, municipal realty taxes, water taxes, school taxes, or any other taxes, rates, duties, assessments both general or special or any rate, duty, assessment, charge or tax levied, charged or assessed in lieu thereof now or at any time hereafter levied or imposed upon or in respect of the Premises or any part thereof and by any governmental authority whether federal, provincial, municipal or otherwise, together with all costs and expenses (including legal and other professional fees and interest and penalties on deferred payments) incurred by the Landlord in good faith contesting or appealing any such taxes, levies, rates, assessments or charges levied in lieu thereof, but excluding the Tenant's Taxes;

(q) "Tenant's Taxes" shall mean all taxcs, license and permit fees, rates, duties and assessments imposed or levied by any lawful authority covering any period during the Term and any renewal thereof and relating to or in respect of the business of the Tenant or relating to or in respect of personal property and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions owned or installed by the Tenant at the expense of the Tenant or being the property of the Tenant, or relating to or in respect of improvements to the Premises built, made or installed by the Tenant or any previous tenant of the Premises, on behalf of the Tenant or at the Tenant's request whether any such taxes are payable by law by the Tenant or by the Landlord and whether such taxes are included by the taxing authority in the taxes, licenses, rates, duties and assessments imposed or levied on or with respect to the Premises; and all sales, goods and services, value-added or other taxes assessed or imposed on the Tenant or the Landlord, whether or not in existence on the Commencement Date, in respect of the Rent payable to the Landlord by the Tenant under this Lease, the rental of the Premises by the Landlord to the Tenant or the provision of any goods or services whatsoever by the Landlord to the Tenant under this Lease and any agreement to Lease between the Landlord and the Tenant pursuant to which this Lease was entered into; and

(r) "Term" shall mean the term specified in subsection 1.1(a).

ARTICLE 2 - DEMISE AND TERM

2.1 Demise.

The Landlord as owner, subject to such Mortgages and encumbrances as are registered against title as of the date hereof, hereby demises and leases the Premises to the Tenant and the Tenant takes the Premises on lease from the Landlord, subject to the terms and conditions set out in this Lease to have and to hold the Premises unto the Tenant for the Term from and including the Commencement Date.

ARTICLE 3 - RENT

3.1 Annual Basic Rent and Additional Rent.

Yielding and paying therefor during the Term the following Rent payable at the Landlord's address specified on page 1 or at such other place as the Landlord may from time to time designate in writing:

(a) Annual Basic Rent together with applicable GST thereon is payable in advance in equal consecutive monthly instalments on the first day of each and every month in each and every year of the Term commencing on the Commencement Date and continuing until and including the first day of the month immediately preceding the Expiry Date; and

(b) Additional Rent payable in accordance with the provisions of this Lease.

3.2 No Set-Off.

The Tenant covenants and agrees with the Landlord that all of the Rent payable under this Lease shall be paid by the Tenant to the Landlord without demand, deduction, set-off or abatement whatsoever. The Tenant covenants and agrees that the Landlord may at its option apply all sums received from or due to the Tenant against any amounts due and payable hereunder in such manner as the Landlord may see fit.

3.3 Post-Dated Cheques or Pre-Authorized Withdrawal.

The Tenant covenants and agrees to provide the Landlord with a series of 12 post-dated cheques on the Commencement Date and on each yearly anniversary thereafter during the Term and any renewal thereof. Each cheque shall be in the amount of the monthly instalment of the Annual Basic Rent provided for herein, and shall include the Tenant's monthly instalment of Additional Rent and Taxes if required by the Landlord pursuant to Section 4.2. If the Commencement Date is not the first day of a month, then the first cheque shall be in the amount of the Relative Portion of the monthly instalment otherwise required. If the Landlord so requests, the Tenant shall instead supply the Landlord with an automatic debiting authorization by which payments in respect of the monthly instalments due hereunder area automatically deducted from the Tenant's bank account and credited to the Landlord's bank account. The failure of the Tenant to comply in any way with the provisions of this Section 3.3 shall be deemed to be a default under this Lease and shall entitle the Landlord to exercise any and all remedies available to the Landlord under this Lease.

3.4 Adjustment.

If the Term shall commence or cease on a day other than the commencement of or the end of any period of time in respect of which any amount payable hereunder is calculated, then the Tenant shall pay to the Landlord its Relative Portion of such amount for such period of time.

3.5 Net Lease.

It is the intention of the parties hereto that this Lease shall be a net lease and that the Rent provided to be paid to the Landlord hereunder shall be net to the Landlord and shall yield to the Landlord the entire such rental during the Term and any renewal thereof without abatement for any cause whatsoever. Save as specifically set forth in this Lease, all costs, expenses and obligations of every kind and nature whatsoever relating to the Premises, whether or not herein referred to and whether or not of a kind now existing or within the contemplation of the parties hereto, shall be paid by the Tenant.

ARTICLE 4 - TENANT'S COVENANTS

The Tenant hereby covenants and agrees with the Landlord as follows:

4.1 Rent.

The Tenant shall pay, throughout the Term, the Annual Basic Rent and the Additional Rent, together with applicable GST thereon at the times and in the manner specified in this Lease.

4.2 Taxes and Operating Costs.

(a) Taxes

(i) The Tenant will reimburse the Landlord for all Taxes incurred or assessed with respect to the Premises or any part thereof and invoiced by the Landlord to the Tenant, within 30 days after delivery of the invoice.

(ii) The Tenant will, on the Landlord's request, promptly deliver to the Landlord receipts for payment of all Taxes and any assessments or other information related to Taxes incurred or assessed with respect to the Premises or any part thereof.

(b) Operating Costs

The Landlord may, at its option, estimate in advance any Operating Costs that will be incurred by the Landlord and payable to the Landlord by the Tenant for each fiscal year of the Premises (currently being January 1 to December 31, but subject to adjustment by the Landlord to any other 12 month period designated by it from time to time) and the Tenant shall pay to the Landlord such amounts in equal monthly instalments in advance during each fiscal year or other designated period, as the case may be, on the first day of each calendar month. Within a reasonable period of time following each fiscal year or other designated period, as the case may be, the Landlord shall furnish to the Tenant a statement of Operating Costs payable to the Landlord for such fiscal year or other designated period. If the amount payable by the Tenant as shown on any such statement is greater or less than the aggregate of amounts paid by the Tenant pursuant to this Section 4.2, the proper adjusting credit shall be made by the Landlord or payment made by the Tenant, as the case may be, within 14 days after delivery of the statement. Any credit made by the Landlord or payment made by the Tenant and accepted by the Landlord in respect of any adjustment made hereunder, shall be without prejudice to the right of the Landlord or the Tenant to claim a readjustment provided such claim is made within 12 months from the date of delivery of the statement referred to in this Section 4.2.

4.3 Tenant's Taxes.

The Tenant shall promptly pay the Tenant's Taxes as they become due. The Tenant shall provide to the Landlord, upon request, the official receipt for each payment made by the Tenant in respect of the Tenant's Taxes.

4.4 Insurance.

The Tenant covenants with the Landlord that the Tenant will, at its sole cost, obtain and maintain in force throughout the Term and during any such other time as the Tenant occupies the Premises:

(a) "all risks" insurance, including flood, earthquake, sewer backup and water damage insurance, covering all of the Tenant's property or property for which the Tenant is legally liable or installed by or on behalf of the Tenant or any previous tenant in the Premises including, without limitation, its improvements, furniture, equipment, fittings, fixtures and stock-in-trade, in amounts adequate to cover fully any loss that the Tenant could sustain (if there is a dispute as to the amount which comprises full replacement cost, the decision of the Landlord shall be conclusive); and

(b) comprehensive general liability insurance (including without limitation, tenant's legal liability and employer's liability and contractual liability to cover the responsibilities assumed under this Lease) against claims for personal injury, death or property damage occurring upon or in or about the Premises or the common areas and facilities, such coverage to include the activities and operations conducted by the Tenant and any other person on the Premises, and by the Tenant and any other person performing work on behalf of the Tenant and those for whom the Tenant is in law responsible in any part of the Premises. Such policies shall be written on a comprehensive basis with limits of not less than $5,000,000.00 per occurrence or such higher limits as the Landlord, acting reasonably, requires from time to time.

4.5 Policies.

The Tenant will effect all insurance policies with insurers, upon terms and in amounts, as to deductibles and otherwise, satisfactory to the Landlord, acting reasonably. The Tenant will furnish to the Landlord insurance certificates confirming such coverage. The Tenant will pay the premium for each policy. If the Tenant fails to purchase or to keep in force such insurance the Landlord may, but shall not be obligated to, effect such insurance, at the Tenant's cost. All policies shall be non-contributing and shall apply only as primary and not as excess in any other insurance available to the Landlord, and shall not be invalidated as respects the interests of the Landlord, its property manager or the Landlord's Mortgagees by reason of any breach or violation of any warranties, representations, declarations or conditions contained in the policies.

4.6 **Landlord as Insured.**

The Tenant will cause each of the policies for the insurance referred to in Section 4.4 to contain an undertaking by the insurer(s) to notify the Landlord at least 30 days prior to cancellation or to making any other change material to the Landlord's interests. The liability policy will include the Landlord as an additional insured, with cross-liability and severability of interest clauses among the Landlord, the other insureds and the Tenant.

4.7 Subrogation

The Tenant will cause any property insurance policy (including boiler and machinery insurance) obtained by it pursuant to this Lease to contain a waiver of subrogation clause in favour of the Landlord, and those for whom it is in law responsible.

4.8 Landlord's Insurance

The Landlord shall, at all times throughout the Term carry:

(a) public liability and property damage insurance with respect to the Landlord's operations on the Premises in such reasonable amounts not less than $5,000,000 and with such reasonable deductions as would be carried by a prudent owner of a reasonably similar commercial development, having regard to size, age and location; and

(b) such other form or forms of insurance as the Landlord reasonably considers advisable or the Landlord's Mortgagees require.

Notwithstanding any contribution by the Tenant to the cost of the Landlord's insurance premiums provided herein, the Tenant acknowledges and agrees that no insurable interest is conferred upon the Tenant under this Lease for purposes of any policies of insurance carried by the Landlord and the Tenant has no right to receive any proceeds of any such insurance policies carried by the Landlord. The Landlord will furnish to the Tenant insurance certificate(s) confirming the coverage described above.

(c) The Landlord and the Tenant hereby waive any claim arising in favour of one against the other, or anyone claiming through either, by way of subrogation or otherwise, for any loss of or damage to any property of either which loss or damage is recovered under policies of insurance. Said waiver shall be in addition to any other waiver or release contained in this Lease with regard to loss or damage to property of either the Landlord or the Tenant.

(d) The Landlord and the Tenant will provide to each other annually certificates of insurance evidencing that the insurance coverage to be maintained by each of them is in place, at least 30 days prior to the expiry of the relevant policy.

(e) All public liability insurance shall contain a provision for cross-liability or severability of interest as between the Landlord and the Tenant.

(f) All policies of insurance required under this Lease shall contain a waiver of the insurer's right of subrogation as against the Landlord or the Tenant, as the case may be.

4.9 Increases in Rates.

The Tenant will not permit or omit or do anything which might result in an increase in the cost of insurance of the Landlord or which might result in an actual or threatened cancellation of, or adverse change in, any insurance policy of the Landlord. If any rate of insurance shall be increased as aforesaid, the Tenant shall pay to the Landlord the amount of the increase forthwith upon demand. If any insurance policy of the Landlord is cancelled or threatened to be cancelled by reason of the use or occupancy of the Premises by the Tenant or any act or omission of the Tenant, the Tenant shall forthwith remedy or rectify such use, occupation, act or omission forthwith upon being requested to do so in writing by the Landlord. If the Tenant shall fail to so remedy or rectify, the Landlord may, acting reasonably at its option, but shall not be obligated to, do so at the Tenant's cost or terminate this Lease.

4.10 Release

Without limiting the foregoing, neither the Landlord or its property manager, (except in the case of the gross negligence or wilful misconduct of the Landlord or its property manager and), shall be liable for any personal injury, death or property loss or damage sustained by the Tenant or its employees, agents, sublessees, licensees or invitees in or on the Premises caused by theft or breakage or by steam, water, rain, snow, radioactive materials, microwaves, deleterious substances, gases, pollutants or any other materials or substances which may leak into, issue or flow from any part of the Premises or any adjacent or neighbouring lands and premises or from the water, steam or drainage pipes or plumbing works of the same or from any place, or any loss or damage caused by or attributable to the condition or arrangements of any electric or other wiring or any damage caused by anything done or omitted to be done by any other tenant or occupant of the Premises, and the Tenant shall indemnify the Landlord and its property manager against all actions or liabilities arising out of such personal injury, death or property damage or loss. Except in the case of the gross negligence or wilful misconduct of the Landlord or its property manager, the Tenant hereby releases the Landlord and its property manager, and their respective directors, officers, agents and employees, from all claims for damages or other expenses arising out of such personal injury, death or property loss or damage.

4.11 Repair.

(a) The Tenant shall accept possession of the Premises in "as is, where is" condition and the Landlord will have no responsibility for completing any work or improvements to the Premises except as may be expressly set out in this Lease. The Tenant shall, at all times during the Term and any renewal thereof, promptly, at its own expense, repair and maintain and replace, as necessary, the Premises and all equipment, fixtures and improvements, if any, in the same condition as of the Commencement Date, save and except reasonable wear and tear, damage by fire and other risks for which the Landlord is insured or ought to be insured pursuant to the terms of this Lease.

4.12 Repair on Notice.

(a) The Tenant shall permit the Landlord, acting reasonably, and its duly authorized agents or nominees, with or without workmen and others, at all reasonable times to enter upon the Premises for the purpose of examining the state of repair, condition and use thereof, and to permit such entry after the Landlord shall have given 24 hours' notice in writing to the Tenant of such intended entry and examination and in every case the Tenant shall afford the Landlord all aid and facilities in such entry and examination and upon notice in writing of defect or want of repair being given by the Landlord to the Tenant, to cause the same to be repaired, as required by Section 4.11 (a) hereof, within 30 days from the date of the giving of such notice by the Landlord.

(b) If the Tenant shall at any time default in the performance or observance of any of the covenants in the Lease for or relating to the repair or maintenance of the Premises or any part thereof and such default shall continue for 30 days after notice in writing from the Landlord of default in respect of repair or maintenance of the Premises then the Tenant shall permit the Landlord and its duly authorized agents and nominees, with or without workmen and others, and without prejudice to the Landlord's right of re-entry, to enter into and upon the Premises and repair and maintain the same at the expense of the Tenant and the Tenant shall afford the Landlord all aid and facilities in doing or causing the same to be done, and shall repay to the Landlord on demand all costs and expenses in respect of such repairs and maintenance as aforesaid.

4.13 Alterations and Additions.

(a) Encroachment

The Landlord shall permit the Tenant, at the Tenant's sole cost and expense, to apply to Leduc County for a roadway access permit with respect to the north property line of the Premises and if the Tenant shall be successful in obtaining such a permit, the Tenant shall be permitted to construct the roadway access referenced above in accordance with the terms and conditions of sub-section (b) below.

(b) The Tenant shall not remove, alter or change the position or style of, or add to, the Premises or any part thereof, without in any and every such case having first submitted plans and specifications thereof to the Landlord and having obtained the prior written consent of the Landlord thereto, and, unless otherwise provided by such consent, all such alterations, additions, erections or excavations shall be done either by or under the direction of the Landlord, as the Landlord may determine, but at the cost of the Tenant. All work shall be done in a good and workmanlike manner and at such times and in such manner as the Landlord may approve, and only by contractors or tradesmen approved in writing by the Landlord. The Tenant shall reimburse the Landlord forthwith on demand for all costs and expenses incurred by the Landlord in the review and approval of any plans and specifications by the Landlord's architects and engineers. The Tenant shall obtain and pay for all required building and occupancy permits in respect of its work as aforesaid. The Tenant shall, at its own cost and expense, take out or cause to be taken out any additional insurance coverage reasonably required by the Landlord to protect the respective interests of the Landlord and the Tenant during all periods when any such work is being performed.

(c) Any and all installations, alterations, additions, partitions, improvements or fixtures other than the Tenant's business and trade fixtures in or upon the Premises, whether placed there by the Tenant or the Landlord or a previous occupant of the Premises, shall, immediately upon such placement, become and shall thereafter remain the property of the Landlord without compensation therefor to the Tenant. Notwithstanding anything herein contained, the Landlord shall be under no obligation to repair, maintain, replace or insure such installations, alterations, additions, partitions and fixtures or anything in the nature of a leasehold improvement made or installed by or on behalf of the Tenant or a previous occupant of the Premises. Except as otherwise agreed by the Landlord in writing, no leasehold improvements or trade fixtures shall be removed from the Premises by the Tenant either during or at the expiry or earlier termination of the Term except that:

(i) the Tenant may, during the Term, in the usual course of its business, remove its trade fixtures, provided that the Tenant is not in default under this Lease; and

(ii) the Tenant shall, at its sole cost:

A. remove all of its trade fixtures; and

B. remove such of the leasehold improvements and wiring, cables and related devices and equipment in the Premises and restore the Premises to its previous condition as at the commence date of this Lease, all as the Landlord shall require by Notice prior to the expiration of the Term. Such removal and restoration shall be completed by the later of:

(1) the end of the Term; and

(2) 15 days after the Landlord's Notice, provided that in the event of termination of this Lease prior to the expiry of the Term, such removal and restoration shall be completed no

later than 15 days after the date the Landlord recovers possession of the Premises.

The Tenant shall at its own expense repair any damage caused to the Premises by the leasehold improvements, trade fixtures or wiring, cables and related devices and equipment and/or such removal and restoration. If the Tenant does not remove its trade fixtures, or wiring, cables and related equipment prior to the expiry or earlier termination of the Term, such trade fixtures or wiring, cables and related devices and equipment shall, at the option of the Landlord, be deemed abandoned and become the property of the Landlord and may be removed from the Premises and sold or disposed of by the Landlord in such manner as it deems advisable and the Tenant shall pay to the Landlord on demand all costs incurred by the Landlord in connection therewith, plus an administration fee of 15% of the costs.

4.14 Use of Premises.

The Tenant shall not use the Premises nor allow the Premises to be used for any purpose other than that specified in subsection 1.2, nor in any manner inconsistent with such use and occupation, and the Tenant shall not, at any time during the Term or any renewal thereof, commit or suffer to be committed any waste upon the Premises nor shall the Tenant use, exercise, or carry on, or permit or suffer to be used, exercised or carried on, in or upon the Premises, or any part thereof, any noxious, noisome or offensive art, trade, business, occupation or calling, or keep, sell, use handle or dispose of any merchandise, goods or things which are objectionable, or by which the Premises or any part thereof may be damaged or injuriously affected, and no act, matter or thing whatsoever shall, at any time during the Term or any renewal thereof, be done in or upon the Premises, or any part thereof, which may result in annoyance, nuisance, grievance, damage or disturbance to any occupiers or owners of any other lands or premises or to the holders of any registered easement, right of way or other encumbrance charging the whole or part of the Premises. The Tenant shall occupy the Premises for the purpose aforesaid continuously and without interruption throughout the Term and any renewal thereof. The Tenant shall immediately advise the Landlord of the presence of and shall do all things necessary to remove, any dangerous condition from time to time existing on the Premises and arising as a result of the act or omission of the Tenant or any person for whom the Tenant is, at law, responsible.

4.15 Signs.

The Tenant shall not, at any time, affix or exhibit or permit to be affixed or exhibited upon any part of the Premises any sign, except such as shall have been first approved in writing by the Landlord and which comply at all times with the requirements of any lawful authority having jurisdiction over the same, provided that if any such sign no longer complies with the terms of the consent given by the Landlord or the requirements of any lawful authority having jurisdiction over the same then the Landlord, after giving the Tenant 30 days' notice shall have the right to remove any such sign at the Tenant's expense and the costs, charges and expenses of such removal, plus and administration fee of 15% of such costs, shall forthwith be paid by the Tenant to the Landlord. The provisions of sections 4.4, 4.5 and 4.6 hereof shall also apply, mutatis mutandi, to any such signs. Notwithstanding the foregoing it is agreed that the Tenant may continue with current signage on the Premises as of the date of this Lease provided however the provisions hereof will be applicable to any changes.

4.16 Rubbish.

The Tenant shall keep the Premises and any loading areas used by the Tenant clean and tidy and in good order and shall not permit waste or garbage to be placed or accumulate outside of the Premises but shall dispose of such waste or garbage in the manner designated by the Landlord from time to time.

4.17 Pollution.

(a) The Tenant covenants and agrees that following the execution of this Lease it shall indemnify and save harmless the Landlord and its directors, officers, servants, agents and employees from any and all claims, liabilities, actions, proceedings, demands, losses, costs, damages and expenses whatsoever which may be commenced against or suffered by the Landlord, its property manager, their, directors, officers, servants, agents or employees or which they may sustain, pay or incur as a result of any matter or thing arising out of or resulting from, attributable to or connected with any environmental liabilities relating to the Premises, or any portion thereof, caused or contributed to by the Tenant or anyone for whom it is responsible at law including, without limitation, damage from or removal of Hazardous Substances, clean-up and reclamation.

(b) The Tenant shall, at its sole cost and expense, comply with all laws and regulations from time to time in force relating to Hazardous Substances and the protection of the environment and shall immediately give written notice to the Landlord of the occurrence of any event in, on or under the Premises constituting an offence thereunder or being in breach thereof and upon the happening of such event, the Tenant shall, at its sole cost and expense, promptly remove all Hazardous Substances from the Premises in a manner which conforms with all laws and regulations governing the removal of the same and remediate any damage to the Premises caused by such event.

(c) Without limiting the generality of the foregoing, the Tenant shall not discharge nor permit the discharge of any oil or grease or any deleterious, objectionable, dangerous, radioactive, poisonous or explosive matter or substance on, in, under or above the Premises or into any water, ditches, water courses, culverts, drains or sewers and the Tenant shall take all reasonable measures for ensuring that any effluent discharged shall not be corrosive, poisonous or otherwise harmful to or cause obstruction, deposit or pollution within any waters, ditches, water courses, culverts, drains or sewers or to or within any sewage disposal works or to the bacteriological process of sewage purification, and the Tenant shall at the Landlord's request, acting reasonably, permit the testing and monitoring of any such effluent from the Tenant's operations and shall permit the Landlord access to the Premises for the purposes of carrying out such testing and monitoring, and any other testing of the environmental status of the Premises as required by the Landlord or the Landlord's Mortgagees from time to time, acting reasonably. The costs of all such monitoring and testing shall be included in Operating Costs.

(d) The Tenant's obligations hereunder shall survive the expiry or earlier termination of this Lease.

4.18 Abate Nuisance.

Upon written notice to the Tenant from the Landlord or from any lawful authority having jurisdiction requiring the abatement of any nuisance caused by vibration, noise or offensive smell or by any undue emission of smoke, vapour or dust caused by the Tenant or arising directly or indirectly out of the operations carried on upon the Premises, the Tenant shall forthwith abate such nuisance accordingly.

4.19 Parking and Obstruction of Roads.

The Tenant shall not permit any vehicles owned by or under the control of the Tenant to cause an obstruction on any roadways in or about the Premises and the Tenant shall use its best endeavours to ensure that all persons doing business with the Tenant and their servants and workmen shall not permit any vehicles to park in such area or cause such obstruction as aforesaid. The Tenant shall also use its best endeavours to ensure that vehicles owned by or under the control of the Tenant, its employees or persons doing business with the Tenant shall observe any regulations and instructions made or given by the Landlord or by any other person, corporation or body having authority to make or give such regulations or instructions with regard to the operation and parking of vehicles on the said roadways or other areas provided for the parking of vehicles on the Premises. The Tenant acknowledges that the Landlord may remove or cause removal of any motor vehicle of the Tenant, its employees, agents, customers or invitees parked in areas reserved for the use of any other person or obstructing any roadway and the Tenant will pay the cost of any such removal to the Landlord on demand.

4.20 No Auctions.

The Tenant shall not permit any sale by auction nor any fire sale, bankruptcy sale, moving sale, going-out-of business sale or bulk sale to be held upon the Premises or any part thereof, other than annual warehouse sales in the ordinary course of business.

4.21 Assignment and Subletting.

(a) The Tenant shall not assign this Lease or any interest therein, nor sublet the Premises or any part thereof, nor part with or share possession of all or any part of the Premises, including by way of Change of Control, without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.

(b) Notwithstanding and without prejudice to any other provision herein, in the event that the Tenant desires to assign, sublet or part with or share possession of not less than all of thc Premises, including by way of Change of Control, or to transfer this Lease in any other manner, in whole, or to transfer any estate or interest thereunder, then and so often as such event shall occur the Tenant shall give prior written notice to the Landlord of such desire, specifying therein the proposed assignee, transferee, sublessee or occupier and shall provide to the Landlord such information on the nature of the business of the proposed assignee, transferee, sublessee or occupier and its financial responsibility and standing as the Landlord may reasonably require and the terms and conditions of the proposed assignment, transfer, sublease or change in possession and shall deliver to the Landlord a copy of the assignment, transfer or sublease intended to be executed by the Tenant and the assignee, transferee or subtenant. Upon the receipt of such notice and information from the Tenant, the Landlord shall in writing within 30 days after receipt of such notice notify the Tenant in writing, that:

(i) it consents; or

(ii) it does not consent as aforesaid to the assignment, transfer, subletting or parting with or sharing possession as the case may be.

(c) No such assignment, transfer, subletting or parting with or sharing possession shall in any manner release the Tenant from its obligations for the payment of the Rent and the observance and performance of the covenants, terms and conditions herein provided.

(d) The Tenant shall not permit any part of the Premises to be used or occupied by any persons other than the Tenant or any subtenants permitted under subsection 4.21(b) and the employees of the Tenant and of any such permitted subtenant, and shall not permit any part of the Premises to be used or occupied by any licensee or concessionaire, or permit any persons to be upon the Premises other than the Tenant, such permitted subtenants, and their respective employees, customers and others having legitimate business with them.

(e) The Tenant shall insert in every permitted sublease of the Premises a covenant by the sublessee with the sublessor to produce to the Landlord within one month immediately following the making thereof a copy of every assignment of the sub-demised premises made by the sublessee or the persons deriving title under it.

(f) The Tenant shall, at the request of the Landlord, require any assignee of the interest of the Tenant hereunder, at the time of such assignment, to enter into a written agreement with the Landlord whereby the assignee covenants and agrees with the Landlord to observe and perform all of the covenants, agreements, provisos, terms and conditions of this Lease, provided that if the Tenant fails to require the assignee to enter into such a written agreement at the Landlord's request the Landlord may refuse to grant its consent to the assignment, or where such consent is not required the assignment shall not be effective until such written agreement is executed by the assignee. Without in any way restricting the generality of the Landlord's right to refuse to consent to an assignment or subletting, the Landlord may refuse to grant its consent to an assignment or subletting in the event that this Lease is not in good standing.

(g) The Tenant shall forthwith upon demand by the Landlord, pay to or reimburse to the Landlord all solicitors' fees and all other costs, charges, and expenses reasonably incurred by the Landlord in connection with the Tenant's request for consent to any assignment, subletting or parting with or sharing of possession.

(h) Upon the Landlord's request, the Tenant shall:

(i) deliver a statutory declaration by one of its senior officers setting forth the details of its corporate and capital structure; and

(ii) make available to the Landlord or its representatives all of its corporate or partnership records as they relate to the ownership or control of the Tenant, as the case may be, for inspection at all reasonable times, shall be reasonably necessary.

4.22 Liens.

The Tenant shall not create or grant any mortgage, conditional sale agreement, security under the *Bank Act* or under any personal property security statute or other encumbrance in respect of its improvements, trade fixtures, goods or merchandise or permit any such mortgage, conditional sale agreement, security under the *Bank Act* or under any personal property security statute or other encumbrance to attach to the Premises. If and when any builder's or construction lien or other lien for work, labour, services or materials supplied to or for the Tenant or for the cost of which the Tenant may be in any way liable or claims therefore shall arise or be filed or any such mortgage, conditional sale agreement, security under the *Bank Act* or under any personal property security statute or other encumbrance shall attach, the Tenant shall within 30 days after receipt of notice thereof procure the discharge thereof, including any certificate of action registered in respect thereof, by payment or in such other manner as may be required or permitted by law, including payment into court, and failing which the Landlord may in addition to all other remedies hereunder avail itself of its remedy under Section 6.5 and may make any payments required to procure the discharge of any such lien or encumbrance, shall be entitled to be reimbursed by the Tenant as provided in Section 6.5, and its right to reimbursement shall not be affected or impaired if the Tenant shall then or subsequently establish or claim that any lien, mortgage, conditional sale agreement, security under the *Bank Act* or under any personal property security statute or other encumbrance so discharged was without merit or excessive or subject to any abatement, setoff or defence.

4.23 Registered Charges.

The Tenant shall pay all money owed by it under any conditional sale agreement or other charge registered or filed against the Premises, and immediately upon all of the payments having been made thereunder, the Tenant shall obtain a memorandum of satisfaction or other appropriate document of discharge and shall register the same at its own expense in the proper land title office or other appropriate office of public record as the Landlord may require to discharge the same from the title to the Premises.

4.24 Exhibit Premises.

The Landlord shall have the right to exhibit the Premises to:

(a) prospective tenants or sub-tenants during the 6 month period prior to the Expiry Date and any renewal of the Term; and

(b) the Landlord's Mortgagees and prospective mortgagees and any prospective purchaser of the whole or any part of the Landlord's interest in the Premises;

and for such purposes the Landlord shall have the right of entry to the Premises at any reasonable time, upon 48 hours written notice to the Tenant, and the Tenant at its option may have a servant or agent present at the time of such entry.

4.25 Registration of Lease.

The Tenant covenants and agrees with the Landlord that the Landlord shall not be obliged to execute or deliver this Lease in form registrable in any land title office and that the Tenant shall not register this Lease. The Tenant shall be permitted to register a caveat at the Land Titles Office with respect to its interest under the Lease. All costs and expenses in connection with any registration of this Lease or a caveat or notice thereof (if permitted by the Landlord) and any plans required for registration shall be borne by the Tenant.

4.26 Compliance with Laws.

The Tenant shall do, observe and perform all of its obligations and all matters and things necessary or expedient to be done, observed or performed by the Tenant by virtue of any law, statute, by-law, ordinance, regulation or lawful requirements of any governmental authority or any public utility or railway company lawfully acting under statutory authority and all demands and notices in pursuance thereof whether given to the Tenant or the Landlord and in any manner or degree affecting the Premises, the state of repair or condition thereof, the safety thereof, the use thereof by the Tenant or the exercise or fulfilment of any right or obligation arising under or as a result of this Lease. If any such demand or notice is given lawfully requiring the execution of works, then:

(a) if such notice is given to the Tenant, the Tenant shall forthwith deliver the same or a true copy thereof to the Landlord and the Tenant shall forthwith, at its own expense, execute to the satisfaction of the Landlord and the person giving such notice all such works as the Landlord may approve in writing in order to comply with the requirements of the said notice; or

(b) if such notice is given to the Landlord, the Landlord shall notify the Tenant and thereupon the Tenant shall, at its own expense, forthwith execute to the satisfaction of the Landlord and the person giving such notice all such works as the Landlord and the person giving such notice may require in order to comply with the requirements of the said notice.

Notwithstanding the foregoing, the Landlord shall have the right to execute any such works and the Tenant shall afford to the Landlord all necessary access to the Premises and other facilities for that purpose and the Tenant shall, on demand by the Landlord, pay to the Landlord all costs and expenses incurred by the Landlord in executing and performing any and all such works.

4.27 Subordination.

This Lease, and any registration in respect thereof, including a caveat, is and shall be subject, subordinate and postponed to all mortgages, including any debentures and any deeds of trust and mortgages securing bonds and all indentures supplemental thereto (herein collectively called the "Mortgages") which may now or hereafter charge the Premises or any part thereof and to all renewals, modifications, consolidations, replacements and extensions of the Mortgages, to the intent that, without execution of any document other than this Lease, the Mortgages and all renewals, modifications, consolidations, replacements and extensions thereof shall have priority over this Lease notwithstanding the respective dates of execution or registration thereof. Without limiting the generality of the foregoing, the Tenant agrees to execute promptly any document in confirmation of such subordination, postponement and priority which the Landlord may request and the Tenant hereby irrevocably constitutes and appoints the Landlord the agent and attorney of the Tenant for the purpose of executing any such document and of making application in the name of the Tenant at any time and from time to time to register postponements of this Lease, and any registrations in respect thereof, including a caveat, in favour of any of the Mortgages or any renewal, modification, consolidation, replacement or extension of any of the Mortgages in order to give effect to the foregoing provisions of this paragraph. Provided however, the subordination and postponement of this Lease and any registrations in respect thereof, including a caveat, to any of the Mortgages shall not be effective with respect to a specific Mortgage unless and until the Landlord's Mortgagee holding such Mortgage shall confirm in writing to the Tenant that the Tenant shall have the right, if not in default under this Lease, to remain in possession of the Premises in accordance with the terms of this Lease in the event such Landlord's Mortgagee obtains title to the Premises by way of foreclosure or otherwise.

4.28 Attornment.

Whenever required by any of the Landlord's Mortgagees under any of the Mortgages the Tenant shall attorn to and become a tenant or licensee of such Landlord's Mortgagee or a tenant of any purchaser from such Landlord's Mortgagee in the event of an exercise by such Landlord's Mortgagees of the power of sale in any of the Mortgages set out, for the then unexpired residue of the Term upon all of the terms and conditions hereof.

4.29 Estoppel Certificate.

The Tenant shall at any time and from time to time upon five days' prior notice from the Landlord execute and deliver to the Landlord or the Landlord's Mortgagees or a prospective purchaser of the Premises or the whole or any portion of the Landlord's interest in the Premises, a statement in writing confirming the terms of this Lease, certifying that this Lease in unmodified and in full force and effect (or, if modified, stating the modifications and that the same is in full force and effect as modified), the amount of the Rent then being paid hereunder, the dates to which the Rent and other charges hereunder have been paid, that the Landlord has complied with all the terms of this Lease, that the Premises are acceptable to the Tenant, that the Tenant shall not amend, modify or surrender this Lease or make any prepayment of the Rent other than the Rent for the current month without the prior written consent of the Landlord's Mortgagees, that there are no outstanding set-offs or equities disclosed or undisclosed as between the Landlord and the Tenant, that no money other than a maximum of one month's Rent in accordance with the provisions of the Lease has been prepaid by the Tenant to the Landlord, that the Tenant is aware of the assignment by the Landlord to the Landlord's Mortgagees of all Rent under this Lease, and any other matters pertaining to this Lease in respect of which the Landlord may desire certification. The Tenant hereby irrevocably constitutes and appoints the Landlord the agent and attorney of the Tenant for the purpose of executing and delivering such certificate or certificates for and on behalf of the Tenant.

4.30 Rules and Regulations.

The Tenant shall comply and cause every Person over whom it has control to comply with the rules and regulations with respect to the Premises which the Landlord apprises the Tenant of in writing from time to time (the "Rules and Regulations"). The Landlord shall have the right from time to time to make reasonable amendments, deletions and additions to such Rules and Regulations upon written notice to the Tenant. If the Rules and Regulations conflict with any other provisions of this Lease, the other provisions of this Lease shall govern. The Landlord shall not be obligated to enforce the Rules and Regulations and shall not be responsible to the Tenant for failure of any person to comply with the Rules and Regulations.

4.31 Indemnity.

The Tenant shall indemnify and save harmless the Landlord and those for whom it is in law responsible, from and against any and all manner of claims, actions or causes of action, demands, damages, costs, losses or expenses of whatever kind (including legal fees on a solicitor and own client basis) that may arise directly or indirectly out of this Lease or any act or omission of the Tenant or anyone for whom the Tenant is at law responsible, in the use or occupation of the Premises. This liability to indemnify and save harmless shall survive any termination of this Lease, and the expiry of the Term or any renewal thereof, anything in this Lease to the contrary notwithstanding.

4.32 Sales or Dispositions by Landlord.

The Landlord shall have the unrestricted right to sell, transfer, lease, license, charge or otherwise dispose of all of any part of its interest in the Premises or any interest of the Landlord in this Lease. In the event of any sale, transfer, lease or other disposition the Landlord shall thereupon, and without further agreement, be released or all liability under this Lease arising from and after such disposition, providing any buyer or assignee of the Landlord's interest in the Premises agrees, in writing, to perform all of the Landlord's convents under this Lease.

ARTICLE 5 - LANDLORD'S COVENANTS

The Landlord covenants with the Tenant as follows:

5.1 Quiet Enjoyment.

If the Tenant pays the Rent and performs the covenants herein on its part contained, the Tenant shall be entitled to quiet enjoyment of the Premises, subject to the rights of owners or occupiers of the easements and rights-of-way, if any, now or hereafter registered against title to the Premises.

5.2 Environmental Report.

Prior to the execution of the formal lease, the Landlord shall provide, at its sole cost and expense, a phase I / II environmental assessment of the Lands (the "Consultant's Report" or the "Report") prepared by a duly qualified independent professional engineer experienced in environmental assessments (the "Consultant"). The Landlord shall provide the Tenant with a copy of the Consultant's Report.

At the expiration or early determination of the Lease, the Tenant shall be obligated at its sole cost and expense to engage the Consultant to prepare an environmental assessment of the lands (the "Going out Assessment"). The Going Out Assessment shall be prepared and delivered to the Landlord 60 days prior to the expiration of the Term or within 30 days following its termination, if earlier terminated. The tenant in making the assessment as to whether or not the environment conditions in which the Lands existed at the commencement date as set forth in the Going In Assessment are met and shall be obligated to complete only the same site investigations and assessments as were conducted prior to the Commencement Date in conjunction with the Going in Assessment.

ARTICLE 6 - REMEDIES UPON DEFAULT

6.1 Re-entry on Default.

If:

(a) any payments of the Rent or any part thereof are in arrears and are not paid within 5 Business Days after notice from the Landlord;

(b) any breach, non-observance or non-performance of any covenant, agreement, stipulation, proviso, condition, rule or regulation herein contained on the part of the Tenant to be kept, performed or observed hereunder and any such breach, non-observance or non-performance shall continue for 10 Business Days after written notice thereof to the Tenant by the Landlord;

(c) the Premises is vacated or remains unoccupied for 10 consecutive Business Days other than where the Tenant has accepted continuing responsibility for the Premises in writing to the Landlord 10 Business Days before vacating the Premises;;

(d) the Term or any renewal thereof or any of the goods and chattels of the Tenant shall at any time during the Term or any renewal thereof be seized or taken in attachment by any creditor of the Tenant and any such seizure or attachment is not released or vacated within 30 Business Days after such occurrence;

(e) a writ of execution, sequestration or extent shall issue against the goods and chattels of the Tenant and such writ is not stayed or vacated within 30 Business Days after the date of such issue;

(f) any petition or other application is presented to any court of competent jurisdiction for the dissolution, liquidation or winding up of the Tenant or for the appointment of a receiver of receiver and manager;

(g) the Tenant becomes bankrupt or insolvent or takes the benefit of any statute now or hereafter in force for bankrupt or insolvent debtors;

(h) if the Premises is used for any purpose other than that for which they were let without the prior written consent of the Landlord;

(i) the Tenant makes an assignment for the benefit of creditors or shall make any sale or other disposition of its goods and chattels pursuant to or which should legally have been done pursuant to any legislation relating to bulk sales (except one incidental to any reorganization of the Tenant, if any, or its amalgamation with any other company);

(j) the Landlord believes and has commercially good grounds to believe that the Tenant is or is likely to become an "insolvent person", as that term is defined in the *Bankruptcy Act*, as amended; and

(k) in the event that the Tenant has filed a notice of intention to make a proposal or a proposal under the *Bankruptcy Act*, as amended, the Tenant has defaulted under any of subsections 6.1(a) to (j) above after the date of the filing of such notice of intention to file a proposal or such proposal;

then and in any such event:

(i) the Landlord, in addition to any other remedy now or hereafter provided, may re-enter and take possession immediately of the Premises or any part thereof in the name of the whole by force if necessary without any previous notice of intention to re-enter and may remove all persons and property therefrom and may use such force and assistance in making such removal as the Landlord may deem advisable to recover at once full and exclusive possession of the Premises and such re-entry shall not operate as a waiver or satisfaction in whole or in part of any right, claim or demand arising out of or connected with any breach, non-observance or non-performance of any covenant or agreement on the part of the Tenant to be kept, observed or performed; and

(ii) the next ensuing three months' Annual Basic Rent and Additional Rent (to be determined at rates estimated by the Landlord acting reasonably) and any additional money owing hereunder shall immediately become due and payable and shall be recoverable by the Landlord as if it were Rent in arrears, but the Tenant shall remain liable under this Lease.

6.2 Sale and Reletting.

Upon the Landlord becoming entitled to re-enter upon the Premises under any of the provisions of this Lease the Landlord, in addition to all other rights and remedies, shall have the right to enter the Premises as the agent of the Tenant either by force or otherwise, without being liable for any prosecution therefor and to relet the Premises as the agent of the Tenant, and to receive all rent therefor, and as agent of the Tenant to take possession of any business and trade fixtures of the Tenant and any goods and property whatsoever on the Premises and to sell the same at public or private sale without notice and to apply the proceeds of such sale and any rent derived from reletting the Premises, after deducting its costs of conducting such sale and its costs of reletting, in payment of the Rent due under this Lease, and the Tenant shall be liable to the Landlord for any deficiency.

6.3 Termination.

Upon the Landlord becoming entitled to re-enter upon the Premises under any of the provisions of this Lease, the Landlord, in addition to all other rights and remedies, shall have the right to determine forthwith this Lease and the Term or any renewal thereof by giving notice in writing addressed to the Tenant of its intention so to do, and thereupon the Rent shall be computed, apportioned and paid in full to the date of such determination of this Lease, the Tenant shall pay any other amounts for which the Tenant is liable under this Lease pursuant to Section 7.5, the Tenant shall forthwith deliver up possession of the Premises to the Landlord and the Landlord may re-enter and take possession of the Premises.

6.4 Distress.

Whensoever the Landlord shall be entitled to levy distress against the goods and chattels of the Tenant it may use such force as it may deem necessary for the purpose and for gaining admission to the Premises without being liable for any action in respect thereof or for any loss or damage occasioned thereby and the Tenant hereby expressly releases the Landlord from all actions, proceedings, claims or demands whatsoever for or on account of or in respect of any such forcible entry of any loss or damage sustained by the Tenant in connection therewith. The Tenant waives and renounces the benefit of any present or future statute taking away or limiting the Landlord's right of distress, and covenants and agrees that notwithstanding any such statute none of the goods and chattels of the Tenant on the Premises at any time during the Term or any renewal thereof shall be exempt from levy by distress for Rent in arrears.

6.5 Payments by Landlord Regarded as Rent.

If the Tenant shall fail to observe or perform any of the covenants or obligations of the Tenant under or in respect of this Lease the Landlord may from time to time at its discretion perform or cause to be performed any of such covenants or obligations or any part thereof and for such purpose may do such things as may be requisite and may enter upon the Premises to do such things and all costs and expenses incurred and expenditures made by or on behalf of the Landlord shall be forthwith paid by the Tenant to the Landlord an administration fee of 15% of such costs plus interest as set out in Section 7.5 and if the Tenant fails to pay the same the Landlord may add the same to the Rent and recover the same by all remedies available to the Landlord for the recovery of Rent in arrears, provided that if the Landlord commences or completes either the performance or the causing to be performed of any of such covenants or obligations or any part thereof, the Landlord shall not be obliged to complete such performance or causing to be performed or be later obliged to act in like fashion. If the Landlord shall suffer or incur any damage, loss, cost or expense whatsoever for which the Tenant is in any way liable hereunder, by reason of any failure of the Tenant to observe or comply with any of the covenants or agreements of the Tenant herein contained, then in every such case the amount of any such damage, loss, cost or expense shall be due and payable by the Tenant to the Landlord on demand by the Landlord and the Landlord shall have the right at its option to add the cost or amount of any such damage, loss, cost or expense to the Rent hereby reserved and any such amount shall thereupon immediately be due and payable as Rent and recoverable by the Landlord by all remedies available to the Landlord for the recovery of Rent in arrears.

6.6 Landlord's Expenses Enforcing Lease.

If it shall be necessary for the Landlord to retain the services of any person for the purpose of assisting the Landlord in enforcing any of its rights hereunder or otherwise available at law, the Landlord shall be entitled to collect from the Tenant the cost of all such services including, but not limited to, all legal fees and disbursements incurred in enforcing the Landlord's rights hereunder and in connection with all necessary court proceedings at trial or on appeal on a solicitor and own client basis, as if the same were Rent reserved and in arrears hereunder.

6.7 Remedies Cumulative.

No remedy conferred upon or reserved to the Landlord under this Lease, by statute or otherwise, shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy available to the Landlord and all such remedies and powers of the Landlord may be exercised concurrently and from time to time and as often as the Landlord deems expedient.

6.8 No Waiver.

(a) The failure of the Landlord to exercise any right or option in connection with any breach or violation of any term, covenant or condition herein contained shall not be deemed to be a waiver or relinquishment of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of the Rent or any portion hereunder by the Landlord shall not be deemed to be a waiver of a preceding breach by the Tenant of any term, covenant or condition of this Lease other than the failure of the Tenant to pay the particular amount of the Rent so accepted, regardless of the Landlord's knowledge of such preceding breach at the time of acceptance of such amount of the Rent.

(b) The acceptance of any of the Rent from, or the performance of any obligation hereunder by, a person other than the Tenant shall not be construed as an admission by the Landlord of any right, title or interest of such person as a subtenant, assignee, transferee or otherwise in the place and stead of the Tenant.

(c) The acceptance by the Landlord of a part payment of any money required to be paid hereunder shall not constitute waiver or release of the right of the Landlord to payment in full of such money.

6.9 Damage or Injury.

The Landlord shall not be liable for any personal injury, death or property loss or damage sustained by the Tenant or those for whom it is in law responsible, caused by any materials or substances which may leak into, issue or flow from any part of the Premises or any adjacent or neighbouring lands and premises.

ARTICLE 7 - MUTUAL COVENANTS, AGREEMENTS AND PROVISOS

It is hereby agreed by the Landlord and the Tenant as follows:

7.1 No Warranties/Survival of Offer to Lease.

This Lease and the Schedules annexed hereto, form an integral part hereof and set forth all the covenants, promises, agreements, conditions or understandings between the parties hereto concerning the Premises and the subject matter of this Lease and replaces and renders null and void all previous agreements to lease, offers to lease and interim agreements between the Landlord and the Tenant. The Tenant acknowledges and agrees that no representations, warranties, agreements or conditions have been made that are not set out specifically in this Lease, and that no agreement collateral hereto shall be binding upon the Landlord unless it be made in writing and duly executed on behalf of the Landlord.

7.2 Notices.

All notices, demands and requests which may or are required to be given pursuant to this Lease shall be in writing and shall be sufficiently given if delivered personally to the party or an officer of the party for whom it is intended or telecopied or mailed prepaid and registered, in the case of the Landlord and the Tenant to the respective addresses specified on page 1, or at such other addresses in Alberta as the parties may from time to time advise by notice in writing. The Tenant shall require any mortgagee, assignee or sublessee of the Tenant's interest hereunder to supply their respective mailing address to the Landlord. The date of receipt of any such notice, demand or request shall be deemed to be the date of delivery or transmission of such notice, demand or request if served personally or telecopied or if mailed as aforesaid on the third day next following the date of such mailing (excluding Saturdays, Sundays and statutory holidays in Alberta), unless there is between the date of mailing and actual receipt a mail strike or other labour dispute which adversely affects mail service in Alberta, in which case:

(a) the party giving the notice, demand or request shall deliver such notice, demand or request by an alternative method; and

(b) the time of giving such notice, demand or request shall be the time of actual receipt of such notice, demand or request.

7.3 Overholding.

If the Tenant shall hold over after the expiration of the Term or any renewal thereof and the Landlord shall accept the Rent or any portion thereof the new tenancy thereby created shall be deemed a monthly tenancy (with either party having the right to terminate such monthly tenancy at any time on 30 days' Notice) and not a yearly tenancy and shall be subject to the covenants and conditions herein contained insofar as the same are applicable to a tenancy from month to month, except that if the Tenant remains in possession without the Landlord's written consent, the monthly instalments of Annual Basic Rent shall be 150% of the monthly instalments of Annual Basic Rent payable for the last month of the Term or any renewal thereof, prorated on a daily basis for each day that the Tenant remains in possession, and in addition the Tenant shall be liable for all costs, expenses, losses and damages resulting or arising from the failure of the Tenant to deliver up possession of the Premises to the Landlord.

7.4 Inability to Perform.

Whenever and to the extent that Landlord shall be unable to fulfil, or shall be delayed or restricted in the fulfilment of any obligation hereunder by reason of being unable to obtain the material, goods, equipment, service, utility or labour required to enable it to fulfil any such obligation or by reason of any statute, law or order-in-council or any regulation or order passed or made pursuant thereto or by reason of the order or direction of any administrator, controller or board, or any governmental department or officer or other authority, or by reason of not being able to obtain any permission or authority required thereby, or by reason of any other cause beyond its control whether of the foregoing character or not, the Landlord shall be entitled to extend the time for fulfilment of such obligation by a time equal to the duration of such delay or restriction, and the Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort or damage thereby occasioned, and shall not be entitled to cancel or terminate this Lease.

7.5 Interest.

Interest on any money due to the Landlord under this Lease shall be paid by the Tenant and shall accrue at the rate of 4% above the "prime rate" per annum quoted by the Landlord's principal bank, such rate of interest to be calculated and compounded monthly, not in advance, from the respective date upon which any such money becomes due to the Landlord.

7.6 Expropriation.

If the whole or any portion of the Premises shall be acquired or condemned by an authority having the power for such acquisition or condemnation then the Term and any renewal thereof shall cease from the date of entry by such authority. Nothing herein contained shall prevent the Landlord or the Tenant or both from recovering damages from such authority for the value of their respective interests or for such other damages and expenses allowed by law.

7.7 Accrual of Annual Basic Rent.

The Annual Basic Rent shall accrue from day to day. Where the calculation of any Additional Rent is not made until the termination or expiry of this Lease, the obligation of the Tenant to pay such Additional Rent shall survive the termination or expiry of this Lease and such amounts shall be payable by the Tenant upon demand by the Landlord.

7.8 Governing Law.

This Lease shall be governed by and construed in accordance with the laws of the Province of Alberta and the parties hereby attorn to the jurisdiction of the courts of Alberta. The parties acknowledge having expressly required that this Lease and all documents relating hereto be drawn up in the English language.

7.9 Number and Gender.

Where required the singular number shall be deemed to include the plural and the neuter gender the masculine of feminine.

7.10 Covenants.

The Landlord and the Tenant agree that all of the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate provision thereof. Should any provision or provisions of this Lease be illegal or not enforceable it or they shall be considered separate and severable from this Lease and its remaining provisions shall remain in force and be binding upon the parties hereto as though the said provision or provisions had never been included.

7.11 Time of the Essence.

Time shall be of the essence of this Lease.

7.12 Headings.

Any captions, headings and marginal notes throughout this Lease are for convenience and reference only and the words and phrases contained therein shall in no way be held deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of or the scope or intent of this Lease nor in any way affect this Lease.

7.13 Enurement.

This Lease shall extend to, be binding upon and enure to the benefit of the Landlord and the Tenant and their respective heirs, executors, administrators, successors and permitted assigns.

7.14 Joint and Several Liability.

All covenants, liabilities and obligations entered into or imposed upon the Tenant, if more than one person, and the Landlord, if more than one person, shall be joint and several covenants, liabilities and obligations.

7.15 Continuation of Obligations.

This Lease and the obligations of the Tenant hereunder shall continue in full force and effect notwithstanding any change in the person or persons comprising the Landlord.

7.16 Landlord's Limit of Liability.

The term "Landlord" as used in this Lease so far as covenants or obligations on the part of the Landlord are concerned shall be limlted to mean the Landlord as hereinbefore set out while it retains its interest in the Premises, but upon sale, transfer or other disposition of that interest, the Landlord shall be automatically relieved after the date of such sale, transfer or other disposition of and from all liability arising out of the requirement for performance of any obligations on the part of the Landlord herein contained, providing any buyer or assignee of the Landlord's interest in the Premises agrees, in writing, to perform all of the Landlord's convents under this Lease, it being understood and agreed hereby that the obligations contained in this Lease on the part of the Landlord shall be binding upon the Landlord, its successors and assigns, only during and in respect of the respective successive periods of its interest in the Premises. The Tenant agrees to attorn to a purchaser, transferee or person acquiring the interest of the Landlord in the Premises, such attornment to be effective and self-operative without the necessity of the execution of any further instrument on the part of the Landlord, the Tenant or any other person.

7.17 Consents.

Wherever and whenever the approval or consent of the Landlord is required to be obtained, such approval or consent may be given by such officer, agent, committee, person or persons as may from time to time be nominated or appointed in writing by the Landlord for such purpose, and any such power of nomination or appointment may be delegated by the Landlord. Such nominees, appointees or delegates shall have the right to withhold approval of or consent to and may reject any matter or thing submitted for approval or consent, and every such approval or consent given shall be in writing and may contain such conditions and stipulations as the Landlord may deem fit.

7.19 Renewal Option.

The Tenant shall have the right, at its option, to renew and extend the Term for one (1) additional period of five (5) years, commencing immediately following the end of the Term (the "Renewal Period").

In order to exercise its option to renew, the Tenant shall advise the Landlord in writing on or prior to September 1, 2018 that it wishes to exercise its option to extend the Term of the Lease. The renewed Lease shall be on the same terms and conditions as set forth herein, save and except that:

(a) There shall be no further option to renew or extend the Term of the Lease;

(b) The Annual Basic Rent payable during the Renewal Period shall be based on the "fair market rental" paid for similar premlses of similar quality and location as those of the Leased Premises as agreed upon by the Landlord and Tenant or failing such agreement, as determined by arbitration in accordance with the Arbitration Act (Alberta) as amended from time to time;

If the Tenant exercises its option to renew, then, within ten (10) business days after the Annual Basic Rent is agreed upon, the Landlord and the Tenant shall execute an amendment to the Lease which will confirm the Renewal Period Net Rent as agreed herein.

7.20 Amendments.

This Lease shall constitute the entire agreement between the parties hereto with respect to the subject matter hereof and shall not be modified, amended or waived except by an instrument in writing duly executed and delivered by the parties hereto or by their successors and permitted assigns.

IN WITNESS WHEREOF the parties hereto have duly executed and delivered this Lease as of the day and year first above written.

392826 ALBERTA LIMITED

Per: [signature]
Name: KRYSTAL ARNOTT
Title: EXECUTIVE ASSISTANT
c/s

QINTERA DRILLING LP

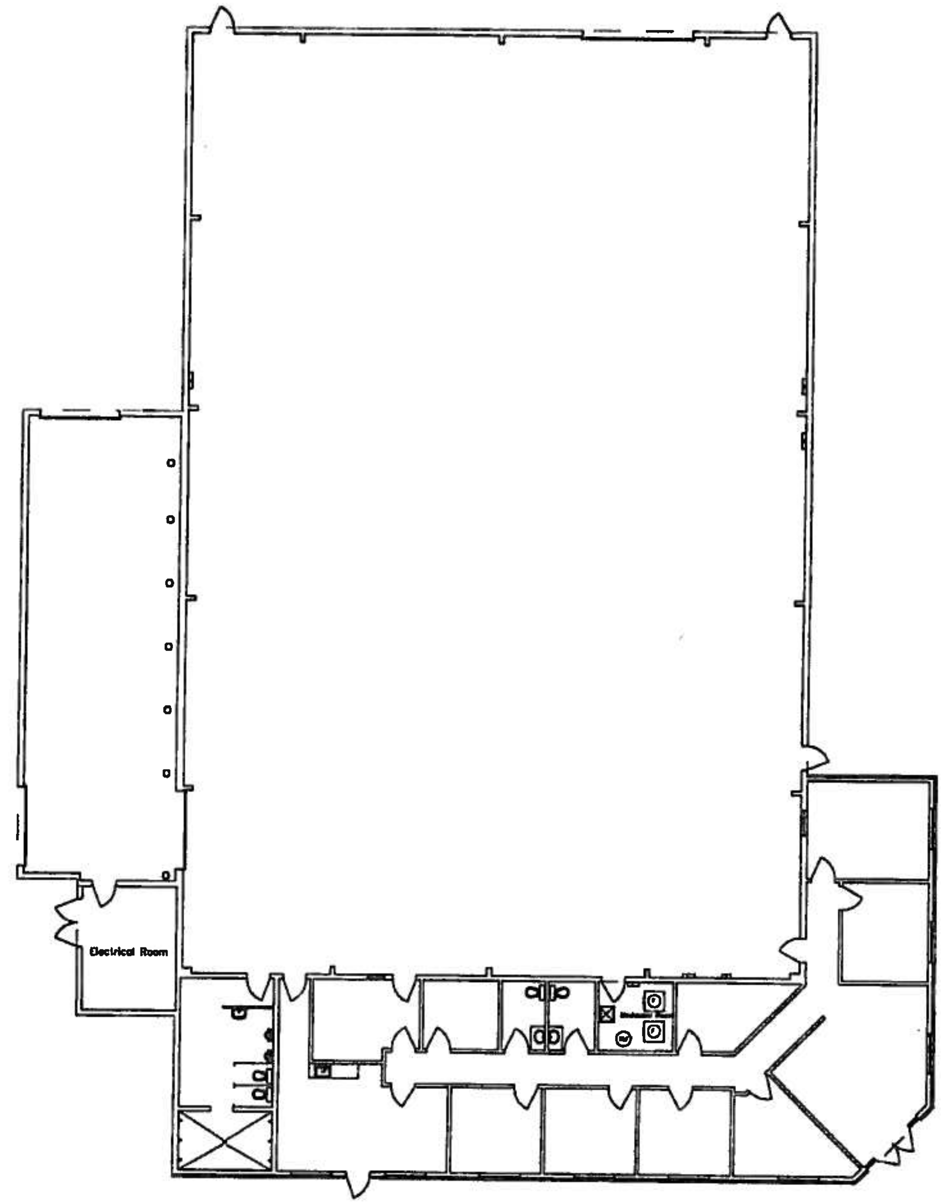
Per: [signature]
Name: GERALD TEEUWSEN
Title: PRESIDENT
c/s

Per:
Name:
Title:

SCHEDULE "D"

Area Certification:
As evidenced by our signature and in accordance with BOMA Industrial Standards, we hereby certify the Total Leasable Area of this space to be 13,866 Square Feet.

MeasureLine Ltd.



392826 Alberta Ltd.

607-18Ave
Nisku, AB

Scale: 3/32" =1'-0"

Drawn by: MD
Date: Oct 23/15

780-616-0206
info@MeasureLineLtd.com
www.MeasureLineLtd.com

Tab "G"

V38

FORD CREDIT

RETAIL INSTALMENT CONTRACT

(For use in Provinces: BC, AB, SK, MB, NB, NL and NT)

Customer Service: 877-636-7346
www.fcclinfoen.com
fordcredit.ca

Account No.: Date of Contract: 09/09/2015	Language of Choice for Correspondence (Check One): ☒ English ☐ French
Buyer — name, address and telephone number QUINTERA DRILLING LP. BOX 1408 Brooks, AB T1R1C3 Date of birth: Day Month Year	Co-Buyer — name, address and telephone number Date of birth: Day Month Year
GST/HST Reg. No.: 849981519	GST/HST Reg. No.:
Seller — Registered name, address and telephone number 1664861 ALBERTA LTD 6305 42 AVENUE PONOKA, AB T4J1J8 403-783-5501	Assignee — Ford Credit Canada Limited ("Ford Credit") 17187 — 114th AVENUE EDMONTON, ALBERTA T5S 2N5
Seller GST/HST Reg. No.: 325.816.937	Ford Credit GST/HST Reg. No.: R101842557

Each Buyer and Co-Buyer (if any) (hereinafter individually and collectively called "Buyer") purchases from Seller, the following property (together with all additional equipment and all other attachments, accessories and accessions that are attached or affixed to that property at the time of delivery or that are installed by or on behalf of Buyer at any time thereafter, the "property" or "Vehicle"), delivery of which is acknowledged by Buyer. This contract includes any addenda, amendments or schedules made or attached to it from time to time, and, without limitation, includes any Bill of Sale or other document evidencing the agreement to purchase and sell the Vehicle entered into between Buyer and Seller (the "Bill of Sale"). The provisions of each such document are incorporated into this contract.

Disclosure Statement – Effective as of the date of this contract

New/Used/ Demo	If Used / Demo, Kilometres on Odometer	Year, Make and Model	Body Style
Used	120000	2013 Ford F150	FX4 and Supercrew LWB 4WD

No. Cyl.	Vehicle Identification Number	Attached Equipment Serial Number	Licence Number
6	1FTFW1ETXDFB71018		

THIS IS EXHIBIT "G"
referred to in the Affidavit of
Richard Kozyk
Sworn before me this 20th
Day of October A.D. 2016

A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA
John M. Cassell
Barrister & Solicitor

FC 216802 (AUG 2014)

continued on next page

DETAILS OF TRANSACTION

(1)	**Cash price** (including equipment, attachments, accessories and charges for delivery, transportation, instalation or other service)	$ 17039.61	(1)
(2)	Optional service contracts provided by N/A N/A N/A N/A N/A N/A (name of providers)	$ N/A $ N/A $ N/A $ N/A $ N/A $ N/A	(2)
(3)	GST/HST	$ 852.18	(3)
(4)	Provincial Tax	$ N/A	(4)
(5)	Licence	$ N/A	(5)
(6)	Total cash price: (total of 1 through 5)	$ 17891.79	(6)
(7)	**Down payment** consisting of $ N/A (cash) plus $ N/A (rebate) plus $ N/A (net trade-in)	$ N/A	(7)

Description of Trade-in

(Year and Make)	(Gross allowance)	(Amount owing)
	$ N/A	$ N/A

(8)	Balance of cash price: (6 minus 7)	$ 17891.79	(8)
(9)	Registration fee	$ 10.00	(9)
(10)	Optional credit life insurance provided by N/A (name of insurer)	$ N/A	(10)
(11)	Optional credit disability insurance provided by N/A (name of insurer)	$ N/A	(11)
(12)	Other: N/A	$ N/A	(12)
(13)	Other: N/A	$ N/A	(13)
(14)	Other: N/A	$ N/A	(14)
(15)	Other: N/A	$ N/A	(15)

continued on next page

DETAILS OF TRANSACTION (continued)

(16) Other: N/A — $ N/A (16)

(17) Other: N/A — $ N/A (17)

(18) **Net amount owing and Balance for interest rate calculation:** (total of 8 through 17) — $ 17901.79 (18)

(19) Total advances received by Buyer (18 plus 7) — $ 17901.79 (19)

(19.1) Annual interest rate — 7.19 % (19.1)

(19.2) Total interest charges at annual interest rate — $ 2053.73 (19.2)

(19.3) Declined cash incentive — $ 0.00 (19.3)

(20) Total cost of credit (19.2 plus 19.3) — $ 2053.73 (20)

(21) Annual percentage rate — 7.19 % (21)

(22) Term of contract 36 months (22)

(23) Time balance (18 plus 20 minus 19.3) — $ 19955.52 (23)

payable in 36 consecutive Monthly instalments of $ 554.32 each (except that the final instalment shall be for the amount then due), with the first instalment due on 10/09/2015 or, if no first instalment date is specified, N/A after the date of this contract, or payable as set out in the schedule of payments below, provided that each payment of a series of identical payments set out below is payable in a number of consecutive Monthly payments equal to the applicable "No. of Pmts" shown below for such series of payments, with the first of such series of payments due on the applicable date shown below under the heading "Commencing".

No. of Pmts.	Amount of Each Payment	Commencing	No. of Pmts.	Amount of Each Payment	Commencing
36	554.32	10/09/2015			

(24) **Total of all Payments** (7 plus 23) — $ 19955.52 (24)

(25) To the extent permitted by applicable law, Buyer will also pay Seller's standard charge, as revised by Seller without notice to Buyer from time to time (currently $25.00), each time Buyer's cheque or preauthorized payment is not made or processed or is returned unpaid for any reason.

(26) Buyer may prepay in full the outstanding principal amount of the time balance (item 23) at any time without penalty. Buyer may also prepay a portion of the outstanding principal amount of the time balance on any scheduled payment date under this contract without penalty. If Buyer prepays the full outstanding amount of the time balance, Buyer may be entitled to a portion of any non-interest finance charges included in the total cost of credit (item 20) that are not amounts on account of interest (item 19.2), the declined cash incentive (item 19.3), or principal, and such refund, if any, will be calculated in accordance with the provisions of the applicable consumer protection legislation of the province or territory whose laws govern this contract.

(27) This is a simple interest contract. Interest accrues beginning on the date of this contract. Payments will be applied first to the accumulated and unpaid total cost of credit and then to the balance of the obligation. The total cost of credit is calculated by applying the annual percentage rate (item 21) to the remaining obligation for the actual time the remaining obligation is outstanding.

(28) If any payment is not made on the scheduled payment date, interest on the payment amount will be charged both before and after judgement, at an annual interest rate that is equal to the annual percentage rate (item 21) plus 5% until such payment is made in full. Any additional interest owing by Buyer will be added to the principal amount outstanding and will be payable by Buyer on the final payment date due, unless Seller demands that such interest to be paid earlier.

(29) Seller remains the owner of the property until this contract is paid in full.

continued on next page

DETAILS OF TRANSACTION (continued)

(30) Buyer acknowledges assignment of this contract by Seller to Ford Credit. Ford Credit (and any successor to it) may further assign this contract or any interest therein either absolutely or as security without notice to Buyer and without Buyer's consent. Upon assignment by Seller to Ford Credit, Buyer agrees and acknowledges that: (a) Buyer will make all payments of amounts payable under this contract to Ford Credit or as otherwise directed in writing by Ford Credit; (b) all of Buyer's agreements will be considered to have been made to Ford Credit with the same force and effect as if Ford Credit was an original party to this contract; (c) Seller will not have any power or authority to give any consent provided for in this contract or to extend the time for payment under, or waive provisions under, this contract; and (d) to the extent permitted by law, the rights of Ford Credit will not be subject to any claims, defences or set-offs that Buyer may have against Seller or the manufacturer of the Vehicle. Buyer will look only to Seller to do anything that Seller has agreed to do under this contract or any other agreement between Buyer and Seller.

(31) Buyer assigns to Seller the benefits of any agreements relating to the property and this contract. On satisfaction in full of all obligations under this contract by Buyer, the benefits shall revert to Buyer.

(32) Buyer may not sell or rent the property and must keep it free of all encumbrances of claims of others. Any payment of encumbrances by Seller shall be an additional part of Buyer's obligation. Buyer will not use or permit the use of the property outside of the province or territory in Canada where the Vehicle was first registered without prior written consent of Seller, except for a period of 30 days or less in (1) another province or territory in Canada, (2) the United States or (3) Mexico.

(33) The property shall be at Buyer's risk.

(34) Buyer shall keep insurance for all risks on the property and give Seller evidence of the insurance. Buyer may purchase the insurance from the company of Buyer's choice, provided that Seller has the right to disapprove, on reasonable grounds, a company selected by Buyer. If Buyer does not maintain insurance as required hereunder, Seller will have the right to obtain the insurance for Buyer and to charge the cost to Buyer.

(35) Buyer may, once a month and without charge, or at all times and without charge if Buyer wishes to pay the balance of his/her obligation before maturity, require a statement of account from Seller and Seller agrees to furnish or forward it to Buyer as soon as possible and at least within 10 days of receipt of the request.

(36) The conditions, if any, under which Buyer may terminate optional services of a continuing nature purchased by Buyer and for which payments are made under this contract are contained in the agreement under which those services are being provided to Buyer. Buyer has the right to cancel any optional services of a continuing nature provided by Seller or Ford Credit or an associate of such party by providing Ford Credit and the applicable service provider no less than 30 days prior written notice of such cancellation or such shorter period of time as set out in the service provider contract.

(37) If Buyer defaults in any way in performing Buyer's obligations under this contract, the remaining time balance shall be due and Seller may, subject to applicable law, at its own discretion:

a) require Buyer, or Buyers jointly and severally, to pay the balance with interest thereon at the annual percentage rate (item 21); and
b) repossess the property.

Subject to applicable law, Buyer shall reimburse all costs incurred by Seller for such default including court ordered costs. Seller may retain any payments made as liquidated damages.

If Buyer has not redeemed the property, Seller may sell the property at public sale (at which Seller may purchase) or dispose of the property by private sale or otherwise.

The proceeds of any sale or disposition of the property, less the expenses of retaking, holding, preparing for sale and selling the property and reasonable lawyer's fees and legal expenses incurred by Seller, shall be applied to the satisfaction of Buyer's obligations hereunder. Buyer shall be entitled to any surplus. Unless prohibited by applicable law, any deficiency shall be paid by Buyer to Seller immediately with interest at the annual percentage rate (item 21).

If requested by Ford Credit, Buyer agrees to promptly and accurately complete, execute and deliver to Ford Credit its then current form of vehicle condition and/or accident report. Buyer also agrees to pay Ford Credit on demand any cost that Ford Credit incurs in connection with obtaining any third party inspection or report regarding the Vehicle which Ford Credit may obtain to determine any information required regarding the condition or history of the Vehicle, including information required to satisfy requirements under applicable law.

Buyer will indemnify Seller, Ford Credit and its successors and assigns from and against any claims, demands, actions, causes of action, damages, loss, deficiencies, costs, liabilities and expenses which may be made or brought against any of them or which any of them may suffer as a result of the condition, maintenance, use or operation of the Vehicle (including, without limitation, any reduction in the value of the Vehicle as a result of an incident involving the Vehicle, even if any damage caused by such incident has been repaired), or as a result of any non-compliance by Buyer with any of the terms of this contract.

continued on next page

DETAILS OF TRANSACTION (continued)

(38) Time is of the essence of this contract.

(39) To the extent permitted by law, Buyer agrees that any laws limiting the rights and remedies of Ford Credit shall not apply to this contract and waives the benefit and protection of such laws. Where permitted by law to do so, Buyer agrees that The Limitation of Civil Rights Act (Saskatchewan) shall not apply to this contract.

(40) The law that will apply to this contract is the law of the province or territory where Seller is located. Any provision of this contract prohibited by applicable law shall be ineffective to the extent of such prohibition without invalidating any other provision of this contract. The rest of this contract will still be valid.

(41) Seller's rights and remedies set forth herein are in addition to any given by law.

(42) All of Buyer's obligations under this contract shall survive the termination of this contract to the extent required for their full observance and performance.

(43) If one or more Co-Buyers sign(s) this contract, then each Buyer agrees that: (i) each reference to "Buyer" or "his/her" in this contract refers to each of them; (ii) each Buyer is liable under this contract on a joint and several basis; (iii) each Buyer is obligated under this contract as a principal not as a guarantor; and (iv) the occurrence of a default under this contract by or with respect to Buyer or any one of them will be a default under this contract by each Buyer.

NOTICE TO BUYER

DO NOT SIGN THIS CONTRACT BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES.

Buyer consents to motor vehicle searches being conducted on vehicle purchased under this contract and to the exchange of motor vehicle information from provincial government motor vehicle authorities to the Seller and/or Ford Credit.

Buyer acknowledges receipt of a copy of this contract at the time of signing and Buyer confirms receipt of a completed Bill of Sale at the time of entering into this contract. Buyer consents to a credit investigation and to exchange of credit information. Buyer waives the right to receive a copy of any financing statement, financing change statement or verification statement relating to this contract.

Buyer: QUINTERA DRILLING LP. By: Gerald Terlesky Title: President
(Signature / Print Name)

Co-Buyer: ______ By: ______ Title: ______
(Signature / Print Name)

Seller hereby assigns this contract to Ford Credit Canada Limited upon the terms and conditions of the Assignment set forth on the following pages.

Seller: 1664861 ALBERTA LTD By: ______ Title: ______
(Signature / Print Name)

GUARANTEE

Terms used in this Guarantee and not defined in it have the meaning given in the above Retail Instalment Contract ("this contract"). To cause Seller to sell the Vehicle to Buyer, on credit, each person who signs below as a "Guarantor" guarantees the payment of this contract. This means that if Buyer fails to pay any money that is owed on this contract, each one who signs as a guarantor will pay it when asked. Each person who signs below agrees that he/she will be liable for the whole amount owed even if one or more other persons also sign(s) this Guarantee. He/she also agrees to be liable even if Seller or Ford Credit does one or more of the following: (a) gives Buyer more time to pay one or more payments; or (b) gives a release in full or in part to any of the other Guarantors; or (c) releases any security. Each Guarantor also confirms that he/she has received a completed copy of this contract and this Guarantee at the time of signing.

Guarantor ______ Address ______

Guarantor ______ Address ______

continued on next page

ASSIGNMENT

Terms used in this assignment and not defined in it have the meaning given in the above Retail Instalment Contract (the "contract"). Seller sells, assigns and transfers to Ford Credit Canada Limited ("Ford Credit"), 17187-114th Avenue, Edmonton, Alberta, T5S 2N5, Seller's entire right, title and interest in and to the contract, the Vehicle and the above Guarantee and authorizes Ford Credit to do every act and thing necessary to collect and discharge the same. The performance of any express or implied warranty under the contract shall remain the responsibility of Seller notwithstanding the assignment hereof to Ford Credit and Seller shall indemnify and hold harmless Ford Credit and its successors and assigns from any liability arising therefrom. Seller warrants that: the contract is valid and enforceable and arose from sale of the Vehicle; all statements made by or on behalf of Buyer and furnished to Ford Credit by Seller are true to the best of Seller's knowledge and belief. If there is any breach of any of the foregoing warranties, Seller hereby agrees unconditionally to purchase the contract from Ford Credit upon demand for the full amount then unpaid whether the contract shall then be, or not be, in default.

This assignment includes the provisions of the paragraph initialed by Seller below, provided that if none of the paragraphs below has been initialed by Seller, Seller guarantees payment of the full amount remaining unpaid under the contract, and covenants, if default be made in payment of any instalment thereunder, to pay the full amount then unpaid to Ford Credit upon demand, except as otherwise provided by the Ford Credit Retail Plan in effect at the time this assignment is accepted.

The liability of Seller shall not be lessened or affected by any change in the manner, place, terms or time of payment of the contract or the release, settlement or compromise of or with any party liable for payment thereof or the release of any security thereunder. Ford Credit shall not be bound to exhaust its recourse against Buyer or any other person or any security Ford Credit may at any time have before being entitled to payment from Seller hereunder.

Seller waives notice of the acceptance of this assignment, notices of non-payment and non-performance of the contract, any other notices required by law, waives all compensation, set-offs, counterclaims and the benefits of division and discussion and agrees that, to the extent permitted by law, any laws limiting the rights of Ford Credit shall not apply. This assignment shall become effective upon delivery of the contract to Ford Credit or upon Ford Credit's payment of the purchase price therefor whichever first occurs.

Initial

"PARTIAL REPURCHASE" Seller guarantees payment of the full amount remaining unpaid under the contract and covenants, if default be made in payment of any instalment thereunder, to pay upon demand the full amount then unpaid to Ford Credit, except as otherwise provided by the terms of the Ford Credit Retail Plan in effect at the time this assignment is accepted or, at Seller's election, to pay Ford Credit, upon demand, the sum of $___________ in consideration of being released from such guarantee obligation and, in such event, the assignment of the contract is without recourse against Seller, except as otherwise provided by the Ford Credit Retail Plan in effect at the time assignment is accepted.

Initial

"FULL GUARANTEE" Notwithstanding the terms of the Ford Credit Retail Plan, Seller unconditionally guarantees payment of the full amount remaining unpaid under the contract, and agrees upon demand to purchase the contract from Ford Credit for the full amount then unpaid whether the contract shall then be, or not be, in default.

Initial

"WITHOUT RECOURSE" The assignment of the contract is and shall be without recourse against Seller, except as otherwise provided by the terms of the Ford Credit Retail Plan in effect at the time this assignment is accepted.

J39

FORD CREDIT

RETAIL INSTALMENT CONTRACT

(For use in Provinces: BC, AB, SK, MB, NB, NL and NT)

Customer Service: 877-636-7346
www.fcclinfoen.com
fordcredit.ca

Account No.: ____ Date of Contract: 09/09/2015	Language of Choice for Correspondence (Check One): ☒ English ☐ French
Buyer — name, address and telephone number QUINTERA DRILLING LP. BOX 1408 Brooks, AB T1R1C3 Date of birth: Day Month Year	Co-Buyer — name, address and telephone number Date of birth: Day Month Year
GST/HST Reg. No.: 849981519	GST/HST Reg. No.:
Seller — Registered name, address and telephone number 1664861 ALBERTA LTD 6305 42 AVENUE PONOKA, AB T4J1J8 403-783-5501	Assignee — Ford Credit Canada Limited ("Ford Credit") 17187 — 114th AVENUE EDMONTON, ALBERTA T5S 2N5
Seller GST/HST Reg. No.: 325.816.937	Ford Credit GST/HST Reg. No.: R101842557

Each Buyer and Co-Buyer (if any) (hereinafter individually and collectively called "Buyer") purchases from Seller, the following property (together with all additional equipment and all other attachments, accessories and accessions that are attached or affixed to that property at the time of delivery or that are installed by or on behalf of Buyer at any time thereafter, the "property" or "Vehicle"), delivery of which is acknowledged by Buyer. This contract includes any addenda, amendments or schedules made or attached to it from time to time, and, without limitation, includes any Bill of Sale or other document evidencing the agreement to purchase and sell the Vehicle entered into between Buyer and Seller (the "Bill of Sale"). The provisions of each such document are incorporated into this contract.

Disclosure Statement – Effective as of the date of this contract

New/Used/ Demo	If Used / Demo, Kilometres on Odometer	Year, Make and Model	Body Style
Used	40000	2013 Ford F150	FX4 and Supercrew LWB 4WD

No. Cyl.	Vehicle Identification Number	Attached Equipment Serial Number	Licence Number
6	1FTFW1EF0DKE90297		

continued on next page

DETAILS OF TRANSACTION

(1)	**Cash price** (including equipment, attachments, accessories and charges for delivery, transportation, instalation or other service)	$ 16181.61	(1)
(2)	Optional service contracts provided by N/A	$ N/A	(2)
	N/A	$ N/A	
	N/A	$ N/A	
	N/A	$ N/A	
	N/A	$ N/A	
	N/A (name of providers)	$ N/A	
(3)	GST/HST	$ 809.28	(3)
(4)	Provincial Tax	$ N/A	(4)
(5)	Licence	$ N/A	(5)
(6)	Total cash price: (total of 1 through 5)	$ 16990.89	(6)
(7)	**Down payment** consisting of $ N/A (cash) plus $ N/A (rebate) plus $ N/A (net trade-in)	$ N/A	(7)

Description of Trade-in

(Year and Make)	(Gross allowance)	(Amount owing)
	$ N/A	$ N/A

(8)	Balance of cash price: (6 minus 7)	$ 16990.89	(8)
(9)	Registration fee	$ 14.00	(9)
(10)	Optional credit life insurance provided by N/A (name of insurer)	$ N/A	(10)
(11)	Optional credit disability insurance provided by N/A (name of insurer)	$ N/A	(11)
(12)	Other: N/A	$ N/A	(12)
(13)	Other: N/A	$ N/A	(13)
(14)	Other: N/A	$ N/A	(14)
(15)	Other: N/A	$ N/A	(15)

continued on next page

DETAILS OF TRANSACTION (continued)

(16)	Other: N/A	$ N/A	(16)
(17)	Other: N/A	$ N/A	(17)
(18)	**Net amount owing and Balance for interest rate calculation:** (total of 8 through 17)	$ 17004.89	(18)
(19)	Total advances received by Buyer (18 plus 7)	$ 17004.89	(19)
(19.1)	Annual interest rate	6.79 %	(19.1)
(19.2)	Total interest charges at annual interest rate	$ 3097.51	(19.2)
(19.3)	Declined cash incentive	$ 0.00	(19.3)
(20)	Total cost of credit (19.2 plus 19.3)	$ 3097.51	(20)
(21)	Annual percentage rate	6.79 %	(21)
(22)	Term of contract 60 months		(22)
(23)	Time balance (18 plus 20 minus 19.3)	$ 20102.40	(23)

payable in 60 consecutive Monthly instalments of $ 335.04 each (except that the final instalment shall be for the amount then due), with the first instalment due on 10/09/2015 or, if no first instalment date is specified, N/A after the date of this contract, or payable as set out in the schedule of payments below, provided that each payment of a series of identical payments set out below is payable in a number of consecutive Monthly payments equal to the applicable "No. of Pmts" shown below for such series of payments, with the first of such series of payments due on the applicable date shown below under the heading "Commencing".

No. of Pmts.	Amount of Each Payment	Commencing	No. of Pmts.	Amount of Each Payment	Commencing
60	335.04	10/09/2015			

(24) **Total of all Payments** (7 plus 23) $ 20102.40 (24)

(25) To the extent permitted by applicable law, Buyer will also pay Seller's standard charge, as revised by Seller without notice to Buyer from time to time (currently $25.00), each time Buyer's cheque or preauthorized payment is not made or processed or is returned unpaid for any reason.

(26) Buyer may prepay in full the outstanding principal amount of the time balance (item 23) at any time without penalty. Buyer may also prepay a portion of the outstanding principal amount of the time balance on any scheduled payment date under this contract without penalty. If Buyer prepays the full outstanding amount of the time balance, Buyer may be entitled to a portion of any non-interest finance charges included in the total cost of credit (item 20) that are not amounts on account of interest (item 19.2), the declined cash incentive (item 19.3), or principal, and such refund, if any, will be calculated in accordance with the provisions of the applicable consumer protection legislation of the province or territory whose laws govern this contract.

(27) This is a simple interest contract. Interest accrues beginning on the date of this contract. Payments will be applied first to the accumulated and unpaid total cost of credit and then to the balance of the obligation. The total cost of credit is calculated by applying the annual percentage rate (item 21) to the remaining obligation for the actual time the remaining obligation is outstanding.

(28) If any payment is not made on the scheduled payment date, interest on the payment amount will be charged both before and after judgement, at an annual interest rate that is equal to the annual percentage rate (item 21) plus 5% until such payment is made in full. Any additional interest owing by Buyer will be added to the principal amount outstanding and will be payable by Buyer on the final payment due date, unless Seller demands that such interest to be paid earlier.

(29) Seller remains the owner of the property until this contract is paid in full.

continued on next page

DETAILS OF TRANSACTION (continued)

(30) Buyer acknowledges assignment of this contract by Seller to Ford Credit. Ford Credit (and any successor to it) may further assign this contract or any interest therein either absolutely or as security without notice to Buyer and without Buyer's consent. Upon assignment by Seller to Ford Credit, Buyer agrees and acknowledges that: (a) Buyer will make all payments of amounts payable under this contract to Ford Credit or as otherwise directed in writing by Ford Credit; (b) all of Buyer's agreements will be considered to have been made to Ford Credit with the same force and effect as if Ford Credit was an original party to this contract; (c) Seller will not have any power or authority to give any consent provided for in this contract or to extend the time for payment under, or waive provisions under, this contract; and (d) to the extent permitted by law, the rights of Ford Credit will not be subject to any claims, defences or set-offs that Buyer may have against Seller or the manufacturer of the Vehicle. Buyer will look only to Seller to do anything that Seller has agreed to do under this contract or any other agreement between Buyer and Seller.

(31) Buyer assigns to Seller the benefits of any agreements relating to the property and this contract. On satisfaction in full of all obligations under this contract by Buyer, the benefits shall revert to Buyer.

(32) Buyer may not sell or rent the property and must keep it free of all encumbrances of claims of others. Any payment of encumbrances by Seller shall be an additional part of Buyer's obligation. Buyer will not use or permit the use of the property outside of the province or territory in Canada where the Vehicle was first registered without prior written consent of Seller, except for a period of 30 days or less in (1) another province or territory in Canada, (2) the United States or (3) Mexico.

(33) The property shall be at Buyer's risk.

(34) Buyer shall keep insurance for all risks on the property and give Seller evidence of the insurance. Buyer may purchase the insurance from the company of Buyer's choice, provided that Seller has the right to disapprove, on reasonable grounds, a company selected by Buyer. If Buyer does not maintain insurance as required hereunder, Seller will have the right to obtain the insurance for Buyer and to charge the cost to Buyer.

(35) Buyer may, once a month and without charge, or at all times and without charge if Buyer wishes to pay the balance of his/her obligation before maturity, require a statement of account from Seller and Seller agrees to furnish or forward it to Buyer as soon as possible and at least within 10 days of receipt of the request.

(36) The conditions, if any, under which Buyer may terminate optional services of a continuing nature purchased by Buyer and for which payments are made under this contract are contained in the agreement under which those services are being provided to Buyer. Buyer has the right to cancel any optional services of a continuing nature provided by Seller or Ford Credit or an associate of such party by providing Ford Credit and the applicable service provider no less than 30 days prior written notice of such cancellation or such shorter period of time as set out in the service provider contract.

(37) If Buyer defaults in any way in performing Buyer's obligations under this contract, the remaining time balance shall be due and Seller may, subject to applicable law, at its own discretion:

a) require Buyer, or Buyers jointly and severally, to pay the balance with interest thereon at the annual percentage rate (Item 21); and

b) repossess the property.

Subject to applicable law, Buyer shall reimburse all costs incurred by Seller for such default including court ordered costs. Seller may retain any payments made as liquidated damages.

If Buyer has not redeemed the property, Seller may sell the property at public sale (at which Seller may purchase) or dispose of the property by private sale or otherwise.

The proceeds of any sale or disposition of the property, less the expenses of retaking, holding, preparing for sale and selling the property and reasonable lawyer's fees and legal expenses incurred by Seller, shall be applied to the satisfaction of Buyer's obligations hereunder. Buyer shall be entitled to any surplus. Unless prohibited by applicable law, any deficiency shall be paid by Buyer to Seller immediately with interest at the annual percentage rate (Item 21).

If requested by Ford Credit, Buyer agrees to promptly and accurately complete, execute and deliver to Ford Credit its then current form of vehicle condition and/or accident report. Buyer also agrees to pay Ford Credit on demand any cost that Ford Credit incurs in connection with obtaining any third party inspection or report regarding the Vehicle which Ford Credit may obtain to determine any information required regarding the condition or history of the Vehicle, including information required to satisfy requirements under applicable law.

Buyer will indemnify Seller, Ford Credit and its successors and assigns from and against any claims, demands, actions, causes of action, damages, loss, deficiencies, costs, liabilities and expenses which may be made or brought against any of them or which any of them may suffer as a result of the condition, maintenance, use or operation of the Vehicle (including, without limitation, any reduction in the value of the Vehicle as a result of an incident involving the Vehicle, even if any damage caused by such incident has been repaired), or as a result of any non-compliance by Buyer with any of the terms of this contract.

continued on next page

DETAILS OF TRANSACTION (continued)

(38) Time is of the essence of this contract.

(39) To the extent permitted by law, Buyer agrees that any laws limiting the rights and remedies of Ford Credit shall not apply to this contract and waives the benefit and protection of such laws. Where permitted by law to do so, Buyer agrees that The Limitation of Civil Rights Act (Saskatchewan) shall not apply to this contract.

(40) The law that will apply to this contract is the law of the province or territory where Seller is located. Any provision of this contract prohibited by applicable law shall be ineffective to the extent of such prohibition without invalidating any other provision of this contract. The rest of this contract will still be valid.

(41) Seller's rights and remedies set forth herein are in addition to any given by law.

(42) All of Buyer's obligations under this contract shall survive the termination of this contract to the extent required for their full observance and performance.

(43) If one or more Co-Buyers sign(s) this contract, then each Buyer agrees that: (i) each reference to "Buyer" or "his/her" in this contract refers to each of them; (ii) each Buyer is liable under this contract on a joint and several basis; (iii) each Buyer is obligated under this contract as a principal not as a guarantor; and (iv) the occurrence of a default under this contract by or with respect to Buyer or any one of them will be a default under this contract by each Buyer.

NOTICE TO BUYER

DO NOT SIGN THIS CONTRACT BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES.

Buyer consents to motor vehicle searches being conducted on vehicle purchased under this contract and to the exchange of motor vehicle information from provincial government motor vehicle authorities to the Seller and/or Ford Credit.

Buyer acknowledges receipt of a copy of this contract at the time of signing and Buyer confirms receipt of a completed Bill of Sale at the time of entering into this contract. Buyer consents to a credit investigation and to exchange of credit information. Buyer waives the right to receive a copy of any financing statement, financing change statement or verification statement relating to this contract.

Buyer: QUINTERA DRILLING LP. By: Richard Tetreault Title: President
(Signature / Print Name)

Co-Buyer: ________________ By: ________________ Title: ________
(Signature / Print Name)

Seller hereby assigns this contract to Ford Credit Canada Limited upon the terms and conditions of the Assignment set forth on the following pages.

Seller: 1664861 ALBERTA LTD By: ________________ Title: ________
(Signature / Print Name)

GUARANTEE

Terms used in this Guarantee and not defined in it have the meaning given in the above Retail Instalment Contract ("this contract"). To cause Seller to sell the Vehicle to Buyer, on credit, each person who signs below as a "Guarantor" guarantees the payment of this contract. This means that if Buyer fails to pay any money that is owed on this contract, each one who signs as a guarantor will pay it when asked. Each person who signs below agrees that he/she will be liable for the whole amount owed even if one or more other persons also sign(s) this Guarantee. He/she also agrees to be liable even if Seller or Ford Credit does one or more of the following: (a) gives Buyer more time to pay one or more payments; or (b) gives a release in full or in part to any of the other Guarantors; or (c) releases any security. Each Guarantor also confirms that he/she has received a completed copy of this contract and this Guarantee at the time of signing.

Guarantor ________________ Address ________________

Guarantor ________________ Address ________________

continued on next page

ASSIGNMENT

Terms used in this assignment and not defined in it have the meaning given in the above Retail Instalment Contract (the "contract"). Seller sells, assigns and transfers to Ford Credit Canada Limited ("Ford Credit"), 17187-114th Avenue, Edmonton, Alberta, T5S 2N5, Seller's entire right, title and interest in and to the contract, the Vehicle and the above Guarantee and authorizes Ford Credit to do every act and thing necessary to collect and discharge the same. The performance of any express or implied warranty under the contract shall remain the responsibility of Seller notwithstanding the assignment hereof to Ford Credit and Seller shall indemnify and hold harmless Ford Credit and its successors and assigns from any liability arising therefrom. Seller warrants that: the contract is valid and enforceable and arose from sale of the Vehicle; all statements made by or on behalf of Buyer and furnished to Ford Credit by Seller are true to the best of Seller's knowledge and belief. If there is any breach of any of the foregoing warranties, Seller hereby agrees unconditionally to purchase the contract from Ford Credit upon demand for the full amount then unpaid whether the contract shall then be, or not be, in default.

This assignment includes the provisions of the paragraph initialed by Seller below, provided that if none of the paragraphs below has been initialed by Seller, Seller guarantees payment of the full amount remaining unpaid under the contract, and covenants, if default be made in payment of any instalment thereunder, to pay the full amount then unpaid to Ford Credit upon demand, except as otherwise provided by the Ford Credit Retail Plan in effect at the time this assignment is accepted.

The liability of Seller shall not be lessened or affected by any change in the manner, place, terms or time of payment of the contract or the release, settlement or compromise of or with any party liable for payment thereof or the release of any security thereunder. Ford Credit shall not be bound to exhaust its recourse against Buyer or any other person or any security Ford Credit may at any time have before being entitled to payment from Seller hereunder.

Seller waives notice of the acceptance of this assignment, notices of non-payment and non-performance of the contract, any other notices required by law, waives all compensation, set-offs, counterclaims and the benefits of division and discussion and agrees that, to the extent permitted by law, any laws limiting the rights of Ford Credit shall not apply. This assignment shall become effective upon delivery of the contract to Ford Credit or upon Ford Credit's payment of the purchase price therefor whichever first occurs.

Initial	"PARTIAL REPURCHASE" Seller guarantees payment of the full amount remaining unpaid under the contract and covenants, if default be made in payment of any instalment thereunder, to pay upon demand the full amount then unpaid to Ford Credit, except as otherwise provided by the terms of the Ford Credit Retail Plan in effect at the time this assignment is accepted or, at Seller's election, to pay Ford Credit, upon demand, the sum of $___________ in consideration of being released from such guarantee obligation and, in such event, the assignment of the contract is without recourse against Seller, except as otherwise provided by the Ford Credit Retail Plan in effect at the time assignment is accepted.
Initial	"FULL GUARANTEE" Notwithstanding the terms of the Ford Credit Retail Plan, Seller unconditionally guarantees payment of the full amount remaining unpaid under the contract, and agrees upon demand to purchase the contract from Ford Credit for the full amount then unpaid whether the contract shall then be, or not be, in default.
Initial	"WITHOUT RECOURSE" The assignment of the contract is and shall be without recourse against Seller, except as otherwise provided by the terms of the Ford Credit Retail Plan in effect at the time this assignment is accepted.

V-43

FORD CREDIT

FULL DISCLOSURE LEASE WITH PURCHASE OPTION

(For use in Provinces: BC, AB, SK, MB, NB, NL and NT)

Customer Service:
877-636-7346
www.fcclinfoen.com
www.fordcredit.ca

Account Number: ______ **Date of Lease:** 06/04/2014	**Ford Credit** **GST/HST Reg. No.: 834923658RT0001** Motor Vehicle Dealer Reg. No.:	Language of Choice or Correspondence (Check One): ☒ English ☐ French
Lessor ("Dealer") - Registered Name and Address 1664861 ALBERTA LTD 6305 42 AVENUE PONOKA, AB T4J1J8	Lessee ("You") - Name and Address QUINTERA DRILLING LP 1110 5th Street Nisku, AB T9E8B6 Date of birth: Day: Month: Year:	Co-Lessee ("You") - Name and Address Date of birth: Day: Month: Year:
Dealer GST/HST Reg. No.: 325.816.937 Motor Vehicle Dealer Reg. No.:	GST/HST Reg. No.: 849981519	GST/HST Reg. No.:

By signing this Lease, You (Lessee and Co-Lessee) lease from Dealer the following Vehicle under the terms on all pages of this Lease. You understand that Dealer will assign this Lease to Ford Credit Canada Leasing, a division of Canadian Road Leasing Company* ("Ford Credit"). This Lease includes any addenda, amendments, or schedules made or attached to it from time to time, and the provisions thereof are incorporated into this Lease.

Disclosure Statement - Effective as of the date of this Lease

New/ Used/ Demo	Odometer Reading at Delivery	Year, Make and Model	Body Type	Trim Level	Colour	No. Cyl.	Vehicle Identification Number	Vehicle Use:
New	25	2015 Ford F250 S/D	Crew Cab SWB 4WD	XLT	WHITE	8	1FT7W2B62FEA25228	☐ Personal ☒ Commercial ☐ Agricultural

(1) LEASE COST DISCLOSURE

a)	Lease Price of Vehicle (Includes accessories, extra equipment, freight, applicable taxes, levies, and pre-delivery inspection. GST/HST and PST excluded).	$ 45515.25
b)	Optional Service Contract	
	Ford Maintenance Protection Plan	+ $ 2835.00
	N/A	+ $ N/A
	N/A	+ $ N/A
	N/A	+ $ N/A
	N/A	+ $ N/A
	(name of provider)	
c)	WearCare	+ $ N/A
d)	N/A	+ $ N/A
e)	N/A	+ $ N/A
f)	N/A	+ $ N/A
g)	N/A	+ $ N/A
h)	N/A	+ $ N/A
i)	Optional Credit Life Insurance	+ $ N/A
j)	Optional Credit Disability Insurance	+ $ N/A

* a limited partnership between Canadian Road Management Company and Canadian Road Holdings Company.

FC-216723 (APR 2013)

continued on next page

QUINTERA DRILLING LP 149211(01-1-189393886):2856 2 06-03-2090

k) Lease Price Reduction [(i) + (ii) + (iii) below] – $ 2835.00

	Gross Trade-In Allowance	$ N/A
	Less: Lien on Trade-In	$ N/A
(i)	Net Trade-In Allowance	$ N/A
(ii)	Cash Down Payment (non refundable)	$ 2835.00
(iii)	Rebate	$ N/A

l)	Taxes Financed on Lease Price Reduction (line 1k)	+	$ N/A
m)	Net Lease Price of Vehicle (Capitalized Amount)	=	$ 45515.25
n)	Residual Value of Vehicle	–	$ 16027.03
o)	Amount to be Amortized	=	$ 29488.22

(2) RATE AND CHARGES

a)	Net Lease Price of Vehicle (line 1m)	$ 45515.25
b)	Lease Annual Percentage Rate	7.09 %
c)	Lease Charges (Implicit Finance Charges)	$ 6530.14

(3) MONTHLY PAYMENT CALCULATION

a)	Base Monthly Lease Payment [(1o + 2c) ÷ by number of months in Term of this Lease]		$ 1000.51
b)	Monthly GST/HST	+	$ 50.03
c)	Monthly PST	+	$ N/A
d)	Total Monthly Payment	=	$ 1050.54
e)	Term of Lease		36 months
f)	Total of all Monthly Payments (3d times 3e)		$ 37819.44

(4) AMOUNTS DUE AT LEASE SIGNING

a)	Cash Down Payment (non refundable)	$ 2835.00
b)	Rebate	$ N/A
c)	Net Trade-In Allowance	$ N/A
d)	Refundable Security Deposit	$ N/A
e)	First Monthly Payment (3d)	$ 1050.54
f)	Vehicle Registration Fees	$ N/A
g)	PPSA Filing Fees	$ 10.00
h)	N/A	$ N/A
i)	N/A	$ N/A
j)	N/A	$ N/A
k)	N/A	$ N/A
l)	GST/HST on applicable items	$ 142.25
m)	Provincial Tax on applicable items	$ N/A
n)	Total (sum of 4a to 4m):	$ 4037.79
o)	Total Amount Due at Lease Signing less Net Trade-In Allowance (4c)	$ 4037.79

* a limited partnership between Canadian Road Management Company and Canadian Road Holdings Company.

continued on next page

(5) TOTAL LEASE COST (inclusive of rebate)

(3f + 4n - 4d - 4e) $ 40806.69

(6) PAYMENT SCHEDULE: You agree to pay 36 payments of $ 1050.54. The first payment is due on the date of this Lease. The rest of the payments are due on the 4th of each month during the term of this Lease, starting with the month of July, 2014.

(7) LEASE END PURCHASE OPTION PRICE: $ 16027.03 plus taxes, governmental fees, and related charges (such as safety certification and related repair costs) required in order to comply with the law upon purchase of the Vehicle. You have the option to purchase the Vehicle from Dealer in cash for the Purchase Option Price at the end of this Lease if You are not in default.

(8) EXCESS KILOMETRES CHARGE: At the end of this Lease, You must pay to Dealer 16 **cents** per kilometre plus all applicable taxes for each kilometre in excess of 150025 kilometres shown on the odometer. If the Lease is terminated prior to lease end, the excess kilometres charge will be calculated on a pro rata basis.

Extra Kilometres Option Credit: At the scheduled end of this Lease, You may receive a credit of 12 **cents** per unused kilometre for the number of kilometres between 75025 and 150025 kilometres, less any amounts You owe under this Lease. You will not receive a credit if the Vehicle is damaged or destroyed, if You terminate early, exercise any purchase option, are in default, or the credit is less than **$1.00**.

(9) TAXES AND FEES: You will promptly pay all fees, charges, levies and taxes relating to the Lease or Vehicle (except for income taxes). You will pay these amounts even if they are assessed after lease end.

(10) TITLING: The Vehicle will be titled in the name of Canadian Road Management Company. You will register the Vehicle as directed by Ford Credit. You will pay all licence, title and registration costs.

(11) VOLUNTARY EARLY TERMINATION: You may terminate this Lease early, if You are not in default, by returning the Vehicle to Dealer and paying the following: (a) the difference, if any, between the Unpaid Net Lease Price of Vehicle and the Vehicle's Fair Market Wholesale Value, plus (b) all other amounts then due under this Lease.

Unpaid Net Lease Price of Vehicle, as provided to You by dealer, is reduced on each payment due date. It is calculated by reducing the Net Lease Price of Vehicle each month by the difference between the Base Monthly Lease Payment and the part of the Lease Charges (item 2c) earned in that month, on an **actuarial basis**.

Fair Market Wholesale Value, at your option, will be: (a) an amount agreed to by You and Dealer, or (b) the value which could be realized from the wholesale sale of the Vehicle, as determined by a professional appraisal obtained by You at your expense from an independent third party agreeable to Dealer and Ford Credit within **10** days of returning the Vehicle to Dealer, or (c) if not established by agreement or appraisal, the net amount received by Ford Credit upon the sale of the Vehicle at wholesale

(12) EARLY OPTION TO PURCHASE: You have the option to buy the Vehicle at any time during the Lease term from the Dealer, if You are not in default, by paying the Lease End Purchase Option Price (item 7), plus the remaining monthly payments (item 3d), plus any other amounts payable under the terms of this Lease, less unearned Lease Charges which will be calculated by the **actuarial method**. You must pay all fees, taxes, costs and expenses incurred in connection with the purchase of the Vehicle (such as safety certification and related repair costs.)

continued on next page

V-44

FORD CREDIT

FULL DISCLOSURE LEASE WITH PURCHASE OPTION

(For use in Provinces: BC, AB, SK, MB, NB, NL and NT)

Customer Service:
877-636-7346
www.fcclinfoen.com
www.fordcredit.ca

Account Number: ______ Date of Lease: 06/04/2014	Ford Credit GST/HST Reg. No.: 834923658RT0001 Motor Vehicle Dealer Reg. No.:	Language of Choice or Correspondence (Check One): ☒ English ☐ French
Lessor ("Dealer") - Registered Name and Address 1664861 ALBERTA LTD 6305 42 AVENUE PONOKA, AB T4J1J8	Lessee ("You") - Name and Address QUINTERA DRILLING LP 1110 5th Street Nisku, AB T9E8B6 Date of birth: Day: Month: Year:	Co-Lessee ("You") - Name and Address Date of birth: Day: Month: Year:
Dealer GST/HST Reg. No.: 325 816 937 Motor Vehicle Dealer Reg. No.:	GST/HST Reg. No.: 849981519	GST/HST Reg. No.:

By signing this Lease, You (Lessee and Co-Lessee) lease from Dealer the following Vehicle under the terms on all pages of this Lease. You understand that Dealer will assign this Lease to Ford Credit Canada Leasing, a division of Canadian Road Leasing Company* ("Ford Credit"). This Lease includes any addenda, amendments, or schedules made or attached to it from time to time, and the provisions thereof are incorporated into this Lease.

Disclosure Statement - Effective as of the date of this Lease

New/ Used/ Demo	Odometer Reading at Delivery	Year, Make and Model	Body Type	Trim Level	Colour	No. Cyl.	Vehicle Identification Number	Vehicle Use:
New	25	2014 Ford F250 S/D	Crew Cab SWB 4WD	XLT	WHITE	8	1FT7W2B64EEB31338	☐ Personal ☒ Commercial ☐ Agricultural

(1) LEASE COST DISCLOSURE

a) Lease Price of Vehicle (includes accessories, extra equipment, freight, applicable taxes, levies, and pre-delivery inspection. GST/HST and PST excluded). $ 43704.25

b) Optional Service Contract

Ford Maintenance Protection Plan + $ 2835.00

N/A + $ N/A

N/A + $ N/A

N/A + $ N/A

N/A + $ N/A

(name of provider)

c) WearCare + $ N/A

d) N/A + $ N/A

e) N/A + $ N/A

f) N/A + $ N/A

g) N/A + $ N/A

h) N/A + $ N/A

i) Optional Credit Life Insurance + $ N/A

j) Optional Credit Disability Insurance + $ N/A

* a limited partnership between Canadian Road Management Company and Canadian Road Holdings Company

FC-216723 (APR 2013)

continued on next page

QUINTERA DRILLING LP 149211(01-1-189394750):1458 06-03-2096

k) Lease Price Reduction [(i) + (ii) + (iii) below] – $ 3835.00

	Gross Trade-In Allowance	$ N/A
	Less: Lien on Trade-In	$ N/A
(i)	Net Trade-In Allowance	$ N/A
(ii)	Cash Down Payment (non refundable)	$ 2835.00
(iii)	Rebate	$ 1000.00

l)	Taxes Financed on Lease Price Reduction (line 1k)	+ $	N/A
m)	Net Lease Price of Vehicle (Capitalized Amount)	= $	42704.25
n)	Residual Value of Vehicle	– $	15446.24
o)	Amount to be Amortized	= $	27258.01

(2) RATE AND CHARGES

a)	Net Lease Price of Vehicle (line 1m)	$	42704.25
b)	Lease Annual Percentage Rate		7.09 %
c)	Lease Charges (Implicit Finance Charges)	$	6169.79

(3) MONTHLY PAYMENT CALCULATION

a)	Base Monthly Lease Payment [(1o + 2c) ÷ by number of months in Term of this Lease]	$	928.55
b)	Monthly GST/HST	+ $	46.43
c)	Monthly PST	+ $	N/A
d)	Total Monthly Payment	= $	974.98
e)	Term of Lease		36 months
f)	Total of all Monthly Payments (3d times 3e)	$	35099.28

(4) AMOUNTS DUE AT LEASE SIGNING

a)	Cash Down Payment (non refundable)	$	2835.00
b)	Rebate	$	1000.00
c)	Net Trade-In Allowance	$	N/A
d)	Refundable Security Deposit	$	N/A
e)	First Monthly Payment (3d)	$	974.98
f)	Vehicle Registration Fees	$	N/A
g)	PPSA Filing Fees	$	10.00
h)	N/A	$	N/A
i)	N/A	$	N/A
j)	N/A	$	N/A
k)	N/A	$	N/A
l)	GST/HST on applicable items	$	192.25
m)	Provincial Tax on applicable items	$	N/A
n)	Total (sum of 4a to 4m):	$	5012.23
o)	Total Amount Due at Lease Signing less Net Trade-In Allowance (4c)	$	5012.23

* a limited partnership between Canadian Road Management Company and Canadian Road Holdings Company.

continued on next page

(5) **TOTAL LEASE COST** (inclusive of rebate)
(3f + 4n - 4d - 4e) $ 39136.53

(6) **PAYMENT SCHEDULE:** You agree to pay 36 payments of $ 974.98. The first payment is due on the date of this Lease. The rest of the payments are due on the 4th of each month during the term of this Lease, starting with the month of July, 2014.

(7) **LEASE END PURCHASE OPTION PRICE:** $ 15446.24 plus taxes, governmental fees, and related charges (such as safety certification and related repair costs) required in order to comply with the law upon purchase of the Vehicle. You have the option to purchase the Vehicle from Dealer in cash for the Purchase Option Price at the end of this Lease if You are not in default.

(8) **EXCESS KILOMETRES CHARGE:** At the end of this Lease, You must pay to Dealer 16 cents per kilometre plus all applicable taxes for each kilometre in excess of 150025 kilometres shown on the odometer. If the Lease is terminated prior to lease end, the excess kilometres charge will be calculated on a pro rata basis.

Extra Kilometres Option Credit: At the scheduled end of this Lease, You may receive a credit of 12 **cents** per unused kilometre for the number of kilometres between 75025 and 150025 kilometres, less any amounts You owe under this Lease. You will not receive a credit if the Vehicle is damaged or destroyed, if You terminate early, exercise any purchase option, are in default, or the credit is less than **$1.00**.

(9) **TAXES AND FEES:** You will promptly pay all fees, charges, levies and taxes relating to the Lease or Vehicle (except for income taxes). You will pay these amounts even if they are assessed after lease end.

(10) **TITLING:** The Vehicle will be titled in the name of Canadian Road Management Company. You will register the Vehicle as directed by Ford Credit. You will pay all licence, title and registration costs.

(11) **VOLUNTARY EARLY TERMINATION:** You may terminate this Lease early, if You are not in default, by returning the Vehicle to Dealer and paying the following: (a) the difference, if any, between the Unpaid Net Lease Price of Vehicle and the Vehicle's Fair Market Wholesale Value, plus (b) all other amounts then due under this Lease.

Unpaid Net Lease Price of Vehicle, as provided to You by dealer, is reduced on each payment due date. It is calculated by reducing the Net Lease Price of Vehicle each month by the difference between the Base Monthly Lease Payment and the part of the Lease Charges (item 2c) earned in that month, on an **actuarial basis**.

Fair Market Wholesale Value, at your option, will be: (a) an amount agreed to by You and Dealer, or (b) the value which could be realized from the wholesale sale of the Vehicle, as determined by a professional appraisal obtained by You at your expense from an independent third party agreeable to Dealer and Ford Credit within **10** days of returning the Vehicle to Dealer, or (c) if not established by agreement or appraisal, the net amount received by Ford Credit upon the sale of the Vehicle at wholesale

(12) **EARLY OPTION TO PURCHASE:** You have the option to buy the Vehicle at any time during the Lease term from the Dealer, if You are not in default, by paying the Lease End Purchase Option Price (item 7), plus the remaining monthly payments (item 3d), plus any other amounts payable under the terms of this Lease, less unearned Lease Charges which will be calculated by the **actuarial method**. You must pay all fees, taxes, costs and expenses incurred in connection with the purchase of the Vehicle (such as safety certification and related repair costs.)

continued on next page

V-45

CREDIT

FULL DISCLOSURE LEASE WITH PURCHASE OPTION

(For use in Provinces: BC, AB, SK, MB, NB, NL and NT)

Customer Service:
877-636-7346
www.fcclinfoen.com
www.fordcredit.ca

Account Number: ______ Date of Lease: 06/04/2014	Ford Credit GST/HST Reg. No.: 834923658RT0001 Motor Vehicle Dealer Reg. No.:	Language of Choice or Correspondence (Check One): [X] English [ ] French
Lessor ("Dealer") - Registered Name and Address 1664861 ALBERTA LTD 6305 42 AVENUE PONOKA, AB T4J1J8	Lessee ("You") - Name and Address QUINTERA DRILLING LP 1110 5th Street Nisku, AB T9E8B6 Date of birth: Day: Month: Year:	Co-Lessee ("You") - Name and Address Date of birth: Day: Month: Year:
Dealer GST/HST Reg. No.: 325.816.937 Motor Vehicle Dealer Reg. No.:	GST/HST Reg. No.: 849981519	GST/HST Reg. No.:

By signing this Lease, You (Lessee and Co-Lessee) lease from Dealer the following Vehicle under the terms on all pages of this Lease. You understand that Dealer will assign this Lease to Ford Credit Canada Leasing, a division of Canadian Road Leasing Company* ("Ford Credit"). This Lease includes any addenda, amendments, or schedules made or attached to it from time to time, and the provisions thereof are incorporated into this Lease.

Disclosure Statement - Effective as of the date of this Lease

New/ Used/ Demo	Odometer Reading at Delivery	Year, Make and Model	Body Type	Trim Level	Colour	No. Cyl.	Vehicle Identification Number	Vehicle Use:
New	25	2014 Ford F250 S/D	Crew Cab SWB 4WD	XLT	WHITE	8	1FT7W2B66EEB31339	[ ] Personal [X] Commercial [ ] Agricultural

(1) LEASE COST DISCLOSURE

a) Lease Price of Vehicle (includes accessories, extra equipment, freight, applicable taxes, levies, and pre-delivery inspection. GST/HST and PST excluded). $ 43704.25

b) Optional Service Contract

Ford Maintenance Protection Plan + $ 2835.00

N/A + $ N/A

N/A + $ N/A

N/A + $ N/A

N/A + $ N/A

(name of provider)

c) WearCare + $ N/A

d) N/A + $ N/A

e) N/A + $ N/A

f) N/A + $ N/A

g) N/A + $ N/A

h) N/A + $ N/A

i) Optional Credit Life Insurance + $ N/A

j) Optional Credit Disability Insurance + $ N/A

* a limited partnership between Canadian Road Management Company and Canadian Road Holdings Company.

FC-216723 (APR 2013)

continued on next page

QUINTERA DRILLING LP 149211(01-1-189394450):2416 06-03-2092

k)	Lease Price Reduction [(i) + (ii) + (iii) below]	– $ 3835.00

	Gross Trade-In Allowance	$ N/A
	Less: Lien on Trade-In	$ N/A
(i)	Net Trade-In Allowance	$ N/A
(ii)	Cash Down Payment (non refundable)	$ 2835.00
(iii)	Rebate	$ 1000.00

l)	Taxes Financed on Lease Price Reduction (line 1k)	+ $ N/A
m)	Net Lease Price of Vehicle (Capitalized Amount)	= $ 42704.25
n)	Residual Value of Vehicle	– $ 15446.24
o)	Amount to be Amortized	= $ 27258.01

(2) RATE AND CHARGES

a)	Net Lease Price of Vehicle (line 1m)	$ 42704.25
b)	Lease Annual Percentage Rate	7.09 %
c)	Lease Charges (Implicit Finance Charges)	$ 6169.79

(3) MONTHLY PAYMENT CALCULATION

a)	Base Monthly Lease Payment [(1o + 2c) ÷ by number of months in Term of this Lease]	$ 928.55
b)	Monthly GST/HST	+ $ 46.43
c)	Monthly PST	+ $ N/A
d)	Total Monthly Payment	= $ 974.98
e)	Term of Lease	36 months
f)	Total of all Monthly Payments (3d times 3e)	$ 35099.28

(4) AMOUNTS DUE AT LEASE SIGNING

a)	Cash Down Payment (non refundable)	$ 2835.00
b)	Rebate	$ 1000.00
c)	Net Trade-In Allowance	$ N/A
d)	Refundable Security Deposit	$ N/A
e)	First Monthly Payment (3d)	$ 974.98
f)	Vehicle Registration Fees	$ N/A
g)	PPSA Filing Fees	$ 10.00
h)	N/A	$ N/A
i)	N/A	$ N/A
j)	N/A	$ N/A
k)	N/A	$ N/A
l)	GST/HST on applicable items	$ 192.25
m)	Provincial Tax on applicable items	$ N/A
n)	Total (sum of 4a to 4m):	$ 5012.23
o)	Total Amount Due at Lease Signing less Net Trade-In Allowance (4c)	$ 5012.23

* a limited partnership between Canadian Road Management Company and Canadian Road Holdings Company.

continued on next page

(5) TOTAL LEASE COST (inclusive of rebate)

(3f + 4n - 4d - 4e) $ 39136.53

(6) PAYMENT SCHEDULE: You agree to pay 36 payments of $ 974.98. The first payment is due on the date of this Lease. The rest of the payments are due on the 4th of each month during the term of this Lease, starting with the month of July, 2014.

(7) LEASE END PURCHASE OPTION PRICE: $ 15446.24 plus taxes, governmental fees, and related charges (such as safety certification and related repair costs) required in order to comply with the law upon purchase of the Vehicle. You have the option to purchase the Vehicle from Dealer in cash for the Purchase Option Price at the end of this Lease if You are not in default.

(8) EXCESS KILOMETRES CHARGE: At the end of this Lease, You must pay to Dealer 16 **cents** per kilometre plus all applicable taxes for each kilometre in excess of 150025 kilometres shown on the odometer. If the Lease is terminated prior to lease end, the excess kilometres charge will be calculated on a pro rata basis.

Extra Kilometres Option Credit: At the scheduled end of this Lease, You may receive a credit of 12 **cents** per unused kilometre for the number of kilometres between 75025 and 150025 kilometres, less any amounts You owe under this Lease. You will not receive a credit if the Vehicle is damaged or destroyed, if You terminate early, exercise any purchase option, are in default, or the credit is less than **$1.00**.

(9) TAXES AND FEES: You will promptly pay all fees, charges, levies and taxes relating to the Lease or Vehicle (except for income taxes). You will pay these amounts even if they are assessed after lease end.

(10) TITLING: The Vehicle will be titled in the name of Canadian Road Management Company. You will register the Vehicle as directed by Ford Credit. You will pay all licence, title and registration costs.

(11) VOLUNTARY EARLY TERMINATION: You may terminate this Lease early, if You are not in default, by returning the Vehicle to Dealer and paying the following: (a) the difference, if any, between the Unpaid Net Lease Price of Vehicle and the Vehicle's Fair Market Wholesale Value, plus (b) all other amounts then due under this Lease.

Unpaid Net Lease Price of Vehicle, as provided to You by dealer, is reduced on each payment due date. It is calculated by reducing the Net Lease Price of Vehicle each month by the difference between the Base Monthly Lease Payment and the part of the Lease Charges (item 2c) earned in that month, on an **actuarial basis**.

Fair Market Wholesale Value, at your option, will be: (a) an amount agreed to by You and Dealer, or (b) the value which could be realized from the wholesale sale of the Vehicle, as determined by a professional appraisal obtained by You at your expense from an independent third party agreeable to Dealer and Ford Credit within **10** days of returning the Vehicle to Dealer, or (c) if not established by agreement or appraisal, the net amount received by Ford Credit upon the sale of the Vehicle at wholesale

(12) EARLY OPTION TO PURCHASE: You have the option to buy the Vehicle at any time during the Lease term from the Dealer, if You are not in default, by paying the Lease End Purchase Option Price (item 7), plus the remaining monthly payments (item 3d), plus any other amounts payable under the terms of this Lease, less unearned Lease Charges which will be calculated by the **actuarial method**. You must pay all fees, taxes, costs and expenses incurred in connection with the purchase of the Vehicle (such as safety certification and related repair costs.)

continued on next page

<<NewDeal>>
LEASE 36 FCL

Legacy Ford Ponoka
DISCLOSURE

PAT BOARDMAN
08/08/2014

Customer Information

Cust. Code	38427
First Name	
Last Name	QUINTERA DRILLING LP
Sales Rep	TREVOR FERAGEN
Stock #	F/O 2
Contract Date	07/28/2014
Payment Date	08/27/2014
Tax Code	ABLSE

Vehicle Information

New Year/Make	FORD 2013
Model	F-SERIES
Serial #	
Odometer	159
Trade Year/Make	N/A
Trade Model	N/A
Trade Serial #	N/A
Trade Odometer	N/A

Price Information

Price	61,989.00	Trade	0.00
Adjustments	0.00	C.O.D.	(4,900.00)
AMVIC FEE	6.25	Rebate	0.00
AIR TAX	0.00	Cap Reduction	4,900.00
ADMIN FEE	199.00		
GAS	0.00	**Net Lease**	**62,214.25**
TIRE TAX	20.00		
Warranty Maintenance	4,900.00	APR	7.19
No Protections Selected	0.00	Term	36.00
Life Ins None	0.00	MSRP	78,719.00
A+H Ins None	0.00		
LOE Ins None	0.00	Residual	34,636.36
GST 5.0000%	0	KPY Allowed	25,000
Capital Cost	**67,114.25**	KPY Expected	50,000
		KM Rate	0.12
Trade Allowance	0.00	KPY Charge	9,000.00
Lien Amount	0.00		
Trade Equity	**0.00**	**Buy Option**	**25,636.36**

Payment Information

Base Pmt	1,278.54
GST	63.93
Base Pmt	**1,342.47**
First Pmt	1,342.47
Sec. Deposit	0.00
C.O.D.	4,900.00
PPSA 1400	0.00
Upfront GST	245.00
Drive Off	6,487.47
Less Trade	0.00
Less Price Adj.	0.00
Less Rebate	0.00
Pay On Del	**6,487.47**
	+ 1400
Deposit	**0.00**

=

Includes Flaps

Unit Arriving on monday
Pat

I / We have reviewed the above disclosure and agree to the vehicle, price and payment information as declared.

x
QUINTERA DRILLING LP

x
Dealer Acceptance

[redacted] ext

Ford Motor Company of Canada, Limited
Ford du Canada Limitée THE CANADIAN ROAD OAKVILLE, ONTARIO L6J5E4

DEALER/CONCESSIONAIRE	VEHICLE IDENT NO./NO. D'IDENT
A60 013	1FT8W3BT7FEA54806

		RETAIL PRICE PRIX DE DETAIL	AMOUNT MONTANT
	F35U 4X4 CREW CAB PICKUP/156	61949 00	55400 00
	2015 MODEL YEAR		
	FEDERAL EXCISE TAX	100 00	100 00
Z1	OXFORD WHITE		
5B	BLACK LEATHER		
	PREFERRED EQUIPMENT PKG.918A		
	.LARIAT TRIM		
559	.DRIV/PASS FRONT & SIDE AIRBAG		
58X	.SONY BRANDED PREMIUM AUDIO		
91M	.SYNC VOICE ACTIVATED SYSTEMS		
99T	6.7L POWER STROKE V8 DIESEL	9950 00	8756 00
44W	6 SPEED AUTOMATIC TRANS	NC	NC
TDX	.LT275/70R18E BSW ALL TERRAIN		
X3J	3.55 ELECTRONIC LOCKING AXLE	NC	NC
	JOB #1 ORDER		
17C	LARIAT CHROME PACKAGE	740 00	651 00
18A	.CHROME TUBULAR CAB STEP 6		
17X	FX4 OFF-ROAD PACKAGE	450 00	396 00
	.SKID PLATES		
	11500# GVWR PACKAGE		
	ELECTRONIC SHIFT ON THE FLY		
39D	HD SATELLITE DIGITAL BROADCAST	NC	NC
41A	PTC SUPPLEMENTAL HEATER	NC	NC
425	50 STATE EMISSIONS	NC	NC
471	CAMPER PACKAGE	140 00	123 00
	SPARE TIRE AND WHEEL	NC	NC
	TRAILER HITCH		
53W	5TH WHEEL HITCH PREP PACKAGE	380 00	335 00
	JACK		
61L	REAR WHEEL WELL LINERS	180 00	~~159 00~~
61S	SPLASH GUARDS/MUD FLAPS	100 00	88 00
647	CHROME CLAD ALUM WHEELS-18"	NC	NC
66S	UPFITTER SWITCHES	100 00	88 00
67D	EXTRA HEAVY DUTY ALTERNATOR	NC	NC
693	PARTIAL GAS FILL		
5	LEATHER 40/CONSOLE/40 SEAT	460 00	405 00
96U	LARIAT ULTIMATE PACKAGE	2300 00	2024 00
	.NAVIGATION SYSTEM		
	.POWER SLIDE MOONROOF		
	.POWERCODE REMOTE START		
	.TAILGATE STEP		
965	BODYSIDE PROTECTION MOLDINGS	170 00	149 00
	TOTAL OPTIONS	15070 00 *	13274 00 *
	********************************		
	*"THIS VEH. NOT INTENDED FOR *		
	* SALE OR REGISTRATION IN US"*		
	* RETAIL PRICES EXCLUDE *		
	* GST/HST *		
	********************************		
	TOTAL VEHICLE & OPTIONS	77019 00	68674 00
	DESTINATION & DELIVERY	1700 00	1700 00
	TOTAL FOR VEHICLE	78719 00	70374 00

FORD MOTOR ACCOUNTING USE ONLY
RÉSERVÉ AU SERVICE DE LA COMPTABILITÉ DE FORD CANADA

*-SUB TOTAL
SOMME PARTIELLE

TOTAL FOR VEHICLE AND DEALER CHARGES
TOTAL POUR LE VÉHICULE ET LES FRAIS DU CONCESSIONAIRE

SOLD TO/VENDU A

FURTHER TERMS ON REVERSE SIDE
AUTRES CONDITIONS AU VERSO

T.O.	L.C.	DEFERMENT	PROV.

SHIP TO (IF OTHER THAN ABOVE)/ EXPÉDIER A (SI AUTRE QUE CI-DESSUS)

DATE INV. PREPARED	REF NO/NO REF.	TRIM	TRANSIT

SHIP THROUGH / EXPÉDIER VIA

VEHICLE IDENT. NO / NO D'IDENT.	ASSEMBLY POINT/USINE DE MONTAGE	FINANCE COMPANY AND / OR BANK / COMPAGNIE DE FINANCEMENT ET / OU BANQUE
1FT8W3BT7FEA54806	KENTUCKY	FORD MOTOR CREDIT FMC

DEALER'S COPY
COPIE DU CONCESSIONNAIRE

Tab "H"

Quintera Drilling
Weekly Cash Forecast
Oct 20, 2016

Weeks		1	2	3	4	5	6	7	8	9	10	
Week ending	21-Oct	28-Oct	4-Nov	11-Nov	18-Nov	25-Nov	2-Dec	9-Dec	16-Dec	23-Dec	31-Dec	Total
Opening Cash Balance	-	(67,332)	(168,021)	(157,046)	(129,014)	(138,467)	(238,467)	(362,159)	(261,623)	(272,419)	(330,262)	
Cash in												
Collection of receivables	242,685		131,582	88,096				115,927				578,290
Advance from related party	19,086											19,086
												-
Subtotal	261,771	-	131,582	88,096	-	-	-	115,927	-	-	-	597,376
Cash out												
Banking fee			(920)				(920)				(920)	(2,760)
Group Insurance	(5,079)							(5,079)				(10,158)
GST	(19,086)		(6,266)			(12,000)						(37,352)
Insurance			(6,000)				(6,000)				(6,000)	(18,000)
Interest		(83,862)				(81,157)					(83,862)	(248,881)
Operating Line Repayment	(240,000)		(17,573)									(257,573)
Operating purchases				(25,000)			(91,546)			(51,000)		(167,546)
Rent	(15,772)		(15,772)				(15,772)				(15,772)	(63,088)
Payroll	(43,738)		(71,076)		(9,453)		(9,453)		(9,453)		(9,453)	(152,627)
Payroll taxes		(16,827)		(29,760)		(3,351)		(3,351)		(3,351)		(56,638)
Telephone & Utilities	(5,428)					(3,492)				(3,492)		(12,413)
Truck leases			(3,001)	(2,276)				(3,934)	(1,342)			(10,554)
WCB				(3,028)				(3,028)				(6,056)
												-
Subtotal	(329,103)	(100,689)	(120,607)	(60,064)	(9,453)	(100,000)	(123,691)	(15,392)	(10,796)	(57,843)	(116,007)	(1,043,645)
Change in Cash	(67,332)	(100,689)	10,975	28,032	(9,453)	(100,000)	(123,691)	100,535	(10,796)	(57,843)	(116,007)	(446,269)
Cash Balance	(67,332)	(168,021)	(157,046)	(129,014)	(138,467)	(238,467)	(362,159)	(261,623)	(272,419)	(330,262)	(446,269)	

THIS IS EXHIBIT "H"
referred to in the Affidavit of
Richard Kuzyk
Sworn before me this 27th
Day of October A.D. 2016

A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA
John M. Cassell
Barrister & Solicitor