



August 20, 2024

City of Fredericton
P.O. Box 130,
Fredericton, N.B.
E3B 4Y7

Attention Mrs. Alicia Keating – City Treasurer

We confirm that, subject to acceptance by you, The Bank of Nova Scotia (the "Bank") will make available to **City of Fredericton** (the "Borrower"), credit facilities on the terms and conditions set out in the attached Terms and Conditions Sheet and in Schedule "A".

If the arrangements set out in this letter, and in the attached Terms and Conditions Sheet and Schedule "A" (collectively the "Credit Facility Agreement") are acceptable to you, please sign the enclosed copy of this letter in the space indicated below and return the letter to us by the close of business on September 27, 2024, after which date this offer will lapse.

This Credit Facility Agreement amends and restates all previous agreements issued by the Bank to the Borrower.

Yours truly,

Alex Moussa
Senior Manager & Group Lead

The Bank intends the electronic signature[s] above to have the same effect as handwritten signatures.

By signing this Credit Facility Agreement, you confirm that the product(s) and/or service(s) offered to you herein will not be used for or on behalf of any individual or entity other than you and the other parties named in the Credit Facility Agreement for whose benefit such products and services are intended.

By signing this Credit Facility Agreement, you agree that all documents identified as Specific Security or General Security in the Commitment Letter that you have previously delivered will apply to the credit facilities as described in this Credit Facility Agreement, you ratify and confirm those documents and, in the case of any guarantor, you consent to changes to previously existing credit facilities.

The arrangements set out above and in the attached Terms and Conditions Sheet and Schedule "A" (collectively the "Credit Facility Agreement") are hereby acknowledged and accepted by:

BORROWER:
City of Fredericton

By: _____

Name:

Title:

Date:

By: _____

Name:

Title:

Date:

TERMS AND CONDITIONS

CREDIT NUMBER: 01

AUTHORIZED AMOUNT: \$5,000,000

TYPE

Operating

PURPOSE

General operating requirements.

CURRENCY

Canadian dollars

AVAILMENT

The Borrower may avail the Credit by way of direct advances evidenced by Agreement re: Operating Credit Line.

INTEREST RATE

The Bank's Prime Lending Rate from time to time, minus 1.00% per annum with interest payable monthly.

REPAYMENT

Advances are repayable on demand.

All indebtedness and liability of the Borrower to the Bank is payable on demand ("Demand Credit"), is made entirely at the Bank's discretion and is repayable by the Borrower to the Bank at any time on demand, irrespective of whether or not an Event of Default has occurred.

SPECIFIC SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit:

Agreement re: Operating Credit Line

Borrowing Resolutions/By-Laws authorizing City borrowings

SPECIFIC CONDITIONS

Until all debts and liabilities under the Credit have been discharged in full, the following conditions will apply in respect of the Credit:

Advances are limited to a maximum of 4% of the approved operating budget for the current fiscal year.

CREDIT NUMBER: 02

(Currently Not Availed)

AUTHORIZED AMOUNT: \$12,000,000**TYPE**

Equipment Financing – Revolving Line (Scotia Leasing)

PURPOSE

To assist in acquisition of capital equipment

CURRENCY

Canadian dollars

AVAILMENT

The Borrower may avail the Credit by way of Lease Agreements and/or Equipment Financing Contracts.

The amount of financing shall not exceed 100% of the cost of the equipment being financed exclusive of relative taxes.

INTEREST RATE

The payment applicable to each contract will be set on the commencement date of the contract based on Bank's Prime Lending Rate from time to time, minus 1.00% per annum with interest payable monthly.

Fixed interest rate can be quoted upon request.

FEES

Documentation fee of \$550 (plus applicable taxes) per transaction.

PPSA Registration Fee of \$80 (plus applicable taxes) per transaction.

REPAYMENT

The Credit will revolve, and the principal may be drawn, repaid, and redrawn at any time until the date which is 364 days from and including the date of the Borrower's execution of the Commitment Letter when, unless the Credit is extended, the undrawn portion of the Credit will be cancelled.

The Credit may be extended for successive periods of up to 364 days at the absolute discretion of the Bank, upon the Borrower's written request at least 60 days prior to maturity.

Leases and/or equipment finance contracts are repayable in accordance with the terms and conditions of each respective lease, or equipment finance contract. The maximum term of any such lease, or

equipment finance contract shall not exceed 5 years. The total amortization of any such transaction shall not exceed 10 years. Actual terms will reflect economic life and residual value of assets financed.

Leases and/or equipment finance contracts are repayable in accordance with the terms and conditions of each respective lease or equipment finance contract.

PURCHASE OPTIONS

1. ABC Addendum. At the end of the term to option, the lessee shall elect one of the following options:

- A. Purchase the Equipment for the above percentages of the original cost; or
- B. Identify a 3rd party acceptable to the Bank to purchase the Equipment from the Bank for the above percentages of the original cost; or
- C. Rent the Equipment for an additional term. A revised rent payment will be calculated and subject to credit approval by the Lessor.

PREPAYMENT

No prepayments are permitted without prior written consent.

An administration fee of \$450 will apply.

SPECIFIC SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availments being made under the Credit:

Equipment Finance/Lease Agreements, with supporting documentation, including appropriate insurance coverage.

Comprehensive General Liability insurance for a minimum of \$10 million per occurrence with the Bank recorded as an additional named insured. All risks insurance covering the replacement value of the equipment with the Bank recorded as loss payee and additional named insured.

Scotia Leasing Reverse Progress Payment Agreement Letter. Interest will be paid to the Borrower for the cash collateral account set up based on the Reverse Progress Payment Agreement Letter at the Bank's Prime Lending Rate from time to time, minus 1.90%

Resolution authorizing the Municipality to lease

Approval of the Municipal Capital Borrowing Board

SPECIFIC CONDITIONS

Until all debts and liabilities under the Credit have been discharged in full, the following conditions will apply in respect of the Credit:

Prior to drawdown, Scotia Leasing is to be satisfied with the quality, value, and eligibility of assets to be leased under lease agreements or purchased under conditional sale and equipment finance contracts.

USED EQUIPMENT CONDITIONS

The maximum term and amortization shall not exceed the remaining useful life of the equipment, which is to be determined by Scotia Leasing. Appraisal may be required.

If the contract has less than \$250,000 in used equipment, a formal written appraisal is not required providing the equipment is purchased from a reputable dealer and the purchase price is deemed reasonable by the Bank

GENERAL TERMS, CONDITIONS AND OTHER FEES APPLICABLE TO ALL CREDITS

GENERAL CONDITIONS

Until all debts and liabilities under the Credit(s) have been discharged in full, the following conditions will apply in respect of the Credit(s):

The Borrower agrees to:

- (i) comply with all applicable borrowing legislation
- (ii) advise the Bank of any breach of statutory borrowing limits
- (iii) provide the Bank with certificates of estimated revenues from time to time, upon request.

The pricing of credits on this account has been established on a relationship basis, which includes the maintaining of significant deposit with the Bank. Should the aforementioned deposits not be maintained, the non revolving loans will be subject to a fee of 1% per annum, payable on the last day of each month, based on the outstanding balance on that date.

Additional terms and conditions in Schedule A are to apply

GENERAL BORROWER REPORTING CONDITIONS

Until all debts and liabilities under the Credit(s) have been discharged in full, the Borrower will provide the Bank with the following:

Annual Audited Financial Statements of the Borrower, prepared in accordance with the elected Generally Accepted Accounting Principle ("GAAP") applicable at the date of the financial statements, within 180 days of the Borrower's fiscal year end.

A copy of the City's budget for the ensuing year is to be provided with the Annual Financial Statements.

Any other information the Bank may reasonably require from time to time.

SCHEDULE A

ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO ALL CREDITS

(In the event of a conflict, the terms and conditions of any lease agreement and/or conditional sale contract supersede the terms and conditions in this Schedule A with regard to such leases and/or conditional sale contracts).

Calculation and Payment of Interest

1. Interest on loans/advances made in Canadian dollars will be calculated on a daily basis and payable monthly on the 22nd day of each month (unless otherwise stipulated by the Bank). Interest shall be payable not in advance on the basis of a 365 day year for the actual number of days elapsed both before and after demand of payment or default and/or judgment.
2. Interest on loans/advances made in U.S. dollars will be calculated on a daily basis and payable monthly on the 22nd day of each month, (unless otherwise stipulated by the Bank). Interest shall be payable not in advance on the basis of a 360 day year for the actual number of days elapsed both before and after demand of payment or default and/or judgment. The rate of interest based on a 360 day year is equivalent to a rate based on a calendar year of 365 days of 365/360 times the rate of interest that applies to the U.S. dollar loans/advances.

Interest on Overdue Interest

3. Interest on overdue interest shall be calculated at the same rate as interest on the loans/advances in respect of which interest is overdue, but shall be compounded monthly and be payable on demand, both before and after demand and judgment.

Indemnity Provision

4. If the introduction, adoption or implementation of, or any change in, or in the interpretation of, or any change in its application to the Borrower of, any law, regulation, guideline or request issued by any central bank or other governmental authority (whether or not having the force of law), including, without limitation, any liquidity reserve or other reserve or special deposit requirement or any tax (other than tax on the Bank's general income) or any capital requirement, has due to the Bank's compliance the effect, directly or indirectly, of (i) increasing the cost to the Bank of performing its obligations hereunder or under any availment hereunder; (ii) reducing any amount received or receivable by the Bank or its effective return hereunder or in respect of any availment hereunder or on its capital; or (iii) causing the Bank to make any payment or to forgo any return based on any amount received or receivable by the Bank hereunder or in respect of any availment hereunder determined by the Bank in its discretion, then upon demand from time to time the Borrower shall pay such amount as shall compensate the Bank for any such cost, reduction, payment or forgone return (collectively "Increased Costs") as such amounts are reasonably determined by the Bank and set forth in a certificate to the Borrower.

In the event of the Borrower becoming liable for such Increased Costs, the Borrower shall have the right to prepay in full, without penalty, the outstanding principal balance under the affected credit other than the face amount of any document or instrument issued or accepted by the Bank for the account of the Borrower, including, without limitation, a Letter of Credit, a Letter of Guarantee or a Bankers' Acceptance. Upon any such prepayment, the Borrower shall also pay the then accrued interest on the amount prepaid and the Increased Costs to the date of prepayment together with such amount as will compensate the Bank for the

cost of any early termination of its funding arrangements in accordance with its normal practices, as such amounts are calculated in a certificate reasonably prepared by the Bank.

Calculation and Payment of Standby Fee

5. Standby fees shall be calculated daily and payable monthly based on a 365 day year for Canadian dollar credits and a 360 days year for U.S. dollar credits from the facility is set up with all security in place.

Environment

6. The Borrower agrees:
- (a) to obey all applicable laws and requirements of any federal, provincial, or any other governmental authority relating to the environment and the operation of the business activities of the Borrower;
 - (b) to allow the Bank access at all times to the business premises of the Borrower to monitor and inspect all property and business activities of the Borrower;
 - (c) to notify the Bank from time to time of any business activity conducted by the Borrower which involves the use or handling of hazardous materials or wastes or which increases the environmental liability of the Borrower in any material manner;
 - (d) to notify the Bank of any proposed change in the use or occupation of the property of the Borrower prior to any change occurring;
 - (e) to provide the Bank with immediate written notice of any environmental problem and any hazardous materials or substances which have an adverse effect on the property, equipment, or business activities of the Borrower and with any other environmental information requested by the Bank from time to time.
 - (f) to conduct all environmental remedial activities which a commercially reasonable person would perform in similar circumstances to meet its environmental responsibilities and if the Borrower fails to do so, the Bank may perform such activities; and
 - (g) to pay for any environmental investigations, assessments or remedial activities with respect to any property of the Borrower that may be performed for or by the Bank from time to time.

If the Borrower notifies the Bank of any specified activity or change or provides the Bank with any information pursuant to subsections (c), (d), or (e), or if the Bank receives any environmental information from other sources, the Bank, in its sole discretion, may decide that an adverse change in the environmental condition of the Borrower or any of the property, equipment, or business activities of the Borrower has occurred which decision will constitute, in the absence of manifest error, conclusive evidence of the adverse change. Following this decision being made by the Bank, the Bank shall notify the Borrower of the Bank's decision concerning the adverse change.

If the Bank decides or is required to incur expenses in compliance or to verify the Borrower's compliance with applicable environmental or other regulations, the Borrower shall indemnify the Bank in respect of such expenses, which will constitute further advances by the Bank to the Borrower under this Agreement.

Notice of Drawdown/Payments

7. The Borrower shall give the Bank prior notice of a drawdown or payment of any loan/advance as follows:

- two bank business days when the amount is \$5 million dollars or more but less than \$50 million dollars.
- three bank business days when the amount is \$50 million dollars or more.

Initial Drawdown

8. The right of the Borrower to obtain the initial drawdown under the Credit(s) is subject to the condition precedent that there shall not have been any material adverse changes in the financial condition or the environmental condition of the Borrower or any guarantor of the Borrower.

Periodic Review

9. The obligation of the Bank to make further advances or other accommodation available under any Credit(s) of the Borrower under which the indebtedness or liability of the Borrower is payable on demand, is subject to periodic review and to no adverse change occurring in the financial condition or the environmental condition of the Borrower or any guarantor.

Evidence of Indebtedness

10. The Bank's accounts, books and records constitute, in the absence of manifest error, conclusive evidence of the advances made under all Credit facilities, repayments on account thereof and the indebtedness of the Borrower to the Bank.

Acceleration

11. (a) All indebtedness and liability of the Borrower to the Bank payable on demand, is repayable by the Borrower to the Bank at any time on demand;
- (b) All indebtedness and liability of the Borrower to the Bank not payable on demand, shall, at the option of the Bank, become immediately due and payable, the security held by the Bank shall immediately become enforceable, and the obligation of the Bank to make further advances or other accommodation available under the Credits shall terminate, if any one of the following Events of Default occurs:
- (i) the Borrower or any guarantor fails to make when due, whether on demand or at a fixed payment date, by acceleration or otherwise, any payment of interest, principal, fees, commissions or other amounts payable to the Bank;
 - (ii) there is a breach by the Borrower or any guarantor of any other term or condition contained in this Credit Facility Agreement or in any other agreement to which the Borrower and/or any guarantor and the Bank are parties;
 - (iii) any default occurs under any security listed in this Credit Facility Agreement under the headings "Specific Security" or "General Security" or under any other credit, loan or security agreement to which the Borrower and/or any guarantor is a party, or any representation or warranty of [any/the] Borrower or (if applicable) any Guarantor ceases to be true;

- (iv) any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other proceedings for the relief of debtors are instituted by or against the Borrower or any guarantor and, if instituted against the Borrower or any guarantor, are allowed against or consented to by the Borrower or any guarantor or are not dismissed or stayed within 60 days after such institution;
- (v) a receiver is appointed over any property of the Borrower or any guarantor or any judgement or order or any process of any court becomes enforceable against the Borrower or any guarantor or any property of the Borrower or any guarantor or any creditor takes possession of any property of the Borrower or any guarantor;
- (vi) any course of action is undertaken by the Borrower or any guarantor or with respect to the Borrower or any guarantor which would result in the Borrower's or guarantor's reorganization, amalgamation or merger with another corporation or the transfer of all or substantially all of the Borrower's or any guarantor's assets;
- (vii) any guarantee of indebtedness and liability under the Credit Line is withdrawn, determined to be invalid or otherwise rendered ineffective;
- (viii) any adverse change occurs in the financial condition of the Borrower or any guarantor.
- (ix) any adverse change occurs in the environmental condition of:
 - (A) the Borrower or any guarantor of the Borrower; or
 - (B) any property, equipment, or business activities of the Borrower or any guarantor of the Borrower.
- (c) (Demand Credits Only) Notwithstanding anything to the contrary in this Agreement, the Bank may, at any time and without prior notice, (a) suspend and/or withdraw any of the Demand Credit facilities made hereunder, (b) decline to allow further advances under all Demand Credit facilities made hereunder, and/or (c) terminate any Demand Credit facility hereunder.

Costs

12. All costs, including legal and appraisal fees incurred by the Bank relative to security and other documentation and the enforcement thereof, shall be for the account of the Borrower and may be charged to the Borrower's deposit account when submitted.

Judgement Currency

13. The obligations of the Borrower or any Guarantor shall be payable in [Canadian/US] Dollars. Such obligations shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any other currency except to the extent to which such tender or recovery shall result in the effective receipt by the Bank of the full amount of [Canadian/US] Dollars so payable. Accordingly, the obligation of the Borrower shall be enforceable as an alternate or additional cause of action for the purpose of recovery in [Canadian/US] Dollars of the amount (if any) by which such effective receipt shall fall short of the full amount of [Canadian/US] Dollars so payable and shall not be affected by any judgment being obtained for any other sum due hereunder.

Financing Statement

14. On acceptance of this credit offer the Bank is hereby authorized to register a financing statement(s) in connection with the security detailed in the aforementioned Terms and Conditions sheet(s).

Counterparts and execution of documents

15. This Credit Facility Agreement and any security and other documents relating to the credits established in it may be executed in counterparts and by different parties in different counterparts, all of which when taken together will constitute a single contract. Subject to applicable conditions precedent, a document will become effective when it has been executed by the Bank (if execution by the Bank is contemplated by the document) and the Bank has received counterparts of the document that, when taken together, bear the signatures of each of the other relevant parties. Delivery of an executed counterpart of a document or a signature page to the document by telecopy or by sending a scanned or other copy by electronic mail or similar means shall be as effective as delivery of an originally executed counterpart, but the Bank may from time to time require delivery of originally executed documents. The Bank may create and store copies of documents in any form as part of its business records, including by microfilm, photocopy and electronic image. Copies may be held in place of original documents and substituted for original documents for any purpose. In administering the credits established in the Credit Facility Agreement and in otherwise dealing with the Borrower and any guarantor, the Bank may rely and act on e-mail, telecopier and other electronic communications that it reasonably believes have been sent by or on behalf of the Borrower or any guarantor, but the Bank may from time to time require that communications from the Borrower or any guarantor be in a non-electronic form specified by the Bank.

Representation or Warranty

16. The Borrower and (if applicable) each Guarantor represents and warrants to the Bank that all financial and other information (including, without limitation, any financial forecasts) provided to the Bank in connection with the credit(s) provided pursuant to this Credit Facility Agreement is true and accurate in all material respects and has been prepared in accordance with Canadian Generally Accepted Accounting Principles consistently applied, and acknowledges that the offer of credit contained in this Credit Facility Agreement is made in reliance on the truth and accuracy of this information and the representation and warranties above.

Borrower represents and warrants to the Bank that the properties owned (in part or in whole) and/or operated by the Borrower will at all times be used for lawful purposes and in compliance with applicable law, including but not limited to, the Cannabis Act, the Controlled Drugs and Substances Act, the Criminal Code of Canada, the Food and Drugs Act, and all relevant regulations promulgated thereunder, and any other applicable federal or provincial laws, regulations, rules or guidelines applicable to the production, distribution, transportation, sale or promotion or research in respect of cannabis in effect from time to time). If the foregoing fails to be true at any time the Borrower shall be in default of Borrower's obligations hereunder and the Bank shall have the right, but not the obligation, to demand repayment of all obligations, liabilities and indebtedness hereunder.

Cancellation Rights

17. In addition to any repayment or other cancellation rights that the Borrower might have pursuant to applicable law with respect to a particular Credit, if the Borrower is an Eligible Enterprise, the Borrower may cancel one or more Credits within three (3) Business Days of entering into this Credit Facility Agreement. If the Borrower notifies the Bank of cancellation of the applicable Credit within that time

period, the Bank will acknowledge receipt of the cancellation notice and advise the Borrower of any reimbursement amounts to which the Borrower may be entitled. The Bank is not obliged to reimburse the Borrower or return amounts to the Borrower in relation to (a) any amounts related to the Borrower's use of any Credit prior to cancellation, and (b) any expense that the Bank has reasonably incurred in providing the Borrower with any Credit.

Definitions Related to Cancellation Rights

An "Eligible Enterprise" means a business with authorized credit of less than \$1,000,000, fewer than 500 employees and annual revenues of less than \$50,000,000.

Discontinuance of Benchmark Rate/ Bankers' Acceptances

18. Notwithstanding anything to the contrary in this Credit Facility Agreement or any other loan or security document between the Bank and the Borrower, following a Discontinuation Event the Bank may amend the relevant documentation to replace the Benchmark Rate with a Replacement Rate for the next following Interest Period by providing the Borrower with notice thereof, following which the Borrower shall (a) if the relevant credit is an operating facility, have the right to prepay in full, without penalty, the outstanding principal balance under the affected credit plus any accrued interest on the amount prepaid at the end of the then current Interest Period, or (b) if the relevant credit is a term facility or revolving term facility, have the right to prepay the credit in full at the end of the then current Interest Period in accordance with the terms of prepayment set out in the Credit Facility Agreement, including any prepayment fees or penalties.

Where following a Discontinuation Event, the Bank on 30 days prior written notice ("BA Cessation Notice"), terminates its obligation to make or maintain Bankers' Acceptances, any outstanding Bankers' Acceptances shall remain in effect until their stated maturity. As of the date specified in the BA Cessation Notice on which the Bank shall no longer make or maintain Bankers' Acceptances, (i) any loan request that requests the conversion of any loan to, or rollover of any loans as, a Bankers' Acceptance shall be ineffective, and (ii) if any loan request requests a Bankers' Acceptance such loan shall be made as a CORRA loan of the same tenor.

Definitions Related to Discontinuance of Benchmark Rate

"Authority" shall mean an administrative body that regulates and/or publishes the relevant Benchmark Rate, including any applicable governmental or regulatory body that has the direct or indirect ability to determine whether or not a Benchmark Rate shall be generally used in the market and/or published.

"Benchmark Rate" shall mean any interest rate, fee or charge in a Loan Document that is based on or equivalent to a standard regularly published rate and includes, for greater certainty, Term SOFR.

"Discontinuation Event" means (i) an announcement by or on behalf of an Authority that the relevant Benchmark Rate will no longer be used or published or is no longer (or as of a specified date, will no longer be) representative or has ceased publication, or (ii) the relevant Benchmark Rate is not published for five consecutive Business Days and such failure is not reasonably believed to be temporary in nature.

"Interest Period" means, for any credit referencing a Benchmark Rate, the period commencing on the applicable date of drawdown or rollover of such credit and ending on the maturity date of such credit.

"Replacement Rate" means an alternate interest rate, fee, or charge, including any positive or negative spread adjustment or method for determining such spread adjustment selected by the Bank, acting

reasonably, in each case giving due to consideration to any market convention for similar credit facilities; provided that the Replacement Rate (together with any applicable spread) shall not be less than zero for the purposes of any Loan Documents.

CORRA definitions and loan mechanics

19. DEFINITIONS

“Adjusted Daily Compounded CORRA” means, the rate per annum equal to (a) Daily Compounded CORRA plus (b) the percentage amount stipulated as CORRA Adjustment in the Interest section of the Credit Facility Agreement; provided that in no event will the Adjusted Daily Compounded CORRA be less than zero.

“Adjusted Term CORRA” means, the rate per annum equal to (a) Term CORRA plus (b) the percentage amount stipulated as CORRA Adjustment in the Interest section of the Credit Facility Agreement; provided that in no event will the Adjusted Term CORRA be less than zero.

“Daily Compounded CORRA” means, for any particular day in a given Interest Period, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a 5 Business Day lookback unless otherwise specified in another agreement with the Bank) being established by the Bank in accordance with the methodology and conventions for this rate selected or recommended by the Bank of Canada or on its behalf for determining compounded CORRA for business loans, provided that if the Bank decides that such convention is not administratively feasible for the Bank, then the Bank will establish another convention in its reasonable discretion.

“Daily Compounded CORRA Advance” means an Advance comprised of Daily Compounded CORRA Loans.

“Daily Compounded CORRA Loan” means a Loan that bears interest at a rate based on Adjusted Daily Compounded CORRA.

“Interest Election Request” means an irrevocable written request by the Borrower to the Bank specifying (i) the Advance to which the request applies, (ii) the effective date of the election (which must be the last day of the then current Interest Period in respect of Rollover of an existing Term CORRA Advance, and a Business Day), (iii) the type of the Advance post election (Prime Rate, Term CORRA or Daily Compounded CORRA), and (iv) the Interest Period to be applicable (1 month or 3 months) in respect to a Term CORRA Advance. If the Interest Election Request does not contain the information specified above to the satisfaction of the Bank, the Advances to which it relates will be converted to Prime Rate Advances.

“Prime Rate” means, on any day, the annual rate of interest established by the Bank as its reference rate for that day for commercial loans made by it in Canada in Canadian dollars.

“Prime Rate Advance” means an advance of a Credit in Canadian dollars bearing interest based on the Prime Rate, plus the applicable margin per annum, if any, identified as such in the Credit Facility Agreement.

“Rollover” means, the continuation of all or a portion of a Term CORRA Advance for an additional Interest Period.

“Rollover Date” means the date of commencement of a new Interest Period applicable to a Term CORRA Loan Advance.

“Term CORRA Administrator” means Candéal Benchmark Administration Services Inc., TSX Inc., or any successor administrator.

“Term CORRA” means, for the period of one (1) or three (3) months as selected by the Borrower in a loan request or Interest Election Request, or the Rollover Date, the forward-looking term rate based on CORRA, or any successor thereto selected by the Bank, and that is published by the Term CORRA Administrator and is displayed on a screen or other information service, as identified or selected by the Bank that is 2 Business Days prior to the first day of the applicable Interest Period determined by the Bank in its reasonable discretion in a manner substantially consistent with market practice.

“Term CORRA Advance” means an Advance comprised of Term CORRA Loans.

“Term CORRA Loan” means a Loan that bears interest at a rate based on Adjusted Term CORRA.

CORRA ADVANCES

Borrower may obtain either (i) Term CORRA Advances, or Daily Compounded CORRA Advances, and (ii) Prime Rate Advances. For clarity, except following a Discontinuation Event (and then only until the end of the applicable Interest Period), at no time shall both Term CORRA Advances and Daily Compounded Advances be outstanding.

CORRA DRAWDOWN

A Term Loan must be fully drawn down in a single advance as specified in the Drawdown section of the Credit Facility Agreement. Any unused portion of a Term Loan by such date shall be cancelled. Once repaid, Advances under a Term Loan may not be reborrowed.

To obtain an Advance under a Term Loan or Revolving Loan, the Borrower must provide the Bank with an irrevocable written request, (a) for a Daily Compounded or Term CORRA Advance, at least 3 Business Days before the date of the Advance and (b) for a Prime Rate Advance, by 10:00am on the date of the Advance.

Each request for an Advance shall specify (a) whether it relates to a Term Loan or Revolving Loan, (b) the amount and currency, (c) the date of the Advance (which shall be a Business Day), (d) whether the Advance shall be a Term CORRA Advance, a Daily Compounded CORRA Advance or a Prime Rate Advance, (e) if the Advance shall be a Term CORRA Advance, the Interest Period, and (f) that as at the date of the Advance, the conditions precedent all Advances have been satisfied. If the request for Advance does not contain the information specified herein, the Bank shall be under no obligation to provide the Advance. The Borrower may Rollover a Term CORRA Advance by submitting an Interest Election Request.

CORRA INTEREST ELECTIONS

The Borrower may (i) elect to convert a Prime Rate Advance to (a) a Term CORRA Advance, or (b) a Daily Compounded CORRA Advance, and (ii) elect to change the Interest Period applicable to Term CORRA Advances, by submitting an Interest Election Request to the Bank. If an Interest Election Request does not contain the information prescribed information, the Bank shall be under no obligation to give effect to such Interest Election Request.

If the Borrower does not submit an Interest Election Request for a Term CORRA Advance 3 Business Days prior to the end of the then current Interest Period, then unless the Advance is repaid at the end of such Interest Period, it shall be converted to a Prime Rate Advance.

Upon the occurrence and continuation of an Event of Default, Advances cannot be converted or continued as Term CORRA Advances or Daily Compounding CORRA Advances unless repaid, in which case such Term CORRA Advances shall be converted into Prime Rate Advances at the end of the then current Interest Period and Daily Compounded CORRA Advances may be converted at the discretion of the Bank into Prime Rate Advances upon the occurrence of the Event of Default

INTEREST

Prime Rate Advances shall bear interest at the Prime Rate plus the applicable margin per annum identified as such in the Credit Facility Agreement.

Term CORRA Advances shall bear interest at Adjusted Term CORRA rate for the specific Interest Period plus the applicable margin per annum identified as such in the Credit Facility Agreement.

Daily Compounded CORRA Advances shall bear interest at Adjusted Daily Compounded CORRA rate plus the applicable margin per annum identified as such in the Credit Facility Agreement. Interest shall be compounded daily. This means that interest accrues daily and is calculated by charging interest on the principal borrowed plus the interest that has accrued daily. The interest rate described in your periodic statement does not reflect such compounding of interest. To arrive at the interest payable on your loan, the interest rate reflected in your periodic statement has to be compounded. A factor is used for calculating the compound interest that is equivalent to the annual interest rate compounded semi-annually, not in advance.

Interest is to be paid on the applicable Interest Payment Date save (a) interest due as a result of the occurrence and continuance of an Event of Default is payable on demand, (b) in the event of any repayment or prepayment of any Loan, accrued interest on the amount repaid or prepaid is due on the date of such repayment or prepayment, (c) when converting a Term CORRA Loan or a Daily Compounded CORRA Loan, accrued interest is due on the conversion date.

Interest is calculated based on a 365-day year and is payable for the actual number of days elapsed, including the first day but excluding the last day.

INABILITY TO DETERMINE RATES

If before the start of an Interest Period for a Term CORRA Advance or prior to the Advance of a Daily Compounded CORRA Advance (a) the Bank is unable to determine Adjusted Term CORRA or Adjusted Daily Compounded CORRA for any reason other than a Discontinuation Event, or (b) the Bank reasonably believes that Term CORRA or Daily Compounded CORRA does not adequately reflect its costs, the Bank shall promptly provide notice to the Borrower.

Upon providing a notice of a Discontinuation Event, the obligation of the Bank to make, and the right of the Borrower to continue, Term CORRA Advances or Daily Compounded CORRA Advances shall be suspended.

Upon receiving a notice of a Discontinuation Event, the Borrower may (i) cancel any pending request for Term CORRA Advances (for the applicable Interest Period) or Daily Compounded CORRA Advances or (ii) convert Term CORRA Advances to Daily Compounded CORRA Advances. If the Borrower does not

elect either (i) or (ii), the affected Term CORRA Advances shall automatically be converted to Prime Rate Advances at the end of the applicable Interest Period and the affected Daily Compounded CORRA Advances shall be converted to Prime Rate Advances as of the effective date of the Discontinuation Event.