

SECOND AMENDED AND RESTATED INTERCREDITOR AGREEMENT

This **SECOND AMENDED AND RESTATED INTERCREDITOR AGREEMENT** (this “**Agreement**”) is dated as of October 14, 2022, and entered into by and between the FGI WORLDWIDE LLC, in its capacity as administrative agent under the ABL Credit Agreement, including its successors and assigns from time to time (the “**Initial ABL Agent**”), and Computershare Trust Company of Canada, as trustee (the “**Trustee**”), not in its individual capacity, but solely in its capacity as trustee and collateral agent under the Indenture, including in each case its successors and assigns from time to time (in such capacities, the “**Note Agent**”), and is acknowledged by Source Energy Services Canada LP, an Alberta limited partnership (the “**LP Issuer**”), Source Energy Services Canada Holdings Ltd., an Alberta corporation (the “**Company**” and, together with the LP Issuer, the “**Issuers**”), Source Energy Services Ltd. (the “**Parent**”), Source Energy Services Canada LP GP Ltd. (the “**LP Issuer GP**”), Source Energy Services US II LP GP Ltd. (the “**US LP GP**”, and together with the LP Issuer GP, the “**General Partners**”) and the subsidiaries and affiliates of the Parent listed on the signature pages hereof (together with any subsidiary or affiliate that becomes a party hereto after the date hereof, each a “**Related Party**”, and, collectively, the “**Related Parties**”). The Issuers, the General Partners, the Parent and the Related Parties are referred to herein collectively as the “**Source Group**”, and each of them is referred to herein individually as a “**member**” of the Source Group. Capitalized terms used in this Agreement have the meanings assigned to them in Article I.

RECITALS

The LP Issuer, the Lenders and the Initial ABL Agent, among others, have entered into a credit agreement dated as of October 14, 2022 (as amended, restated, supplemented, modified, replaced, or refinanced from time to time, the “**Initial ABL Credit Agreement**”);

Pursuant to an indenture dated as of December 30, 2020 (as amended, restated, supplemented, modified, replaced or refinanced from time to time, the “**Indenture**”) among the Issuers, Computershare Trust Company of Canada as trustee and note agent, the Issuers have issued 10.5% senior secured first lien notes due 2025 in an aggregate principal amount of \$142,238,201 (the “**Initial Notes**”);

Each of the Related Parties and each of the General Partners have entered into guarantees pursuant to which such parties fully and unconditionally guarantee the obligations of the Issuers under the Indenture and the Notes; and

In order to induce the ABL Agent and the Lenders to consent to the Grantors incurring the Note Obligations and granting the Liens to the Note Agent and in order to induce the Note Agent and the Noteholders to consent to the Grantors incurring the ABL Obligations and granting the Liens to the ABL Agent, the ABL Agent, on behalf of the Lenders, and the Note Agent, on behalf of the Noteholders, have agreed to the relative priority of their respective Liens on the Collateral and certain other rights, priorities and interests as set forth in this Agreement.

AGREEMENT

In consideration of the foregoing, the mutual covenants and obligations herein set forth and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

“**ABL Agent**” means the Initial ABL Agent and any successor or other administrative agent under any ABL Credit Agreement.

“ABL Claimholders” means, at any relevant time, the holders of ABL Obligations at that time, including, without limitation, the Lenders and the ABL Agent under the ABL Credit Agreement.

“ABL Collateral” means all of the assets and property of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted as security for any ABL Obligations.

“ABL Credit Agreement” means collectively, (a) the Initial ABL Credit Agreement and (b) any other credit agreement or credit agreements, one or more debt facilities, and/or commercial paper facilities, in each case, with banks or other lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from (or sell such receivables to) such lenders), letters of credit, bankers’ acceptances, or other borrowings, that have been incurred to increase, replace (whether upon or after termination or otherwise), refinance or refund in whole or in part from time to time the Obligations outstanding under the Initial ABL Credit Agreement or any other agreement or Instrument referred to in this clause, whether or not such increase, replacement, refinancing or refunding occurs (i) with the original parties thereto, (ii) on one or more separate occasions or (iii) simultaneously or not with the termination or repayment of the Initial ABL Credit Agreement or any other agreement or Instrument referred to in this clause, unless such agreement or Instrument expressly provides that it is not intended to be and is not an ABL Credit Agreement, or such agreement or Instrument is not a Permitted Refinancing Agreement. Any reference to the ABL Credit Agreement hereunder shall be deemed a reference to any ABL Credit Agreement then in existence.

“ABL Default” means an “Event of Default” (as defined in the ABL Credit Agreement).

“ABL Loan Documents” means the ABL Credit Agreement and the other “Transaction Documents” (as defined in the ABL Credit Agreement), and each of the other agreements, documents and Instruments executed pursuant thereto, and any other document or Instrument executed or delivered at any time in connection with the ABL Credit Agreement, including any intercreditor or joinder agreement among holders of ABL Obligations, to the extent such are effective at the relevant time, as each may be amended, restated, supplemented, modified, renewed, extended or Refinanced from time to time in accordance with the provisions of this Agreement.

“ABL Mortgages” means a collective reference to each mortgage, deed of trust and other document or Instrument under which any Lien (including any floating charge) on real property owned or leased by any Grantor is granted to secure any ABL Obligations or under which rights or remedies with respect to any such Liens are governed.

“ABL Obligations” means all Obligations outstanding under the ABL Credit Agreement or any other ABL Loan Documents. “ABL Obligations” shall include all interest, fees and expenses accrued or accruing (or which would, absent commencement of an Insolvency or Liquidation Proceeding, accrue) after commencement of an Insolvency or Liquidation Proceeding in accordance with the rate specified in the relevant ABL Loan Document whether or not the claim for such interest is allowed as a claim in such Insolvency or Liquidation Proceeding.

“ABL Priority Collateral” means that portion of the Collateral, now existing or hereafter acquired by any Grantor or in which any Grantor now has or at any time in the future may acquire any right, title or interest, consisting of the following:

- (a) all Receivables;
- (b) all Inventory (including any and all returned or repossessed merchandise or other goods which are held for sale and which by sale result in Receivables);
- (c) the Sand Crusher;

- (d) all Other Collateral;
- (e) books, records, ledger cards, files, correspondence, invoices, documents, papers, agreements, electronically recorded data, computer programs, tapes, disks and related software that at any time evidence or contain information relating to any Receivables, Inventory, Other Collateral or Policies (as defined below) or are otherwise necessary in the collection thereof or realization thereupon;
- (f) rights of any Grantor under guarantees, letters of credit, letters of guarantee and encumbrances on real or personal property of any Person (other than a Grantor) that at any time in any way secure, guarantee or support any Receivables, Inventory, Other Collateral or Policies, but only to the extent that the rights described above in this clause (f) secure, guarantee or support ABL Priority Collateral as set forth in this definition;
- (g) chattel paper, Instruments and Documents of Title at any time evidencing or to the extent pertaining to any Receivables, Inventory, Other Collateral or Policies thereunder;
- (h) policies and certificates of insurance to the extent pertaining to the items described in clauses (a) to (g) above, including business interruption insurance relating to the business and credit/receivables insurance, all policies issued by any export insurer to the extent relating to such items, together with any and all schedules and endorsements thereto from time to time and any and all Monies and other sums payable to or receivable by any Grantor from time to time under any of the foregoing, together with any and all present and future rights and benefits of a Grantor under and, in connection with any of the foregoing and all agreements, permissions, approvals and consents from time to time granted to the Person under any or in connection with any of the foregoing, and all covenants, terms, conditions, representations and warranties made or expressed therein or implied by law in relation thereto, and all rights granted to any Grantor under any of the foregoing to make claims, enforce performance, sue for and collect amounts owing, give consents or approvals, make selections, exercise options, participate in arbitration or other legal proceedings and/or give notices and declare defaults thereunder (collectively, the **"Policies"**); and
- (i) Proceeds of the items described in clauses (a) to (h) above (whether or not deposited in a blocked account) and all claims of the Grantors against third parties for loss of, damage to, or destruction of and payments due or to become due under leases, rentals and hires of, any or all of the items described in clauses (a) to (g) above and proceeds payable under, or unearned premiums with respect to, the Policies,

in each case that may at any time be or become subject to a security interest or Lien (or a purported security interest or Lien) in favour of the ABL Agent or any ABL Claimholder to secure ABL Obligations.

"ABL Security Documents" means any agreement, document or Instrument pursuant to which a Lien is granted securing any ABL Obligations or under which rights or remedies with respect to such Liens are governed.

"ABL Standstill Period" has the meaning set forth in Section 3.2(a)(i).

"Access Period" means for each parcel of Mortgaged Premises, the period, after the commencement of an Enforcement Period by the ABL Agent, which begins on the earlier of (a) the day on which the ABL Agent provides the Note Agent with the written notice of its election to request access pursuant to Section 3.3(b) and (b) the fifteenth Business Day after the Note Agent provides the ABL Agent with written notice that the Note Agent (or its agent) has obtained possession or control of such parcel and ends on the earliest of (i) the 180th day (the **"Access Expiry Date"**) after the date (the **"Initial Access Date"**) on which the ABL Agent, or its designee, initially obtains the

ability to take physical possession of, remove, or otherwise control physical access to, or actually uses, the ABL Collateral located on such Mortgaged Premises plus the greater of (x) provided that the ABL Agent is diligently pursuing such Enforcement against the ABL Priority Collateral, such additional number of days after the Access Expiry Date that the ABL Agent requires in order to complete such Enforcement, and (y) such number of days after the Initial Access Date that it is stayed or otherwise prohibited by law or court order from exercising remedies with respect to Collateral located on such Mortgaged Premises, and (ii) the termination of such Enforcement Period.

"Account Agreements" means any lockbox account agreement, pledged account agreement, blocked account agreement, Securities Account control agreement, or any similar Deposit Account or Securities Account agreements among the Note Agent and/or the ABL Agent, one or more Grantors and the relevant financial institution depository or securities intermediary.

"Additional Liquidity Facility" means the credit facility designated as the "Additional Liquidity Facility" under the ABL Credit Agreement.

"Additional Liquidity Facility Obligations" means the portion of the ABL Obligations attributable to the Additional Liquidity Facility being specifically the "Additional Liquidity Facility Obligations" and the "Additional Liquidity Facility Portion" of costs and expenses, in each case as defined in the ABL Credit Agreement.

"Affiliate" means any specified Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"Agents" means the ABL Agent and the Note Agent.

"Agreement" means this Intercreditor Agreement, as amended, restated, renewed, extended, supplemented or otherwise modified from time to time.

"Bankruptcy Acts" means each of the BIA, the CCAA, the WURA and the US Bankruptcy Code, in each case as now and hereinafter in effect, or any successor statute thereto.

"Bankruptcy Law" means the Bankruptcy Acts and any successors to such statutes, any other applicable insolvency, winding-up, dissolution, restructuring, reorganization, liquidation, or other similar law of any jurisdiction, and any law of any jurisdiction (including any corporate law relating to arrangements, reorganizations, or restructurings) permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it.

"BIA" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

"Business Day" means a day other than a Saturday or Sunday or (ii) any other day on which banking institutions in the Province of Alberta are authorized or required by law to close.

"Canadian Collateral" means any and all of the assets and property of any Grantor, whether real, personal or mixed, which constitute ABL Collateral or Note Collateral, to which the PPSA applies.

“Capital Stock” means:

- (a) in the case of a corporation, association or other business entity, any and all shares, interests, participations, rights or other equivalents (however designated and whether or not voting) of corporate stock;
- (b) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and
- (c) any other interest or participation that confers on a Person rights in, or other equivalents of or interests in, the equity of the issuing Person or otherwise confers the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person,

but excluding from all of the foregoing any debt securities including debt securities convertible into or exchangeable for Capital Stock, whether or not such debt securities have any right of participation with Capital Stock.

“CCAA” means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36.

“Claimholder” means any Note Claimholder or ABL Claimholder, as applicable.

“Collateral” means any and all of:

- (a) the Canadian Collateral,
- (b) the US Collateral, and
- (c) any other assets and property of any Grantor (whether real, personal or mixed) that constitute ABL Collateral or Note Collateral.

“Collateral Account” means the Deposit Account established pursuant to the Indenture for the purposes of holding Note Priority Collateral (or the Proceeds thereof) pending application as required in the Note Documents.

“Company” has the meaning assigned to that term in the Preamble to this Agreement.

“Conforming Plan of Reorganization” means any Plan of Reorganization whose provisions are consistent with the provisions of this Agreement.

“Deemed Non-Proceeds” has the meaning assigned to that term in Section 3.5.

“Deposit Accounts” means all deposit accounts (whether demand, term, cash, chequing, savings or other similar account, and whether or not evidenced by a certificate of deposit, account agreement, passbook or other document) maintained by a bank, credit union, trust company or other financial institution, and all other monetary obligations due or accruing in connection therewith.

“Discharge of Additional Liquidity Facility Obligations” means the Additional Liquidity Facility Obligations have been satisfied and paid in full in cash, other than in respect of Unasserted Contingent Obligations.

“Discharge of ABL Obligations” means (a) the ABL Obligations have been satisfied and paid in full in cash, other than in respect of Unasserted Contingent Obligations, (b) all commitments to extend credit under the ABL Loan Documents have been terminated, and (c) there are no outstanding ABL Obligations in respect of Advances (as defined in the ABL Credit Agreement),

letters of credit or similar Instruments issued under the ABL Loan Documents (unless such ABL Obligations have been cash collateralized or defeased in accordance with the terms of the ABL Loan Documents or otherwise discharged in connection with any plan of reorganization, plan of arrangement or similar restructuring plan in an Insolvency or Liquidation Proceeding approved by the ABL Claimholders).

"Discharge of Note Obligations" means payment in full in cash of all Note Obligations, other than in respect of Unasserted Contingent Obligations.

"Disposition" means any sale, lease, exchange, transfer or other disposition of any Collateral.

"Document of Title" has the meaning ascribed to such term in the PPSA (or, in the case of US Collateral, in the UCC), and "Documents of Title" means all present and future Documents of Title.

"Enforcement" means, collectively or individually for one or both of the ABL Agent and the Note Agent, when a ABL Default or Note Default, as applicable, has occurred and is continuing, to enforce or attempt to enforce any right or power to repossess, replevy, attach, garnish, levy upon, collect the Proceeds of, foreclose or realize in any manner whatsoever its Lien upon, sell, liquidate or otherwise dispose of, or otherwise restrict or interfere with the use of, or exercise any remedies with respect to, or conduct any Going Out of Business Sale with respect to, any Collateral, whether by judicial enforcement of any of the rights and remedies under the ABL Loan Documents, the Note Documents and/or under any applicable law, by self-help repossession, by non-judicial foreclosure sale, lease, or other disposition, by set-off, by notification to account obligors of any Grantor, by any sale, lease, or other disposition implemented by any Grantor following a ABL Default or a Note Default, as applicable, in connection with which the ABL Agent or the Note Agent, as applicable, has agreed to release its Liens on the subject property, or otherwise, but in all cases excluding (i) the establishment of borrowing base reserves, collateral ineligibles, or other conditions for advances, (ii) the changing of advance rates or advance sublimits, (iii) the imposition of a default rate or late fee, (iv) the collection and application of Receivables or other Monies deposited from time to time in Deposit Accounts or Securities Accounts, in each case, to the extent constituting ABL Priority Collateral, against the ABL Obligations pursuant to the provisions of the ABL Loan Documents (including, without limitation, the notification of account debtors, depository institutions or any other Person to deliver Proceeds of Collateral to the ABL Agent or any "cash dominion event" or mandatory prepayment event under the ABL Loan Documents), (v) the cessation of lending pursuant to the provisions of the ABL Loan Documents, including upon the occurrence of a default on the existence of an over-advance, (vi) the filing of a proof of claim in any Insolvency or Liquidation Proceeding, and (vii) the acceleration of the Note Obligations or the ABL Obligations.

"Enforcement Notice" means a written notice delivered, at a time when a ABL Default or Note Default has occurred and is continuing, by either the ABL Agent or the Note Agent to the other announcing that an Enforcement Period has commenced, specifying the relevant event of default, stating the current balance of the ABL Obligations or the Note Obligations, as applicable, and requesting the current balance of the ABL Obligations or Note Obligations, as applicable, owing to the noticed party.

"Enforcement Period" means the period of time following the receipt by either the ABL Agent or the Note Agent of an Enforcement Notice from the other until the earliest of (a) in the case of an Enforcement Period commenced by the Note Agent, the Discharge of Note Obligations, (b) in the case of an Enforcement Period commenced by the ABL Agent, the Discharge of ABL Obligations, (c) the Agent that delivered such Enforcement Notice agreeing in writing to terminate the Enforcement Period, or (d) the date on which the ABL Default or the Note Default that was the subject of the Enforcement Notice relating to such Enforcement Period has been cured to the satisfaction of the ABL Agent or the Note Agent, as applicable, or waived in writing.

"Existing Intercreditor Agreement" means the first amended and restated intercreditor agreement dated as of December 30, 2020 and entered into by and between the Bank of Montreal

and Computershare Trust Company of Canada and is acknowledged by, among others, the Issuers and the Parent.

“Going Out of Business Sale” means, following the occurrence and during the continuance of any ABL Default, any sale or liquidation of the ABL Priority Collateral consented to by the ABL Agent for purposes of permitting the Grantors to obtain funds to permanently repay the ABL Obligations in whole or in part.

“Governmental Authority” means any nation or government, any state, province, territory or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

“Grantors” means each member of the Source Group and each other Person that has or may from time to time hereafter execute and deliver a ABL Security Document or a Note Security Document as a grantor of a Lien.

“Indebtedness” means and includes all Obligations that constitute “Debt,” “Indebtedness,” “Obligations,” “Liabilities” or any similar term within the meaning of the ABL Credit Agreement or the Indenture, as applicable.

“Indenture” has the meaning assigned to that term in the Recitals to this Agreement.

“Initial Access Date” has the meaning assigned to that term in the definition of the term “Access Period.”

“Initial ABL Credit Agreement” has the meaning assigned to that term in the Recitals.

“Initial Notes” has the meaning assigned to that term in the Recitals.

“Initial Use Date” has the meaning assigned to that term in the definition of the term “Use Period.”

“Insolvency or Liquidation Proceeding” means:

- (a) any voluntary or involuntary case or proceeding under any of the Bankruptcy Acts with respect to any Grantor;
- (b) any other voluntary or involuntary insolvency, reorganization or bankruptcy case or proceeding (including under Chapter 15 of the United States Bankruptcy Code), or any receivership, liquidation, reorganization or other similar case or proceeding with respect to any Grantor or with respect to a material portion of their respective assets, in each case, except as permitted under the ABL Credit Agreement and the Indenture;
- (c) any composition of liabilities or similar arrangement relating to any Grantor, whether or not under a court’s jurisdiction or supervision;
- (d) any liquidation, dissolution, reorganization or winding up of any Grantor, whether voluntary or involuntary, whether or not under a court’s jurisdiction or supervision, and whether or not involving insolvency or bankruptcy; or
- (e) any general assignment for the benefit of creditors or any other marshalling of assets and liabilities of any Grantor.

"Instrument" has the meaning ascribed to such term in the PPSA (or, in the case of US Collateral, in the UCC) and "Instruments" means all present and future Instruments.

"Inventory" has the meaning ascribed to such term in the PPSA (or, in the case of US Collateral, in the UCC), provided that "Inventory" shall include raw materials or finished goods (including washed frac sand but excluding raw unextracted sand or minerals).

"Issue Date" means December 30, 2020

"Issuers" has the meaning assigned to that term in the Preamble to this Agreement.

"Lenders" means the "Lenders" under and as defined in the ABL Credit Agreement or any other Person which extends credit under the ABL Credit Agreement.

"Lien" means any mortgage, lien (statutory or otherwise), pledge, charge, security interest or encumbrance upon or with respect to any property of any kind, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement.

"Limited Partners" has the meaning assigned to that term in the Preamble to this Agreement.

"LP Issuer" has the meaning assigned to that term in the Preamble to this Agreement.

"LP Issuer GP" has the meaning assigned to that term in the Preamble to this Agreement.

"Money" has the meaning ascribed to such term in the PPSA (or, in the case of US Collateral, in the UCC), and "Monies" means all present and future Money.

"Mortgaged Premises" means any real property which shall now or hereafter be subject to a Note Mortgage and/or a ABL Mortgage.

"Non-Conforming Plan of Reorganization" means any Plan of Reorganization whose provisions are inconsistent with the provisions of this Agreement, including any plan of reorganization that purports to re-order (whether by subordination, invalidation, or otherwise) or otherwise disregard, in whole or part, the provisions of Article II (including the Lien priorities of Section 2.1), the provisions of Article IV, or the provisions of Article VI, unless such Plan of Reorganization has been accepted by the voluntary required vote of each class of ABL Claimholders and Note Claimholders.

"Note Agent" has the meaning assigned to that term in the Preamble of this Agreement.

"Note Claimholders" means, at any relevant time, the holders of Note Obligations at that time, including the Noteholders and the Note Agent.

"Note Collateral" means any and all of the assets and property of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted as security for any Note Obligations.

"Note Default" means an "Event of Default" as defined in the Indenture.

"Note Documents" means the Indenture, the Notes, the Note Security Documents and each of the other agreements, documents and Instruments executed pursuant thereto, and any other document or Instrument executed or delivered at any time in connection with any Note Obligations, including any intercreditor or joinder agreement among holders of Note Obligations to the extent such are effective at the relevant time, as each may be amended, restated, supplemented, modified, renewed, extended or Refinanced from time to time in accordance with the provisions of this Agreement.

"Noteholders" means the "Holders" as defined in the Indenture.

"Note Mortgages" means a collective reference to each mortgage, deed of trust and any other document or Instrument under which any Lien (including a floating charge) on real property owned or leased by any Grantor is granted to secure any Note Obligations or under which rights or remedies with respect to any such Liens are governed.

"Note Obligations" means all Obligations outstanding under the Notes or any other Note Documents. "Note Obligations" shall include all interest accrued or accruing (or which would, absent commencement of an Insolvency or Liquidation Proceeding, accrue) after commencement of an Insolvency or Liquidation Proceeding in accordance with the rate specified in the relevant Note Document, whether or not the claim for such interest is allowed as a claim in such Insolvency or Liquidation Proceeding.

"Note Priority Collateral" means that portion of the Collateral, now existing or hereafter acquired by any Grantor or in which any Grantor now has or at any time in the future may acquire any right, title or interest, that does not constitute ABL Priority Collateral and that may at any time be or become subject to a security interest or Lien (or a purported security interest or Lien) in favour of the Note Agent or any Note Claimholder to secure any Note Obligations.

"Note Security Agreement" means, collectively, the security agreement, dated as of December 30, 2020, by and among the Note Agent, the Trustee and one or more of the Grantors, as the same may be amended, modified, restated, supplemented or replaced from time to time in accordance with its terms.

"Note Security Documents" means any agreement, document or Instrument pursuant to which a Lien is granted securing any Note Obligations or under which rights or remedies with respect to such Liens are governed.

"Note Standstill Period" has the meaning set forth in Section 3.1(a)(i).

"Notes" means, collectively, (a) the Initial Notes and (b) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or Instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to increase, replace, refinance or refund in whole or in part the Obligations outstanding under the Initial Notes or any other agreement or Instrument referred to in this clause, unless such agreement or Instrument expressly provides that it is not intended to be and is not a Note, or such agreement or Instrument is not a Permitted Refinancing Agreement. Any reference to the Notes hereunder shall be deemed a reference to any Notes then in existence.

"Obligations" means all present and future loans, advances, liabilities, obligations, covenants, duties, and debts from time to time owing by any Grantor to any agent or trustee (including either of the Agents), the ABL Claimholders, the Note Claimholders or any of them or their respective Affiliates, arising from or in connection with the ABL Loan Documents or the Note Documents, whether for principal, interest or payments for early termination, whether or not evidenced by any note, or other Instrument or document, whether arising from an extension of credit, opening of a letter of credit, acceptance, loan, guaranty, indemnification or otherwise, whether direct or indirect, absolute or contingent, due or to become due, primary or secondary, as principal or guarantor, and including all principal, interest, charges, expenses, fees, attorneys' fees, filing fees and any other sums chargeable to the Grantors, including, without limitation, the "Obligations", as defined in the ABL Credit Agreement, and the "Obligations", as defined in the Indenture and under the Notes.

"Other Collateral" means, with respect to any Grantor, (a) all now owned and hereafter acquired lockbox, blocked accounts and any other Deposit Accounts or Security Accounts of such Grantor (whether held alone or jointly with one or more other Grantors) maintained with any bank, financial

institution, other deposit taking institution or securities intermediary into which the proceeds of any ABL Priority Collateral are deposited, or are required by the ABL Loan Documents to be deposited, and all cash and other Monies and properties of such Grantor deposited therein; provided however, that in respect of the Collateral Account, "Other Collateral" shall be limited to the Proceeds of ABL Priority Collateral deposited therein, if any; (b) all investments and reinvestments (however evidenced) of amounts from time to time credited to any of the aforementioned accounts; and (c) all interest, dividends, distributions and other Proceeds payable on or with respect to (i) such investments and reinvestments, and (ii) such accounts. Notwithstanding the foregoing, "Other Collateral" shall exclude all Proceeds of Note Priority Collateral (including all interest, dividends, distributions and other Proceeds payable on or with respect to Note Priority Collateral) deposited into the Collateral Account.

"Permitted Hedging" has the meaning ascribed to such term in the ABL Credit Agreement.

"Permitted Refinancing" means any Refinancing the governing documentation of which constitutes Permitted Refinancing Agreements.

"Permitted Refinancing Agreements" means, with respect to either the ABL Credit Agreement or the Notes, as applicable, any credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or Instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to increase, replace (whether upon or after termination or otherwise), refinance or refund in whole or in part the Obligations outstanding under the ABL Credit Agreement or the Notes, whether or not such increase, replacement, refinancing or refunding occurs (i) with the original parties thereto, (ii) on one or more separate occasions or (iii) simultaneously or not with the termination or repayment of the ABL Credit Agreement or the Notes or any other agreement or Instrument referred to in this clause, unless such agreement or Instrument expressly provides that it is not intended to be and is not a Permitted Refinancing Agreement, as such financing documentation may be amended, restated, supplemented or otherwise modified from time to time and that would not be prohibited by Section 5.3(c) or Section 5.3(d), as applicable.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government, government body or agency or other entity.

"Plan of Reorganization" means any plan of reorganization, plan of liquidation, plan of compromise or reorganization, agreement for composition, or other type of plan of arrangement or distribution scheme proposed in or in connection with any Insolvency or Liquidation Proceeding.

"Pledged Collateral" has the meaning set forth in Section 5.4(a).

"Proceeds" has the meaning ascribed to such term in the PPSA (or, in the case of US Collateral, in the UCC).

"PPSA" means the *Personal Property Security Act* (Alberta) and the regulations thereof in force from time to time, and, as it applies to floating land charges, includes the *Law of Property Act* (Alberta), provided, however, that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of the Agents' security interest in any item or portion of the Collateral is governed by the PPSA as in effect in a jurisdiction other than the Province of Alberta, the term "PPSA" shall mean the Personal Property Security Act or equivalent as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

"Receivables" means any "accounts" (as such term is defined in the PPSA or, in the case of US Collateral, in the UCC) arising out of or in connection with the sale or lease of Inventory or the

performance of services, including (a) credit balances arising in connection with or pursuant to any of the foregoing; (b) notes, deposits or property of the applicable account debtors securing the obligations of any such account debtors to a Grantor; (d) cash and non-cash Proceeds of any and all of the foregoing; (d) all demands, Monies, choses in action and claims for Monies now or hereafter due and payable in connection with any and all of the foregoing; and (e) all unpaid seller's or lessor's rights (including rescission, replevin, reclamation, repossession and stoppage in transit) relating to the foregoing or arising therefrom and all rights to any goods represented by any of the foregoing, including rights to returned, reclaimed or repossessed goods; whether or not specifically sold or assigned to a Secured Party under any ABL Security Document or Note Security Document.

"Recovery" has the meaning set forth in Section 6.3.

"Refinance" means, in respect of any Indebtedness, to refinance, extend, renew, defease, amend, modify, supplement, restructure, replace, refund or repay, or to issue other indebtedness, in exchange or replacement for, such Indebtedness, in any case in whole or in part. **"Refinanced"** and **"Refinancing"** shall have correlative meanings.

"Related Parties" has the meaning assigned to that term in the Preamble to this Agreement.

"Sand Crusher" means the sand crusher to be located at the wash plant in Barron County, Wisconsin, together with related fixtures and chattels.

"Secured Parties" means the ABL Claimholders and the Note Claimholders.

"Securities" means all present and future "securities" (as defined in the STA).

"Securities Accounts" means all present and future "securities accounts" (as defined in the STA).

"Source Group" has the meaning assigned to that term in the Preamble to this Agreement.

"STA" means the *Securities Transfer Act* (Alberta), provided that, to the extent that perfection or the effect of perfection or non-perfection or the priority of any Lien on Collateral that is "Investment Property" (as defined in the PPSA) is governed by the laws in effect in any province or territory of Canada other than Alberta in which there is in force legislation substantially the same as the *Securities Transfer Act* (Alberta) (an **"Other STA Province"**), then "STA" shall mean such other legislation as in effect from time to time in such Other STA Province for purposes of the provisions hereof referring to or incorporating by reference provisions of the STA; and to the extent that such perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder on the Collateral is governed by the laws of a jurisdiction in Canada other than Alberta or an Other STA Province, then references herein to the STA shall be disregarded except for the terms "Certificated Security" and "Uncertificated Security", which shall have the meanings herein as defined in the *Securities Transfer Act* (Alberta) regardless of whether the STA is in force in the applicable jurisdiction.

"Subsidiary" means, with respect to any specified Person:

- (a) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (b) any partnership or limited liability company if (i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership

interests, as applicable, thereof are owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof), whether in the form of membership, general, special or limited partnership interests or otherwise, and (ii) the specified Person, or any Subsidiary of the specified Person, is a controlling general partner of, or otherwise controls, such entity.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of the Agents' security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a State other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code or equivalent as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

"Unasserted Contingent Obligations" means, at any time, any claims for taxes, costs, indemnifications, reimbursements, damages and other contingent liabilities under the ABL Loan Documents or Note Documents in respect of which no written assertion of liability and no written claim or demand for payment has been made at such time by any Secured Party (and, in the case of claims for indemnification, no written claim or demand for indemnification has been issued by any applicable indemnitee at such time), excluding (a) the principal amount of the Obligations (and interest and premium (if any) thereon, and fees and expenses relating thereto), (b) payment obligations of a ABL Claimholder in respect of undrawn amounts under outstanding letters of credit issued by such ABL Claimholder that are available to be drawn by the applicable beneficiary thereof, (c) contingent guarantee and indemnity obligations of any Grantor under: (i) any guarantee granted to any Secured Party guaranteeing the payment and performance of the Obligations (or any portion thereof); or (ii) any Permitted Hedging agreements, and (d) contingent Obligations due to currency exchange rate fluctuations due to a Secured Party. For the avoidance of doubt, for the purpose of this definition, a liability of a Person shall not be deemed to be "contingent" at any time merely because the amount of such liability is not yet determinable at that time.

"US Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

"US Collateral" means any and all of the assets and property of any Grantor, whether real, personal or mixed, which constitute ABL Collateral or Note Collateral, to which the UCC applies.

"US LP GP" has the meaning assigned to that term in the Preamble to this Agreement.

"Use Period" means, with respect to the Note Priority Collateral, the period, after the commencement of an Enforcement Period by the ABL Agent, which begins on the earlier of (a) the day on which the ABL Agent provides the Note Agent with an Enforcement Notice and (b) the fifteenth Business Day after the Note Agent provides the ABL Agent with notice that the Note Agent (or its agent) has obtained possession or control of such Collateral and ends on the earliest of (i) the 180th day (the **"Use Period Expiry Date"**) after the date (the **"Initial Use Date"**) on which the ABL Agent, or its designee, initially obtains the ability to take physical possession of, remove, or otherwise control physical access to, or actually uses, such Note Priority Collateral plus the greater of (x) provided that the ABL Agent is diligently pursuant such Enforcement against the ABL Priority Collateral, such additional number of days after the Use Period Expiry Date that the ABL Agent requires in order to complete the foregoing Enforcement; and (y) such number of days after the Initial Use Date that it is stayed or otherwise prohibited by law or court order from exercising remedies with respect to such Note Priority Collateral, and (ii) the termination of such Enforcement Period.

"WURA" means *Winding-Up and Restructuring Act*, R.S.C. 1985, c. W-11.

1.2 Terms Generally. The definitions of terms in this Agreement shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise:

- (a) any definition of or reference to any agreement, Instrument or other document herein shall be construed as referring to such agreement, Instrument or other document as from time to time amended, restated, supplemented, modified, renewed or extended;
- (b) any reference herein to any Person shall be construed to include such Person’s permitted successors and assigns;
- (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof;
- (d) all references herein to Sections or Articles shall be construed to refer to Sections or Articles of this Agreement;
- (e) to the extent the described asset is owned by any Grantor, all uncapitalized terms describing such asset have the meanings given to them in the PPSA and/or the STA or (for US Collateral) the UCC, as applicable, unless otherwise defined herein;
- (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights;
- (g) any reference herein to a Person in a particular capacity or capacities excludes such Person in any other capacity or individually;
- (h) any reference herein to any law shall be construed to refer to such law as amended, modified, codified, replaced, or re-enacted, in whole or in part, and in effect on the pertinent date; and
- (i) in the compilation of periods of time hereunder from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to, but not through or including.”

ARTICLE II LIEN PRIORITIES

2.1 Relative Priorities. Irrespective of the date, time, method, manner or order of grant, attachment or perfection of any Liens securing the Note Obligations granted on the Collateral or of any Liens securing the ABL Obligations granted on the Collateral (including, in each case, irrespective of whether any such Lien is granted (or secures Obligations relating to the period) before or after the commencement of any Insolvency or Liquidation Proceeding) and notwithstanding any provision of any PPSA, UCC or any other applicable law, or the ABL Loan Documents or the Note Documents, the ABL Agent, on behalf of the ABL Claimholders, and the Note Agent, on behalf of the Note Claimholders, hereby agree that:

- (a) any Lien of the ABL Agent on the ABL Priority Collateral securing the ABL Obligations, whether such Lien is now or hereafter held by or on behalf of the ABL Agent or any other ABL Claimholder or any other agent or trustee therefor, regardless of how or when acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise,

shall be senior in all respects and prior to any Lien on the ABL Priority Collateral securing any Note Obligations; and

- (b) any Lien of the Note Agent on the Note Priority Collateral securing the Note Obligations, whether such Lien is now or hereafter held by or on behalf of the Note Agent, any other Note Claimholder or any other agent or trustee therefor, regardless of how or when acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects to all Liens on the Note Priority Collateral securing any ABL Obligations.

2.2 Prohibition on Contesting Liens. Each of the Note Agent, on behalf of each Note Claimholder, and the ABL Agent, on behalf of each ABL Claimholder, consents to the granting of Liens in favor of the other to secure the ABL Obligations and the Note Obligations, as applicable, and agrees that no Claimholder will be entitled to, and it will not (and shall be deemed to have irrevocably, absolutely, and unconditionally waived any right to), contest (directly or indirectly) or support (directly or indirectly) any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding): (a) the attachment, perfection, priority, validity or enforceability of any Lien in the Collateral held by or on behalf of any of the ABL Claimholders to secure the payment of the ABL Obligations or any of the Note Claimholders to secure the payment of the Note Obligations, (b) the priority, validity or enforceability of the ABL Obligations or the Note Obligations, including the allowability or priority of the Note Obligations or the ABL Obligations, as applicable, in any Insolvency or Liquidation Proceeding, or (c) the validity or enforceability of the provisions of this Agreement; provided that nothing in this Agreement shall be construed to prevent or impair the rights of the ABL Agent, on behalf of the ABL Claimholders, or the Note Agent, on behalf of the Note Claimholders, to enforce this Agreement, including the provisions of this Agreement relating to the priority of the Liens securing the Obligations as provided in Sections 2.1, 3.1 and 3.2.

2.3 No New Liens. So long as neither the Discharge of ABL Obligations nor the Discharge of Note Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against one or more of the Issuers or any other Grantor, the parties hereto agree, subject to Article VI, that each of the Issuers and each of the other Grantors shall not:

- (a) grant or permit any additional Liens on any asset or property to secure any Note Obligations unless it has granted or concurrently grants a Lien on such asset or property to secure the ABL Obligations; or
- (b) grant or permit any additional Liens on any asset or property to secure any ABL Obligations unless it has granted or concurrently grants a Lien on such asset or property to secure the Note Obligations,

provided, that the prohibitions on the granting, or the permitting to exist, of any such additional Liens set forth in this Section 2.3 shall not apply to any Liens granted to the holders of ABL Obligations to the extent such Liens secure any interim or 'debtor in possession' financing that is approved by a court following notice of same to the Note Agent, on behalf of the Note Claimholders.

To the extent any additional Liens are granted on any asset or property (except as contemplated by the proviso to the immediately preceding clause, or by Section 2.4) pursuant to this Section 2.3, the priority of such additional Liens shall be determined in accordance with Section 2.1. In addition, to the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights or remedies available hereunder, the ABL Agent, on behalf of the ABL Claimholders, and the Note Agent, on behalf of Note Claimholders, agree that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.3 shall be subject to Section 4.2.

2.4 Similar Liens and Agreements. The parties hereto agree that it is their intention that the ABL Collateral and the Note Collateral be identical except as provided in Article VI and as otherwise

provided herein. In furtherance of the foregoing and of Section 8.8, the parties hereto agree, subject to the other provisions of this Agreement, upon request by the ABL Agent or the Note Agent, to cooperate in good faith (and to direct their counsel to cooperate in good faith) from time to time in order to determine the specific items included in the ABL Collateral and the Note Collateral and the steps taken to perfect their respective Liens thereon and the identity of the respective parties obligated under the ABL Loan Documents and the Note Documents.

- 2.5 Limitation on Fixed Charges.** Except in respect of any Liens or fixed charges arising out of, in connection with or granted pursuant to the ABL Mortgages dated on or about the date hereof, or which are the subject of an undertaking or covenant entered into at or about the date of the Initial ABL Closing Agreement to grant security at a future time, the ABL Agent shall not register any other fixed charge against any real property (including, without limitation, any petroleum, mineral or natural gas assets) of any member of the Source Group in respect of or as security for the ABL Obligations until fifteen (15) Business Days after it has given to the Note Agent written notice of its intention to register such fixed charge security, together with true copies of the registerable security proposed to be registered by it (including complete copies of the land schedules with all information required for registration of such fixed charge), and (ii) the Note Agent effects a registration for a fixed charge before the ABL Agent effects a registration of a fixed charge. Any fixed charge security and floating land charges registered in favour of the ABL Agent shall be subject to the Lien priority provisions of this Agreement.

ARTICLE III EXERCISE OF REMEDIES; ENFORCEMENT

3.1 Restrictions on the Note Agent and the Note Claimholders

- (a) Until the Discharge of ABL Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the Note Agent and the other Note Claimholders:
- (i) subject to Section 3.5, will not exercise or seek to exercise (but instead shall be deemed to have hereby irrevocably, absolutely and unconditionally waived for the duration of the Note Standstill Period), any rights, powers, or remedies with respect to any ABL Priority Collateral (including (A) any right of set-off or any right under any Account Agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which the Note Agent or any Note Claimholder is a party, (B) any right to undertake self-help re- possession or non-judicial disposition of any ABL Priority Collateral (including any partial or complete strict foreclosure), and/or (C) any right to institute, prosecute, or otherwise maintain any action or proceeding with respect to such rights, powers or remedies (including any action of foreclosure)) provided, however, that the Note Agent may exercise any or all of such rights, powers, or remedies after a period of at least 180 days has elapsed since the later of: (i) the date on which the Note Agent declared the existence of a Note Default, accelerated (to the extent such amount was not already due and owing) the payment of the principal amount of all Note Obligations, and demanded payment thereof and (ii) the date on which the ABL Agent received the Enforcement Notice from the Note Agent; provided, further, however, that neither the Note Agent nor any other Note Claimholder shall exercise any rights or remedies with respect to the ABL Priority Collateral if, notwithstanding the expiration of such 180-day period, the ABL Agent or the other ABL Claimholders (A) shall have commenced, whether before or after the expiration of such 180-day period, and be diligently pursuing the exercise of their rights, powers, or remedies with respect to all or any material portion of such Collateral (prompt written notice of such exercise to be given to the Note Agent), or (B) shall have been stayed by operation of law or any court order from pursuing any such exercise of remedies (the period during which the Note Agent and the other Note Claimholders may not

pursuant to this Section 3.1(a)(i) exercise any rights, powers, or remedies with respect to the ABL Priority Collateral, the “**Note Standstill Period**”);

- (ii) will not, directly or indirectly, contest, protest or object to or hinder any judicial or non-judicial foreclosure proceeding or action (including any partial or complete strict foreclosure) brought by the ABL Agent or any other ABL Claimholder relating to the ABL Priority Collateral or any other exercise by the ABL Agent or any other ABL Claimholder of any other rights, powers and remedies relating to the ABL Priority Collateral, including any sale, lease, exchange, transfer, or other disposition of the ABL Priority Collateral, whether under the ABL Loan Documents, applicable law, or otherwise;
- (iii) subject to their rights under clause 3.1(a)(i) above (and under clause (vi) of Section 3.1(c)), will not object to the forbearance by the ABL Agent or the ABL Claimholders from bringing or pursuing any Enforcement with respect to the ABL Priority Collateral;
- (iv) subject to Sections 3.1(c) and 3.5, irrevocably, absolutely, and unconditionally waive any and all rights the Note Agent or the Note Claimholders may have as a junior lien creditor or otherwise to object (and seek or be awarded any relief of any nature whatsoever based on any such objection) to the manner in which the ABL Agent or the ABL Claimholders (A) enforce or collect (or attempt to collect) the ABL Obligations or (B) realize or seek to realize upon or otherwise enforce the Liens in and to the ABL Priority Collateral securing the ABL Obligations, regardless of whether any action or failure to act by or on behalf of the ABL Agent or ABL Claimholders is adverse to the interest of the Note Agent or the Note Claimholders. Without limiting the generality of the foregoing, the Note Claimholders shall be deemed to have hereby irrevocably, absolutely, and unconditionally waived any right to object (and seek or be awarded any relief of any nature whatsoever based on any such objection), at any time prior or subsequent to any disposition of any of the ABL Priority Collateral, on the ground(s) that any such disposition of ABL Priority Collateral (x) would not be or was not commercially reasonable and/or (y) would not or did not comply with any other requirement under the PPSA or UCC or under any other applicable law governing the manner in which a secured creditor (including one with a Lien on real property) is to realize on its collateral; and
- (v) subject to Section 3.1(a) and (c) and Sections 3.5 and 5.3(c), acknowledge and agree that no covenant, agreement or restriction contained in the Note Security Documents or any other Note Document (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the ABL Agent or the ABL Claimholders with respect to the ABL Priority Collateral as set forth in this Agreement and the ABL Loan Documents;

provided, however, that, in the case of clauses (i), (ii) and (iii) above, the Liens granted to secure the Note Obligations of the Note Claimholders shall attach to any Proceeds resulting from actions taken by the ABL Agent or any ABL Claimholder with respect to the ABL Priority Collateral in accordance with this Agreement after application of such Proceeds to the extent necessary to meet the requirements of a Discharge of ABL Obligations.

- (b) Subject to the ABL Agent’s and the ABL Claimholders’ obligations under Section 3.5, until the Discharge of ABL Obligations, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the ABL Agent and the other ABL Claimholders shall have the right to enforce rights, exercise remedies (including set-off and the right to credit bid their debt) and, in connection therewith (including voluntary

Dispositions of ABL Priority Collateral by the respective Grantors after a ABL Default) make determinations regarding the release, disposition, or restrictions with respect to the ABL Priority Collateral without any consultation with or the consent of the Note Agent or any Note Claimholder; provided, however, that the Lien securing the Note Obligations shall remain on the Proceeds (other than those properly applied to the ABL Obligations in accordance with Section 4.1) of such Collateral released or disposed of subject to the relative priorities described in Section 2.1. In exercising rights, powers, and remedies with respect to the ABL Priority Collateral, the ABL Agent and the ABL Claimholders may enforce the provisions of the ABL Loan Documents and exercise rights, powers, and/or remedies thereunder and/or under applicable law or otherwise, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of the ABL Priority Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the PPSA and UCC and of a secured creditor under the Bankruptcy Laws of any applicable jurisdiction.

- (c) Notwithstanding anything to the contrary contained herein, the Note Agent and any Note Claimholder may:
- (i) file a claim or statement of interest with respect to the Note Obligations; provided that an Insolvency or Liquidation Proceeding has been commenced by or against any Grantor;
 - (ii) take any action (not adverse to the priority status of the Liens on the ABL Priority Collateral, or the rights of the ABL Agent or any of the ABL Claimholders to exercise rights, powers, and/or remedies in respect thereof, including those under Article VI) in order to create, perfect, preserve or protect (but not enforce) its Lien on any of the ABL Priority Collateral;
 - (iii) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims of the Note Claimholders, including any claims secured by the ABL Priority Collateral, if any, in each case in accordance with the terms of this Agreement;
 - (iv) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any Insolvency or Liquidation Proceeding or applicable non-bankruptcy law, in each case not inconsistent with the terms of this Agreement or applicable law (including the Bankruptcy Laws of any applicable jurisdiction) and any pleadings, objections, motions or agreements which assert rights or interests available to secured creditors solely with respect to the Note Priority Collateral;
 - (v) vote on any Plan of Reorganization, file any proof of claim, make other filings and make any arguments, objections, and motions (including in support of or opposition to, as applicable, the confirmation or approval of any Plan of Reorganization) that are, in each case, in accordance with the terms of this Agreement. Without limiting the generality of the foregoing or of the other provisions of this Agreement, any vote to accept, and any other act to support the confirmation or approval of, any Non-Conforming Plan of Reorganization shall be inconsistent with and accordingly, a violation of the terms of this Agreement, and the ABL Agent shall be entitled to have any such vote to accept a Non-Conforming Plan of Reorganization changed and any such support of any Non-Conforming Plan of Reorganization withdrawn;

- (vi) exercise any of the rights, powers and/or remedies with respect to any of the ABL Priority Collateral after the termination of the Note Standstill Period to the extent permitted by Section 3.1(a)(i); and
- (vii) take any action described in clauses (iii), (vi) and (vii) of the definition of "Enforcement."

The Note Agent, on behalf of the Note Claimholders, agrees that no Note Claimholder will take or receive any ABL Priority Collateral (including Proceeds) in connection with the exercise of any right or remedy (including set-off) with respect to ABL Priority Collateral in its capacity as a creditor in violation of this Agreement. Without limiting the generality of the foregoing, unless and until the Discharge of ABL Obligations has occurred, except as expressly provided in Sections 3.1(a)(i), 6.6 and clause (vi) of Section 3.1(c), the sole right of the Note Agent and the Note Claimholders with respect to the ABL Priority Collateral is to hold a Lien on such Collateral pursuant to the Note Security Documents for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, in accordance with Section 4.1.

- (d) Except as otherwise specifically set forth in Sections 3.1(a), 3.4 and 3.5 and Article VI, the Note Agent and the Note Claimholders may exercise rights and remedies as unsecured creditors against any Grantor and may exercise rights and remedies with respect to the Note Priority Collateral, in each case, in accordance with the terms of the Note Documents and applicable law; provided, however, that in the event that the Note Agent or any Note Claimholder becomes a judgment Lien creditor in respect of ABL Priority Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the Note Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes (including in relation to the ABL Obligations) as the other Liens securing the Note Obligations are subject to this Agreement.
- (e) Except as provided in Section 5.3(d), nothing in this Agreement shall prohibit the receipt by the Note Agent or any other Note Claimholders of the required payments of interest, principal and other amounts owed in respect of the Note Obligations so long as such receipt is not the direct or indirect result of the exercise by the Note Agent or any Note Claimholders of rights or remedies as a secured creditor (including set-off) with respect to ABL Priority Collateral or enforcement in contravention of this Agreement of any Lien held by any of them. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the ABL Agent or the ABL Claimholders may have against the Grantors under the ABL Loan Documents.

3.2 Restrictions on the ABL Agent and ABL Claimholders

- (a) Until the Discharge of Note Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, subject to the limited extent provided in Article VI, the ABL Agent and the other ABL Claimholders:
 - (i) subject to Section 3.5, will not exercise or seek to exercise (but instead shall be deemed to have hereby irrevocably, absolutely and unconditionally waived for the duration of the ABL Standstill Period) any rights, powers, or remedies with respect to any Note Priority Collateral (including (A) any right of set-off or any right under any Account Agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which the ABL Agent or any ABL Claimholder is a party, (B) any right to undertake self-help repossession or non-judicial disposition of any Note Priority Collateral (including any partial or complete strict foreclosure), or (C) any right to institute, prosecute or otherwise maintain any action or proceeding with respect to such rights, powers, or remedies (including any action of foreclosure)); provided, however, that the ABL Agent may exercise any or all of such rights,

powers, or remedies after a period of at least 180 days has elapsed since the later of: (i) the date on which the ABL Agent declared the existence of a ABL Default, accelerated (to the extent such amount was not already due and owing) the payment of the principal amount of all ABL Obligations, and demanded payment thereof and (ii) the date on which the Note Agent received the Enforcement Notice from the ABL Agent relating to such action; provided, further, however, that neither the ABL Agent nor the other ABL Claimholders shall exercise any remedies with respect to the Note Priority Collateral if, notwithstanding the expiration of such 180-day period, the Note Agent or the Note Claimholders (A) shall have commenced, whether before or after the expiration of such 180-day period, and be diligently pursuing the exercise of their rights or remedies with respect to all or any material portion of such Collateral (prompt notice of such exercise to be given to the ABL Agent) or (B) shall have been stayed by operation of law or by any court order from pursuing any such exercise of remedies (the period during which the ABL Agent and the other ABL Claimholders may not pursuant to this Section 3.2(a)(i) exercise any rights or remedies with respect to the Note Priority Collateral, the “**ABL Standstill Period**”); provided, finally, however, that the ABL Agent, independent in all respects of the preceding provisos, may exercise the rights provided for in Section 3.3 (with respect to any Access Period) and Section 3.4 (with respect to any Access Period or Use Period);

- (ii) will not, directly or indirectly, contest, protest or object to or hinder any judicial or non-judicial foreclosure proceeding or action (including any partial or complete strict foreclosure) brought by the Note Agent or any other Note Claimholder relating to the Note Priority Collateral or any other exercise by the Note Agent or any other Note Claimholder of any rights, powers and remedies relating to the Note Priority Collateral, including any sale, lease, exchange, transfer, or other disposition of the Note Priority Collateral, whether under the Note Documents, applicable law, or otherwise subject to the Note Agent’s and the other Note Claimholders’ obligations under Sections 3.3 and 3.4;
- (iii) subject to their rights under clause 3.2(a)(i) above and under clause (vi) of Section 3.2(c), will not object to the forbearance by the Note Agent or the Note Claimholders from bringing or pursuing any Enforcement with respect to the Note Priority Collateral;
- (iv) subject to Sections 3.2(c), 3.3, 3.4, and 3.5, irrevocably, absolutely and unconditionally waive any and all rights the ABL Agent and ABL Claimholders may have as a junior lien creditor or otherwise to object (and seek or be awarded any relief of any nature whatsoever based on any such objection) to the manner in which the Note Agent or the Note Claimholders (a) enforce or collect (or attempt to collect) the Note Obligations or realize or seek to realize upon or otherwise enforce the Liens in and to the Note Priority Collateral securing the Note Obligations, regardless of whether any action or failure to act by or on behalf of the Note Agent or Note Claimholders is adverse to the interest of the ABL Claimholders. Without limiting the generality of the foregoing, the ABL Claimholders shall be deemed to have hereby irrevocably, absolutely and unconditionally waived any right to object (and seek or be awarded any relief of any nature whatsoever based on any such objection), at any time prior to or subsequent to any disposition of any Note Priority Collateral, on the ground(s) that any such disposition of Note Priority Collateral (a) would not be or was not commercially reasonable and/or (b) would not or did not comply with any other requirement under the PPSA or UCC or under any other applicable law governing the manner in which a secured creditor (including one with a Lien on real property) is to realize on its collateral; and

- (v) subject to Sections 3.2(a) and (c) and Sections 3.3, 3.4, 3.5 and 5.3(d), acknowledge and agree that no covenant, agreement or restriction contained in the ABL Security Documents or any other ABL Loan Document (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the Note Agent or the Note Claimholders with respect to the Note Priority Collateral as set forth in this Agreement and the Note Documents;

provided, however, that in the case of clauses (i), (ii) and (iii) above, the Liens granted to secure the ABL Obligations of the ABL Claimholders shall attach to any Proceeds resulting from actions taken by the Note Agent or any Note Claimholder with respect to the Note Priority Collateral in accordance with this Agreement after application of such Proceeds to the extent necessary to meet the requirements of a Discharge of Note Obligations.

- (b) Subject to the Note Agent's and the Note Claimholders' obligations under Sections 3.3, 3.4, 3.5 and 4.1 until the Discharge of Note Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the Note Agent and the Note Claimholders shall have the right to enforce rights, exercise remedies (including set-off and the right to credit bid their debt) and make, in connection therewith (including voluntary Dispositions of Note Priority Collateral by the respective Grantors after a Note Default) determinations regarding the release, disposition, or restrictions with respect to the Note Priority Collateral without any consultation with or the consent of the ABL Agent or any ABL Claimholder; provided, however, that (i) the Note Claimholders agree to account in cash to the ABL Agent for 100% of any actual or notional amount set-off against or credit bid promptly upon making such set-off or if any such credit bid is successful as though such amounts are proceeds of enforcement in accordance with Section 4.1(b); and (ii) the Lien securing the ABL Obligations shall remain on the Proceeds (other than those properly applied to the Note Obligations in accordance with the Note Documents) of such Collateral released or disposed of subject to the relative priorities described in Section 2.1. In exercising rights and remedies with respect to the Note Priority Collateral, the Note Agent and the Note Claimholders may enforce the provisions of the Note Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion subject to the Note Agent's and the Note Claimholders' obligations under Sections 3.3 and 3.4. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of the Note Priority Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the PPSA and UCC and of a secured creditor under the Bankruptcy Laws of any applicable jurisdiction.
- (c) Notwithstanding anything to the contrary contained herein, the ABL Agent and any ABL Claimholder may:
 - (i) file a claim or statement of interest with respect to the ABL Obligations; provided that an Insolvency or Liquidation Proceeding has been commenced by or against any Grantor;
 - (ii) take any action (not adverse to the priority status of the Liens on the Note Priority Collateral, or the rights of the Note Agent or any of the Note Claimholders to exercise rights, powers and/or remedies in respect thereof, including those under Article VI) in order to create, perfect, preserve or protect (but, subject to the provisions of Sections 3.3 and 3.4, not enforce) its Lien on any of the Note Priority Collateral;
 - (iii) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims of the ABL Claimholders,

including any claims secured by the Note Priority Collateral, if any, in each case in accordance with the terms of this Agreement;

- (iv) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any Insolvency or Liquidation Proceeding or applicable non-bankruptcy law, in each case not inconsistent with the terms of this Agreement or applicable law (including the Bankruptcy Laws of any applicable jurisdiction) and any pleadings, objections, motions or agreements which assert rights or interests available to secured creditors solely with respect to the ABL Priority Collateral;
- (v) vote on any Plan of Reorganization, file any proof of claim, make other filings and make any arguments and motions (including in support of or opposition to, as applicable, the confirmation or approval of any Plan of Reorganization) that are, in each case, in accordance with the terms of this Agreement. Without limiting the generality of the foregoing or of the other provisions of this Agreement, any vote to accept, and any other act to support the confirmation or approval of, any Non-Conforming Plan of Reorganization shall be inconsistent with and, accordingly, a violation of the terms of this Agreement, and the Note Agent shall be entitled to have any such vote to accept a Non-Conforming Plan of Reorganization changed and any such support of any Non-Conforming Plan of Reorganization withdrawn;
- (vi) exercise any of its rights, powers, and/or remedies with respect to any of the Note Priority Collateral to the extent permitted by Sections 3.2(a)(i), 3.3, and 3.4; and
- (vii) take any action described in clauses (i) through (vii) of the definition of "Enforcement."

The ABL Agent, on behalf of the ABL Claimholders, agrees that no ABL Claimholder will take or receive any Note Priority Collateral (including Proceeds) in connection with the exercise of any right or remedy (including set-off) with respect to any Note Priority Collateral in its capacity as a creditor in violation of this Agreement. Without limiting the generality of the foregoing, unless and until the Discharge of Note Obligations has occurred, except as expressly provided in Sections 3.2(a)(i), 3.3, 3.4 and 3.5 and clause (vi) of this Section 3.2(c), the sole right of the ABL Agent and the ABL Claimholders with respect to the Note Priority Collateral is to hold a Lien on such Collateral pursuant to the ABL Security Documents for the period and to the extent granted therein and to receive a share of the Proceeds thereof, if any, in accordance with Section 4.1.

- (d) Except as otherwise specifically set forth in Sections 3.2(a) and 3.5 and Article VI, the ABL Agent and the ABL Claimholders may exercise rights and remedies as unsecured creditors against any Grantor and may exercise rights and remedies with respect to the ABL Priority Collateral, in each case, in accordance with the terms of the ABL Loan Documents and applicable law; provided, however, that in the event that any of the ABL Agent or ABL Claimholder becomes a judgment Lien creditor in respect of Note Priority Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the ABL Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes (including in relation to the Note Obligations) as the other Liens securing the ABL Obligations are subject to this Agreement.
- (e) Except as provided in Section 5.3(c), nothing in this Agreement shall prohibit the receipt by the ABL Agent or any ABL Claimholders of the required payments of interest, principal and other amounts owed in respect of the ABL Obligations so long as such receipt is not the direct or indirect result of the exercise by the ABL Agent or any ABL Claimholders of rights or remedies as a secured creditor (including set-off) with respect to Note Priority Collateral or enforcement in contravention of this Agreement of any Lien held by any of

them. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the Note Agent or the Note Claimholders may have against the Grantors under the Note Documents.

3.3 Collateral Access Rights

- (a) The ABL Agent and the Note Agent agree not to commence Enforcement or Going Out of Business Sale until an Enforcement Notice has been given to the other Agent. Subject to the provisions of Sections 3.1 and 3.2, either Agent may join in any judicial proceedings commenced by the other Agent to enforce Liens on the Collateral, provided that neither Agent, nor the other ABL Claimholders or the other Note Claimholders, as applicable, shall interfere with the Enforcement actions of the other with respect to Collateral in which such party has the priority Lien in accordance with Sections 2.1 and 2.2.
- (b) If the Note Agent, or any agent or representative of the Note Agent, or any receiver, shall, after any Note Default, obtain possession or physical control of any of the Mortgaged Premises, the Note Agent shall promptly notify the ABL Agent in writing of that fact, and the ABL Agent shall, within fifteen (15) Business Days thereafter, notify the Note Agent in writing as to whether the ABL Agent desires to exercise access rights under this Agreement. In addition, if the ABL Agent, or any agent or representative or the ABL Agent, or any receiver, shall obtain possession or physical control of any of the Mortgaged Premises or any of the tangible Note Priority Collateral located on any premises other than a Mortgaged Premises or control over any intangible Note Priority Collateral, following the delivery to the Note Agent of an Enforcement Notice, then the ABL Agent shall promptly notify the Note Agent in writing that the ABL Agent is exercising its access rights under this Agreement and its rights under Section 3.4 under either circumstance. Upon delivery of such notice by the ABL Agent to the Note Agent, the parties shall confer in good faith to coordinate with respect to the ABL Agent's exercise of such access rights. Consistent with the definition of "Access Period," access rights will apply to differing parcels of Mortgaged Premises at differing times, in which case, a differing Access Period will apply to each such property.
- (c) During any pertinent Access Period, the ABL Agent and the Issuers and their Subsidiaries, with the consent of the ABL Agent if in connection with a Going Out of Business Sale, and their agents, representatives and designees shall have an irrevocable, non-exclusive right to have access to, and a rent-free right to use, the Note Priority Collateral for the purpose of (i) arranging for and effecting the sale or disposition of ABL Priority Collateral located on such parcel, including the production, completion, packaging and other preparation of such ABL Priority Collateral for sale or disposition, (ii) selling (by public auction, private sale, Going Out of Business Sale or similar sale, whether in bulk, in lots or to customers in the ordinary course of business or otherwise and which sale may include augmented Inventory of the same type sold in any Grantor's business) including on-site auctions with end purchasers being permitted to remove ABL Priority Collateral directly, (iii) storing or otherwise dealing with the ABL Priority Collateral, in each case without notice to, the involvement of or interference by the Note Agent or any Note Claimholder or liability to the Note Agent or any Note Claimholder. During any such Access Period, the ABL Agent and its representatives (and persons employed on their behalf), may continue to operate, service, maintain, process and sell the ABL Priority Collateral, as well as to engage in bulk sales of ABL Priority Collateral. The ABL Agent shall take proper and reasonable care under the circumstances of any Note Priority Collateral that is used by the ABL Agent during the Access Period and repair and replace any damage (ordinary wear- and-tear excepted) caused by the ABL Agent or its agents, representatives or designees and the ABL Agent shall comply with all applicable laws in all material respects in connection with its use or occupancy of the Note Priority Collateral. The ABL Agent and the ABL Claimholders shall reimburse the Note Agent and the Note Claimholders for any injury or damage to Persons or property (ordinary wear-and-tear excepted) caused by the acts or

omissions of Persons under its control; provided, however, that the ABL Agent and the ABL Claimholders will not be liable for any diminution in the value of the Mortgaged Premises caused by the absence of the ABL Priority Collateral therefrom. In no event shall the ABL Claimholders or the ABL Agent have any liability to the Note Claimholders and/or to the Note Agent hereunder as a result of any condition (including any environmental condition, claim or liability) on or with respect to the Note Priority Collateral existing prior to the date of the exercise by the ABL Agent) of its rights under this Agreement. The ABL Agent and the Note Agent shall cooperate and use reasonable efforts to ensure that their activities during the Access Period as described above do not interfere materially with the activities of the other as described above, including the right of Note Agent to show the Note Priority Collateral to prospective purchasers and to ready the Note Priority Collateral for sale.

- (d) Consistent with the definition of the term "Access Period," if any order or injunction is issued or stay is granted or is otherwise effective by operation of law that prohibits the ABL Agent from exercising any of its rights hereunder, then the Access Period granted to the ABL Agent under this Section 3.3 shall be stayed during the period of such prohibition and shall continue thereafter for the number of days remaining in the applicable Access Period or Use Period, as the case may be. The Note Agent shall not foreclose or otherwise sell or dispose of any of the Note Priority Collateral during the Access Period or Use Period, as applicable, unless the buyer agrees in writing to acquire the Note Priority Collateral subject to the terms of Sections 3.3 and 3.4 of this Agreement and agrees therein to comply with the terms of this Section 3.3. The rights of the ABL Agent and the ABL Claimholders under Sections 3.3 and 3.4 during the Access Period or Use Period shall continue notwithstanding such foreclosure, sale or other disposition by the Note Agent.
- (e) The ABL Agent and the ABL Claimholders shall have the right to bring an action to enforce their rights under this Sections 3.3 and 3.4, including, without limitation, an action seeking possession of the applicable Collateral and/or specific performance of Sections 3.3 and 3.4.

3.4 Note Priority Collateral Rights/Access to Information. For the purposes of enabling the ABL Agent to exercise rights and remedies under this Agreement during the Enforcement Period, the Note Agent and each Grantor hereby grants (to the full extent of their respective rights and interests) the ABL Agent and its agents, representatives and designees an irrevocable, non-exclusive, royalty-free, rent-free license and lease (which will be binding on any successor or assignee of any Note Priority Collateral) to use all of the Note Priority Collateral to collect all Receivables included in ABL Priority Collateral, to copy, use, or preserve any and all information relating to any of the ABL Priority Collateral, and to complete the manufacture, packaging, advertising for sale and sale of ABL Priority Collateral constituting (i) work-in-progress, (ii) raw materials, (iii) complete Inventory and (iv) the Sand Crusher; provided, however, the royalty-free, rent-free license and lease with respect to the applicable Note Priority Collateral, shall immediately expire upon the end of (1) the Access Period applicable to such Note Priority Collateral located on any Mortgaged Premises and (2) the applicable Use Period with respect to any Note Priority Collateral not located on any Mortgaged Premises; provided, further, that such expiration shall be without prejudice to the sale or other disposition of the ABL Priority Collateral in accordance with applicable law.

3.5 Set-Off and Tracing of and Priorities in Proceeds. The Note Agent, on behalf of the Note Claimholders, acknowledges and agrees that, to the extent the Note Agent or any Note Claimholder exercises its rights of set-off against any ABL Priority Collateral, the amount of such set-off shall be held and distributed pursuant to Section 4.1. The ABL Agent, on behalf of the ABL Claimholders, acknowledges and agrees that, to the extent the ABL Agent or any ABL Claimholder exercises its rights of set-off against any Note Priority Collateral, the amount of such set-off shall be held and distributed pursuant to Section 4.1.

Notwithstanding the foregoing, the ABL Agent, for itself and on behalf of the ABL Claimholders, and the Note Agent, for itself and on behalf of the Note Claimholders, further agree that prior to the earlier to occur of the issuance of an Enforcement Notice or the commencement of any Insolvency or Liquidation Proceeding, any Proceeds of Collateral, whether or not deposited in any Deposit Account or any Security Account or under Account Agreements, which are used by any Grantor to acquire other property which is Collateral or which are applied to the ABL Obligations or to the Note Obligations by the ABL Agent, the Note Agent or any Grantor shall not (solely as between the Agents, the ABL Claimholders and the Note Claimholders) be treated as Proceeds of Collateral for purposes of determining the relative priorities of the Secured Parties' Liens in such Collateral which was so acquired or such Proceeds ("**Deemed Non-Proceeds**") which were so applied to the ABL Obligations or to the Note Obligations, as the case may be. In addition, (1) unless and until the Discharge of ABL Obligations occurs, the Note Agent and the Note Claimholders each hereby consents to the application, prior to the earlier to occur of the receipt by the ABL Agent of an Enforcement Notice issued by the Note Agent or the commencement of any Insolvency or Liquidation Proceeding, of Deemed Non-Proceeds (whether deposited in any Deposit Account or in any Security Account or not) to the repayment of ABL Obligations pursuant to the ABL Loan Documents without regard to whether or not such Deemed Non-Proceeds arose from or can be traced to the Note Priority Collateral; and (2) unless and until the Discharge of Note Obligations occurs, the ABL Agent and the ABL Claimholders each hereby consents to the application, prior to the earlier to occur of the receipt by the Note Agent of an Enforcement Notice issued by the ABL Agent or the commencement of any Insolvency or Liquidation Proceeding, of Deemed Non-Proceeds (whether deposited in any Deposit Account or in any Security Account or not) to the repayment of Note Obligations pursuant to the Note Documents without regard to whether or not such Deemed Non-Proceeds arose from or can be traced to the ABL Priority Collateral.

ARTICLE IV PAYMENTS

4.1 Application of Proceeds

- (a) So long as the Discharge of ABL Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, all ABL Priority Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such ABL Priority Collateral as a result of the exercise of remedies or other Enforcement by either Agent or any ABL Claimholders or Note Claimholders, shall be delivered to the ABL Agent and shall be applied or further distributed by the ABL Agent to or on account of the ABL Obligations in such order, if any, as specified in the relevant ABL Loan Documents or as a court of competent jurisdiction may otherwise direct. Upon the Discharge of ABL Obligations and so long as the Discharge of Note Obligations has not occurred, each Grantor irrevocably authorizes and directs the ABL Agent to deliver to the Note Agent any Collateral and Proceeds of Collateral received or delivered to it (provided, in respect of Proceeds of the ABL Priority Collateral deposited into any Deposit Account or Securities Account in the name of any Grantor, so long as the ABL Agent is directed or is authorized to do so by a court of competent jurisdiction or pursuant to any Note Security Document) pursuant to the preceding sentence, in the same form as received, with any necessary endorsements, to be applied by the Note Agent to the Note Obligations in such order as specified in the Note Security Documents or as a court of competent jurisdiction may otherwise direct.
- (b) Whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, all Note Priority Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such Note Priority Collateral as a result of the exercise of remedies or other Enforcement by either Agent or any Note Claimholders, shall be delivered to the Note Agent and shall be paid to the ABL Agent first in priority to any application on account of any Note Obligations in such amount as needed to discharge the Additional Liquidity Facility Obligations. Upon the Discharge of Additional Liquidity

Facility Obligations, each Grantor hereby irrevocably authorizes and directs the ABL Agent to deliver to the Note Agent any Note Priority Collateral and Proceeds thereof received or delivered to it (provided, in respect of Proceeds of the Note Priority Collateral deposited into the Collateral Account, so long as the ABL Agent is directed or authorized to do so by a court of competent jurisdiction or pursuant to a ABL Security Document) pursuant to the preceding sentence, in the same form as received, with any necessary.

- (c) So long as the Discharge of Note Obligations has not occurred and Discharge of Additional Liquidity Facility Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, all Note Priority Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such Note Priority Collateral as a result of the exercise of remedies or other Enforcement by either Agent or any Note Claimholders or ABL Claimholders, shall be delivered to the Note Agent and shall be applied by the Note Agent to the Note Obligations in such order as specified in the relevant Note Documents or as a court of competent jurisdiction may otherwise direct. Upon the Discharge of Note Obligations and so long as the Discharge of ABL Obligations has not occurred, each Grantor hereby irrevocably authorizes and directs the Note Agent to deliver to the ABL Agent any Collateral and Proceeds of Collateral received or delivered to it (provided, in respect of Proceeds of the Note Priority Collateral deposited into the Collateral Account, so long as the Note Agent is directed or authorized to do so by a court of competent jurisdiction or pursuant to a ABL Security Document) pursuant to the preceding sentence, in the same form as received, with any necessary endorsements to be applied by the ABL Agent to the ABL Obligations in such order as specified in the ABL Security Documents or as a court of competent jurisdiction may otherwise direct.

4.2 Payments Over in Violation of Agreement. So long as neither the Discharge of ABL Obligations nor the Discharge of Note Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, any Collateral (including assets or Proceeds subject to Liens referred to in the final sentence of Section 2.3) received by either Agent or any Note Claimholders or ABL Claimholders in connection with the exercise of any right, power, or remedy (including set-off) relating to the Collateral in contravention of this Agreement shall be segregated and held in trust and forthwith paid over to the appropriate Agent for the benefit of the Note Claimholders or the ABL Claimholders, as applicable, in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. Each Agent is hereby authorized by the other Agent to make any such endorsements as agent for the other Agent or any Note Claimholders or ABL Claimholders, as applicable. This authorization is coupled with an interest and is irrevocable until the Discharge of ABL Obligations and Discharge of Note Obligations.

4.3 Application of Payments. Subject to the other terms of this Agreement, all payments received by (a) the ABL Agent or the ABL Claimholders may be applied, reversed and reapplied, in whole or in part, to the ABL Obligations to the extent provided for in the ABL Loan Documents and (b) the Note Agent or the Note Claimholders may be applied, reversed and reapplied, in whole or in part, to the Note Obligations to the extent provided for in the Note Documents.

4.4 Revolving Nature of ABL Obligations. The Note Agent, on behalf of the Note Claimholders, acknowledges and agrees that the ABL Credit Agreement includes a revolving commitment and that the amount of the ABL Obligations that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed.

ARTICLE V OTHER AGREEMENTS.

5.1 Releases

- (a) (i) If, in connection with (A) any exercise of remedies or Enforcement (including as provided for in Section 3.1(b) or 6.7(a)) or any Going Out of Business Sale, or (B) any sale, transfer or other disposition of all or any portion of the ABL Priority Collateral, so long as such sale, transfer or other disposition is then not prohibited by the ABL Loan Documents (or consented to by the requisite Lenders) or by the Note Documents (or consented to by the requisite Noteholders), irrespective of whether a ABL Default has occurred and is continuing, the ABL Agent, on behalf of any of the ABL Claimholders, releases any of its Liens on any part of the ABL Priority Collateral, then the Liens, if any, of the Note Agent, for the benefit of the Note Claimholders, on the Collateral sold or disposed of in connection therewith, shall be automatically, unconditionally and simultaneously released; provided that, to the extent the Proceeds of such ABL Priority Collateral are not applied to reduce ABL Obligations, the Note Agent shall, subject to the priorities in Section 2.1, retain a Lien on such Proceeds in accordance with the terms of this Agreement. The Note Agent, on behalf of the Note Claimholders, promptly shall execute and deliver to the ABL Agent or such Grantor such termination statements, releases and other documents as the ABL Agent or such Grantor may request in writing to effectively confirm such release.
- (ii) If, in connection with (A) any exercise of remedies or Enforcement (including as provided for in Section 3.2(b) or 6.7(b)), or (B) any sale, transfer or other disposition of all or any portion of the Note Priority Collateral, so long as such sale, transfer or other disposition is then not prohibited by the Note Documents (or consented to by the requisite Noteholders) or by the ABL Loan Documents (or consented to by the requisite Lenders), irrespective of whether a Note Default has occurred and is continuing, the Note Agent, on behalf of any of the Note Claimholders, releases any of its Liens on any part of the Note Priority Collateral, then the Liens, if any, of the ABL Agent, for the benefit of the ABL Claimholders, on the Collateral sold or disposed of in connection therewith, shall be automatically, unconditionally and simultaneously released; provided that such Enforcement in (A) above shall be subject to the ABL Agent's access rights under the provisions of Sections 3.3 and 3.4, and the ABL Agent's access rights under the provisions of Sections 3.3 and 3.4 shall continue, to the extent such Sections are applicable at the time of such sale, transfer or other disposition; provided, further that, to the extent the Proceeds of such Note Priority Collateral are not applied to reduce Note Obligations, the ABL Agent shall, subject to the priorities in Section 2.1, retain a Lien on such Proceeds in accordance with the terms of this Agreement. The ABL Agent, on behalf of the ABL Claimholders, promptly shall execute and deliver to the Note Agent or such Grantor such termination statements, releases and other documents as the Note Agent or such Grantor may request to effectively confirm such release.
- (b) Until the Discharge of ABL Obligations and Discharge of Note Obligations shall occur, the ABL Agent, on behalf of the ABL Claimholders, and the Note Agent, on behalf of the Note Claimholders, as applicable, hereby irrevocably constitutes and appoints the other Agent and any officer or agent of the other Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the other Agent or such holder or in the ABL Agent's own name, from time to time in such Agent's discretion exercised in good faith, for the purpose of carrying out the terms of this Section 5.1, to take any and all appropriate action and to execute any and all documents and Instruments which may be necessary to accomplish the purposes of this Section 5.1, including any endorsements or other Instruments of transfer or release.
- (c) Until the Discharge of ABL Obligations and Discharge of Note Obligations shall occur, to the extent that the Agents or the ABL Claimholders or the Note Claimholders (i) have released any Lien on Collateral and such Lien is later reinstated or (ii) obtain any new Liens

from any Grantor, then, in accordance with Section 2.3, the Grantors shall grant a Lien on any such Collateral, subject to the Lien priority provisions of this Agreement, to the other Agent, for the benefit of the ABL Claimholders or Note Claimholders, as applicable.

5.2 Insurance

- (a) Subject to Section 3.5, unless and until the Discharge of ABL Obligations and subject to the terms of, and the rights of the Grantors under, the ABL Loan Documents, the ABL Agent, on behalf of the ABL Claimholders, shall have the sole and exclusive right to adjust settlement for any insurance policy covering the ABL Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting such Collateral. Until the Discharge of ABL Obligations has occurred, (i) all Proceeds of any such policy and any such award (or any payments with respect to a deed in lieu of condemnation) if in respect of the ABL Priority Collateral and to the extent required by the ABL Loan Documents shall be paid to the ABL Agent for the benefit of the ABL Claimholders pursuant to the terms of the ABL Loan Documents (including, without limitation, for purposes of cash collateralization of letters of credit) and thereafter, if the Discharge of ABL Obligations has occurred, and subject to the rights of the Grantors under the Note Security Documents, to the Note Agent for the benefit of the Note Claimholders to the extent required under the Note Security Documents and then, to the extent no Note Obligations are outstanding, to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct, and (ii) if the Note Agent or any Note Claimholders shall, at any time, receive any Proceeds of any such insurance policy or any such award or payment with respect to ABL Priority Collateral in contravention of this Agreement, it shall segregate and hold in trust and forthwith pay such Proceeds over to the ABL Agent in accordance with the terms of Section 4.2.
- (b) Subject to Section 3.5, unless and until the Discharge of Note Obligations has occurred, subject to the terms of, and the rights of the Grantors under, the Note Documents, (i) the Note Agent, on behalf of the Note Claimholders, shall have the sole and exclusive right to adjust settlement for any insurance policy covering the Note Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting such Collateral; (ii) all Proceeds of any such policy and any such award (or any payments with respect to a deed in lieu of condemnation) if in respect of the Note Priority Collateral shall be paid in accordance with Section 4.1(b) and thereafter paid to the Note Agent for the benefit of the Note Claimholders pursuant to the terms of the Note Documents and thereafter, if the Discharge of Note Obligations has occurred, and subject to the rights of the Grantors under the ABL Loan Documents, to the ABL Agent for the benefit of the ABL Claimholders to the extent required under the ABL Security Documents and then, to the extent no ABL Obligations are outstanding, to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct, and (iii) if the ABL Agent or any ABL Claimholders shall, at any time, receive any Proceeds of any such insurance policy or any such award or payment with respect to Note Priority Collateral in contravention of this Agreement, it shall segregate and hold in trust and forthwith pay such Proceeds over to the Note Agent in accordance with the terms of Section 4.2.
- (c) To effectuate the foregoing, and to the extent that the pertinent insurance company agrees to issue such endorsements, the Agents shall each receive separate lender's loss payable endorsements naming themselves as loss payee and additional insured, as their interests may appear, with respect to any policies which insure Collateral hereunder.

5.3 Amendments to ABL Loan Documents and Note Documents; Refinancing.

- (a) Subject to Sections 5.3(c) and 5.3(d), the ABL Loan Documents and Note Documents may be amended, supplemented or otherwise modified in accordance with their terms, all without affecting the Lien subordination or other provisions of this Agreement. The ABL Obligations may be Refinanced without notice to, or the consent of, the Note Agent or the Note Claimholders and without affecting the Lien subordination or other provisions of this Agreement, and the Note Obligations may be Refinanced without notice to, or consent of, the ABL Agent or the ABL Claimholders and without affecting the Lien subordination or other provisions of this Agreement, in each case so long as such Refinancing complies with Section 5.3(c) or 5.3(d), as applicable; provided, however, that in each case, the lenders or holders of such Refinancing debt bind themselves in (or are already bound by) a writing addressed to the Note Agent and the Note Claimholders or the ABL Agent and the ABL Claimholders, as applicable, to the terms of this Agreement; provided, further, however, that if such Refinancing debt is secured by a Lien on any Collateral, the holders of such Refinancing debt shall be deemed bound by the terms hereof regardless of whether or not such writing is provided. For the avoidance of doubt, the sale or other transfer of Indebtedness is not restricted by this Agreement but the provisions of this Agreement shall be binding on all holders of ABL Obligations and Note Obligations.
- (b) Subject to Sections 5.3(c) and 5.3(d), the ABL Agent and the Note Agent shall each use good faith efforts to notify the other party of any written amendment or modification to the ABL Loan Documents and Note Documents, but the failure to do so shall not create a cause of action against the party failing to give such notice or create any claim or right on behalf of any third party.
- (c) Without the prior written consent of the Note Agent, the ABL Claimholders will not be entitled to agree (and will not agree) to any amendment to or modification of the ABL Loan Documents, whether in a Refinancing or otherwise, that has the effect of (i) making the covenants and ABL Defaults materially more restrictive on the members of the Source Group than those covenants and ABL Defaults contained in the ABL Loan Documents on the date hereof or (ii) increasing the amount of the Indebtedness of any Grantor that is outstanding or permitted to be outstanding thereunder if such increased amount of Indebtedness is not permitted by the Indenture as in effect on the date hereof (or, if less restrictive to the Issuers, on the date of such amendment or modification).
- (d) Without the prior written consent of the ABL Agent, the Note Agent and the Note Claimholders will not be entitled to agree (and will not agree) to any amendment to or modification of the Note Documents, whether in a Refinancing or otherwise, that is not permitted by the ABL Credit Agreement as in effect on the date hereof (or, if less restrictive to the Note Claimholders, on the date of such amendment or modification).

5.4 Bailees for Perfection

- (a) Each Agent agrees to hold that part of the Collateral that is in its “possession” or “control” (as defined in the PPSA, UCC, and/or the STA, as applicable) (or in the possession or control of its agents, nominees or bailees) to the extent that possession or control thereof is taken to perfect a Lien thereon (such Collateral, which shall include, without limitation, Deposit Accounts, Securities Accounts and Capital Stock, being the “**Pledged Collateral**”) as (i) in the case of the ABL Agent, the collateral agent for the ABL Claimholders under the ABL Loan Documents or, in the case of the Note Agent, the collateral agent for the Note Claimholders under the Note Documents and (ii) gratuitous bailee for the benefit of the other Agent (such bailment being intended, among other things, to satisfy the requirements of Section 8-301(a)(2) and 9-313(c) of the UCC, to the extent applicable) and gratuitous holder and agent (such capacity being intended, among other things, to satisfy the requirements of Section 68(1)(b) of the STA) and any assignee solely for the purpose of

perfecting the security interest granted under the ABL Loan Documents and the Note Documents, respectively, subject to the terms and conditions of this Section 5.4. The Note Agent and the Note Claimholders hereby appoint the ABL Agent as their agent for the purposes of perfecting their security interest in all Deposit Accounts and Securities Accounts of the Grantors. The ABL Agent hereby accepts such appointment and acknowledges and agrees that it shall act for the benefit of the Note Agent and the other Note Claimholders under each Account Agreement and that any Proceeds received by the ABL Agent under any Account Agreement shall be applied in accordance with Article IV. In furtherance of the foregoing, each Grantor hereby grants (x) a security interest in the Pledged Collateral to the Note Agent for the benefit of the ABL Claimholders and (y) a security interest in the Pledged Collateral to the ABL Agent for the benefit of the Note Claimholders.

- (b) Neither Agent shall have any obligation whatsoever to the other Agent, to any other ABL Claimholder, or to any other Note Claimholder to ensure that the Pledged Collateral is genuine or owned by any of the Grantors or to preserve rights or benefits of any Person except as expressly set forth in this Section 5.4. The duties or responsibilities of the respective Agents under this Section 5.4 shall be limited solely to holding the Pledged Collateral as bailee in accordance with this Section 5.4 and delivering the Pledged Collateral or Proceeds thereof upon a Discharge of ABL Obligations or Discharge of Note Obligations, as applicable, as provided in paragraph (d) below.
- (c) Neither Agent acting pursuant to this Section 5.4 shall have by reason of the ABL Loan Documents, the Note Documents, this Agreement or any other document a fiduciary relationship in respect of the other Agent, any other ABL Claimholder or any other Note Claimholder.
- (d) Upon the Discharge of ABL Obligations or the Discharge of Note Obligations, as applicable, the Agent under the ABL Credit Agreement or Note Agreement, as applicable, that has been discharged shall deliver the remaining Pledged Collateral (if any) together with any necessary endorsements, first, to the other Agent to the extent the other Obligations remain outstanding, and second, to the applicable Grantor to the extent the Discharge of ABL Obligations and the Discharge of Note Obligations have occurred (in each case, so as to allow such Person to obtain possession or control of such Pledged Collateral) or as otherwise required by law. Each Agent further agrees to take all other action reasonably requested by the other Agent in connection with the other Agent obtaining a first-priority interest in the Collateral or as a court of competent jurisdiction may otherwise direct. Notwithstanding anything to the contrary contained in this Agreement, any obligation of the ABL Agent, which has been discharged, to make any delivery to the other Agent under this Section 5.4(d) is subject to (i) the order of any court of competent jurisdiction, or (ii) any automatic stay imposed in connection with any Insolvency or Liquidation Proceeding.
- (e) Subject to the terms of this Agreement, (i) so long as the Discharge of ABL Obligations has not occurred, the ABL Agent shall be entitled to deal with the Pledged Collateral or Collateral within its "control" in accordance with the terms of this Agreement and other ABL Loan Documents, but only to the extent that such Collateral constitutes ABL Priority Collateral, as if the Liens of the Note Agent on behalf of the Note Claimholders did not exist, and (ii) so long as the Discharge of Note Obligations has not occurred, the Note Agent shall be entitled to deal with the Pledged Collateral or Collateral within its "control" in accordance with the terms of this Agreement and other Note Documents, but only to the extent that such Collateral constitutes Note Priority Collateral, as if the Liens of the ABL Agent on behalf of the ABL Claimholders did not exist.

**ARTICLE VI
INSOLVENCY OR LIQUIDATION PROCEEDINGS.**

6.1 Relief from the Automatic Stay

- (a) Until the Discharge of ABL Obligations, the Note Agent, on behalf of the other Note Claimholders, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the ABL Priority Collateral, without the prior written consent of the ABL Agent (given or not given in its sole and absolute discretion), unless (i) the ABL Agent already has filed a motion (which remains pending) for such relief with respect to its interest in such ABL Priority Collateral and (ii) a corresponding motion, in the reasonable judgment of the Note Agent, must be filed for the purpose of preserving the Note Agent's ability to receive residual distributions pursuant to Section 4.1, although the Note Claimholders shall otherwise remain subject to the restrictions in Section 3.1 following the granting of any such relief from the automatic stay.
- (b) Until the Discharge of Note Obligations has occurred, the ABL Agent, on behalf of the other ABL Claimholders, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Note Priority Collateral (other than to the extent such relief is required to exercise its rights under Sections 3.3 and 3.4), without the prior written consent of the Note Agent (given or not given in its sole and absolute discretion), unless (i) the Note Agent already has filed a motion (which remains pending) for such relief with respect to its interest in the Note Priority Collateral and (ii) a corresponding motion, in the reasonable judgment of the ABL Agent, must be filed for the purpose of preserving the ABL Agent's ability to receive residual distributions pursuant to Section 4.1, although the ABL Agent shall otherwise remain subject to the restrictions in Section 3.2 following the granting of any such relief from the automatic stay.

6.2 Adequate Protection.

- (a) The Note Agent, on behalf of itself and the Note Claimholders, agrees that none of them shall be entitled to contest and none of them shall contest (or support any other Person contesting) (but instead shall be deemed to have hereby irrevocably, absolutely, and unconditionally waived any right):
 - (i) any request by the ABL Agent or the other ABL Claimholders for relief from the automatic stay with respect to the ABL Priority Collateral;
 - (ii) any request by the ABL Agent or the other ABL Claimholders for adequate protection with respect to the ABL Priority Collateral (except to the extent any such adequate protection is a payment from Note Priority Collateral); or
 - (iii) any objection by the ABL Agent or the other ABL Claimholders to any motion, relief, action or proceeding based on the ABL Agent or the other ABL Claimholders claiming a lack of adequate protection with respect to the ABL Priority Collateral.
- (b) The ABL Agent, on behalf of itself and the ABL Claimholders, agrees that none of them shall be entitled to contest and none of them shall contest (or support any other Person contesting) (but instead shall be deemed to have hereby irrevocably, absolutely, and unconditionally waived any right):
 - (i) any request by the Note Agent or the other Note Claimholders for relief from the automatic stay with respect to the Note Priority Collateral;

- (ii) any request by the Note Agent or the Note Claimholders for adequate protection with respect to the Note Priority Collateral (except to the extent any such adequate protection is a payment from ABL Priority Collateral); or
 - (iii) any objection by the Note Agent or the Note Claimholders to any motion, relief, action or proceeding based on the Note Agent or the Note Claimholders claiming a lack of adequate protection with respect to the Note Priority Collateral.
- (c) Consistent with the foregoing provisions in this Section 6.2, and except as provided in Sections 6.6, in any Insolvency or Liquidation Proceeding:
 - (i) no Note Claimholder shall be entitled (and each Note Claimholder shall be deemed to have hereby irrevocably, absolutely, and unconditionally waived any right):
 - (1) to seek or otherwise be granted any type of adequate protection with respect to its interests in the ABL Priority Collateral (except as may be consented to in writing by the ABL Agent in its sole and absolute discretion); provided, however, Note Claimholders may seek and obtain adequate protection in the form of an additional or replacement Lien on Collateral so long as (i) the ABL Claimholders have been granted adequate protection in the form of a replacement lien on such Collateral, and (ii) any such Lien on ABL Priority Collateral (and on any Collateral granted as adequate protection for the ABL Claimholders in respect of their interest in such ABL Priority Collateral) is subordinated to the Liens of the ABL Agent in such Collateral on the same basis as the other Liens of the Note Agent on ABL Priority Collateral; and
 - (2) to seek or otherwise be granted any adequate protection payments with respect to its interests in the Collateral from Proceeds of ABL Priority Collateral (except as may be consented to in writing by the ABL Agent in its sole and absolute discretion)
 - (ii) no ABL Claimholder shall be entitled (and each ABL Claimholder shall be deemed to have hereby irrevocably, absolutely, and unconditionally waived any right):
 - (1) to seek or otherwise be granted any type of adequate protection in respect of Note Priority Collateral except as may be consented to in writing by the Note Agent in its sole and absolute discretion; provided, however, ABL Claimholders may seek and obtain adequate protection in the form of an additional or replacement Lien on Collateral so long as (i) the Note Claimholders have been granted adequate protection in the form of a replacement lien on such Collateral, and (ii) any such Lien on Note Priority Collateral (and on any Collateral granted as adequate protection for the Note Claimholders in respect of their interest in such Note Priority Collateral) is subordinated to the Liens of the Note Agent in such Collateral on the same basis as the other Liens of the ABL Agent on Note Priority Collateral; and
 - (2) to seek or otherwise be granted any adequate protection payments with respect to its interests in the Collateral from Proceeds of Note Priority Collateral (except as may be consented to in writing by the Note Agent in its sole and absolute discretion)
- (d) With respect to (i) the ABL Priority Collateral, nothing herein shall limit the rights of the Note Agent or the Note Claimholders from seeking adequate protection with respect to their

rights in the Note Priority Collateral in any Insolvency or Liquidation Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise, other than from Proceeds of ABL Priority Collateral) so long as such request is not otherwise inconsistent with this Agreement and (ii) the Note Priority Collateral, nothing herein shall limit the rights of the ABL Agent or the ABL Claimholders from seeking adequate protection with respect to their rights in the ABL Priority Collateral in any Insolvency or Liquidation Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise, other than from Proceeds of Note Priority Collateral) so long as such request is not otherwise inconsistent with this Agreement.

6.3 Avoidance Issues. If any ABL Claimholder or Note Claimholder is required in any Insolvency or Liquidation Proceeding or otherwise to turn over or otherwise pay to the estate of the applicable Grantor any amount paid in respect of ABL Obligations or the Note Obligations, as applicable (a “**Recovery**”), then such ABL Claimholders or Note Claimholders shall be entitled to a reinstatement of ABL Obligations or the Note Obligations, as applicable, with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto from such date of reinstatement.

6.4 Reorganization Securities. Subject to the ability of the ABL Claimholders and the Note Claimholders, as applicable, to support or oppose confirmation or approval of any Conforming Plan of Reorganization or to oppose confirmation or approval of any Non-Conforming Plan of Reorganization, as provided herein, if, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed pursuant to a Plan of Reorganization, both on account of ABL Obligations and on account of Note Obligations, then, to the extent the debt obligations distributed on account of the ABL Obligations and on account of the Note Obligations are secured by Liens upon the same property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the debt obligations so distributed, to the Liens securing such debt obligations and the distribution of Proceeds thereof.

6.5 Post-Petition Interest

- (a) Neither the Note Agent nor any Note Claimholder shall oppose or seek to challenge:
- (i) any claim by the ABL Agent or any ABL Claimholder for allowance in any Insolvency or Liquidation Proceeding of ABL Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Lien on the ABL Priority Collateral securing any ABL Claimholder’s claim, without regard to the existence of the Lien of the Note Agent on behalf of the Note Claimholders on the Collateral;
 - (ii) the payment of such expenses allowed in accordance with Section 6.5(a)(i);
- or
- (iii) the payment of such interest and fees allowed in accordance with Section 6.5(a)(i) solely from Proceeds of ABL Priority Collateral;

provided that nothing contained in this Section 6.5(a) prohibits the Note Agent on behalf of the Note Claimholders from seeking adequate protection (to the extent it has not already done so under other provisions of this Agreement) with respect to their rights in the Note Priority Collateral in any Insolvency or Liquidation Proceeding if such Note Priority Collateral is the source of payment of post- petition expenses payable to the ABL Agent or any ABL Claimholder.

- (b) Neither the ABL Agent nor any other ABL Claimholder shall oppose or seek to challenge:
 - (i) any claim by the Note Agent or any Note Claimholder for allowance in any Insolvency or Liquidation Proceeding of Note Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Lien on the Note Priority Collateral securing any Note Claimholder's claim, without regard to the existence of the Lien of the ABL Agent on behalf of the ABL Claimholders on the Collateral;
 - (ii) the payment of such expenses allowed in accordance with Section 6.5(b)(i);or
 - (iii) the payment of such interest and fees allowed in accordance with Section 6.5(b)(i) solely from Proceeds of Note Priority Collateral

provided that nothing contained in this Section 6.5(b) prohibits the ABL Agent on behalf of the ABL Claimholders from seeking adequate protection (to the extent it has not already done so under other provisions of this Agreement) with respect to their rights in the ABL Priority Collateral in any Insolvency or Liquidation Proceeding if such ABL Priority Collateral is the source of payment of post-petition expenses payable to the Note Agent or any Note Claimholder.

6.6 Separate Grants of Security and Separate Classification. The Note Agent, on behalf of the Note Claimholders, and the ABL Agent on behalf of the ABL Claimholders, acknowledge and intend that: the grants of Liens pursuant to the ABL Security Documents and the Note Security Documents constitute two separate and distinct grants of Liens, and because of, among other things, their differing rights in the Collateral, the Note Obligations are fundamentally different from the ABL Obligations and must be separately classified in any Plan of Reorganization proposed or confirmed (or approved) in an Insolvency or Liquidation Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the ABL Claimholders and the Note Claimholders in respect of the Collateral constitute claims in the same class (rather than separate classes of senior and junior secured claims), then the ABL Claimholders and the Note Claimholders hereby acknowledge and agree that all distributions shall be made as if there were separate classes of ABL Obligations and Note Obligations against the Grantors (with the effect being that, to the extent that the aggregate value of the ABL Priority Collateral or Note Priority Collateral is sufficient (for this purpose ignoring all claims held by the other Secured Parties for whom such Collateral is non-priority in accordance with Section 2.1 and Section 2.2), the ABL Claimholders or the Note Claimholders, respectively, shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of post-petition interest, fees or expenses that is available from each pool of priority Collateral for each of the ABL Claimholders and the Note Claimholders, respectively, before any distribution is made in respect of the claims held by the other Secured Parties for whom such Collateral is non-priority, with such other Secured Parties hereby acknowledging and agreeing to turn over to the respective other Secured Parties amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the aggregate recoveries.

6.7 Asset Dispositions in an Insolvency or Liquidation Proceeding

- (a) Without limiting the ABL Agent's and the ABL Claimholders' rights under Section 3.1(b), neither the Note Agent nor any other Note Claimholder shall, in any Insolvency or Liquidation Proceeding or otherwise, oppose any sale or disposition of any ABL Priority Collateral that is supported by the ABL Claimholders, and the Note Agent and each other Note Claimholder will be deemed to have irrevocably, absolutely, and unconditionally consented under applicable Bankruptcy Laws (including but not limited to Section 363 of

the US Bankruptcy Code) (and otherwise) to any sale of any ABL Priority Collateral supported by the ABL Claimholders and to have released their Liens on such assets; provided that to the extent the Proceeds of such Collateral are not applied to reduce ABL Obligations the Note Agent shall retain a Lien on such Proceeds in accordance with the terms of this Agreement.

- (b) Without limiting the Note Agent's and the Note Claimholders' rights under Section 3.2(b), neither the ABL Agent nor any other ABL Claimholder shall, in any Insolvency Proceeding or otherwise, oppose any sale or disposition of any Note Priority Collateral that is supported by the Note Claimholders, will result in the Discharge of Additional Liquidity Facility Obligations, and is made subject to Section 3.3(d), and the ABL Agent and each other ABL Claimholder will be deemed to have consented under applicable Bankruptcy Laws (including but not limited to Section 363 of the US Bankruptcy Code) (and otherwise) to any sale of any Note Priority Collateral supported by the Note Claimholders and to have released their Liens on such assets; provided that to the extent the Proceeds of such Collateral are not applied to reduce Note Obligations, the ABL Agent shall retain a Lien on such Proceeds in accordance with the terms of this Agreement; provided further that the ABL Agent's and the ABL Claimholders' rights under Sections 3.3 and 3.4 shall survive any such sale or disposition.

- 6.8 Interim Financing.** So long as the Discharge of ABL Obligations has not occurred, neither the Note Agent nor any Note Claimholder shall provide, nor object to the ABL Agent or any ABL Claimholder providing, any interim or 'debtor in possession' financing to any Grantor if the ABL Agent or any ABL Claimholder have agreed to provide such financing on commercially reasonable terms that are acceptable to the Grantor, acting reasonably, in the applicable Grantor's Insolvency or Liquidation Proceedings, including a charge on Note Collateral securing such financing that ranks in priority to the Liens of the Note Agent and Note Claimholders ("**DIP Financing**"). In the event that DIP Financing is approved by the court in the applicable Insolvency or Liquidation Proceedings, the Note Agent, on behalf of the Note Claimholders, agrees and acknowledges that notwithstanding anything in this Agreement to the contrary, the ABL Agent or applicable ABL Claimholder who has provided such DIP Financing shall be entitled to enforce any court-ordered charge securing the DIP Financing, and retain any proceeds thereof, in accordance with the terms of the order of the court approving the DIP Financing.

ARTICLE VII RELIANCE; WAIVERS; ETC.

- 7.1 Reliance.** Other than any reliance on the terms of this Agreement, the ABL Agent, on behalf of the ABL Claimholders, acknowledges that it and the other ABL Claimholders have, independently and without reliance on the Note Agent or any Note Claimholder, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into ABL Loan Documents and be bound by the terms of this Agreement, and they will continue to make their own credit decision in taking or not taking any action under the ABL Loan Documents or this Agreement. The Note Agent, on behalf of the Note Claimholders, acknowledges that it and the other Note Claimholders have, independently and without reliance on the ABL Agent or any other ABL Claimholder, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into each of the other Note Documents and be bound by the terms of this Agreement, and they will continue to make their own credit decision in taking or not taking any action under the Note Documents or this Agreement.
- 7.2 No Warranties or Liability.** The ABL Agent, on behalf of the ABL Claimholders, acknowledges and agrees that each of the Note Agent and the Note Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the other Note Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. Except as otherwise provided in this Agreement, the Note Agent and the Note Claimholders will be entitled to manage and supervise

their respective loans and extensions of credit under the Note Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Note Agent, on behalf the Note Claimholders, acknowledges and agrees that the ABL Agent and the other ABL Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the other ABL Loan Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. Except as otherwise provided herein, the ABL Agent and the other ABL Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under their respective ABL Loan Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Note Agent and the Note Claimholders shall have no duty to the ABL Agent or any of the ABL Claimholders, and the ABL Agent and the other ABL Claimholders shall have no duty to the Note Agent or any of the other Note Claimholders, to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with any Grantor (including the ABL Loan Documents and the Note Documents), regardless of any knowledge thereof which they may have or be charged with.

7.3 No Waiver of Lien Priorities

- (a) No right of the Agents, the other ABL Claimholders or the other Note Claimholders to enforce any provision of this Agreement or any ABL Loan Document or Note Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Grantor or by any act or failure to act by such Agents, ABL Claimholders or Note Claimholders or by any noncompliance by any Person with the terms, provisions and covenants of this Agreement, any of the ABL Loan Documents or any of the Note Documents, regardless of any knowledge thereof which the Agents or the ABL Claimholders or Note Claimholders, or any of them, may have or be otherwise charged with.
- (b) Without in any way limiting the generality of the foregoing paragraph (but subject to the rights of the Grantors under the ABL Loan Documents and Note Documents and subject to the provisions of Sections 5.3(a), 5.3(c), and, as applicable, 5.3(d)), the Agents, the other ABL Claimholders and the other Note Claimholders may, at any time and from time to time in accordance with the ABL Loan Documents and Note Documents and/or applicable law, without the consent of, or notice to, the other Agent or the ABL Claimholder or the Note Claimholders (as applicable), without incurring any liabilities to such Persons and without impairing or releasing the Lien priorities and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy is affected, impaired or extinguished thereby) do any one or more of the following:
 - (i) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of the Obligations or any Lien or guaranty thereof or any liability of any Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the Obligations, without any restriction as to the tenor or terms of any such increase or extension) or otherwise amend, renew, exchange, extend, modify or supplement in any manner any Liens held by the Agents or any rights or remedies under any of the ABL Loan Documents or the Note Documents;
 - (ii) sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner and in any order any part of the Collateral (except to the extent provided in this Agreement) or any liability of any Grantor or any liability incurred directly or indirectly in respect thereof;
 - (iii) settle or compromise any Obligation or any other liability of any Grantor or any security therefor or any liability incurred directly or indirectly in respect thereof and

apply any sums by whomsoever paid and however realized to any liability in any manner or order that is not inconsistent with the terms of this Agreement; and

- (iv) exercise or delay in or refrain from exercising any right or remedy against any security or any Grantor or any other Person, elect any remedy and otherwise deal freely with any Grantor.

7.4 Obligations Unconditional. All rights, interests, agreements and obligations of the ABL Claimholders and the Note Claimholders, respectively, hereunder shall remain in full force and effect irrespective of:

- (a) any lack of validity or enforceability of any ABL Loan Documents or any Note Documents;
- (b) except, in each case, as otherwise expressly set forth in this Agreement, any change in the time, manner or place of payment of, or in any other terms of, all or any of the ABL Obligations or Note Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any ABL Loan Document or any Note Document;
- (c) except as otherwise expressly set forth in this Agreement, any exchange, release, voiding, avoidance or non-perfection of any security interest in any Collateral or any other collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the ABL Obligations or Note Obligations or any guaranty thereof;
- (d) the commencement of any Insolvency or Liquidation Proceeding in respect of any Grantor; or
- (e) any other circumstances which otherwise might constitute a defense available to, or a discharge of, any Grantor in respect of the ABL Agent, the ABL Obligations, any ABL Claimholder, the Note Agent, the Note Obligations or any Note Claimholder in respect of this Agreement.

ARTICLE VIII MISCELLANEOUS.

8.1 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of any ABL Loan Document or any Note Document, the provisions of this Agreement shall govern and control.

8.2 Effectiveness; Continuing Nature of this Agreement; Severability. This Agreement shall become effective when executed and delivered by the parties hereto. This is a continuing agreement of Lien subordination (as opposed to an agreement of debt or claim subordination), and the ABL Claimholders and Note Claimholders may continue, at any time and without notice to the other Agent, to extend credit and other financial accommodations and lend Monies to or for the benefit of any Grantor in reliance hereon. Each of the Agents, on behalf the ABL Claimholders or the Note Claimholders, as applicable, hereby irrevocably, absolutely, and unconditionally waives any right any Claimholder may have under applicable law to revoke this Agreement or any of the provisions of this Agreement. The terms of this Agreement shall survive, and shall continue in full force and effect, in any Insolvency or Liquidation Proceeding. Consistent with, but not in limitation of, the preceding sentence, each of the Agents, on behalf of the ABL Claimholders and the Note Claimholders, as applicable, irrevocably acknowledges that this Agreement constitutes a "subordination agreement" within the meaning of both Alberta law and Section 510(a) of the US Bankruptcy Code. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or

unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. All references to any Grantor shall include such Grantor as debtor and debtor-in-possession and any receiver or trustee for any Grantor (as applicable) in any Insolvency or Liquidation Proceeding. This Agreement shall terminate and be of no further force and effect:

- (a) with respect to the ABL Agent, the ABL Claimholders and the ABL Obligations, the date of the Discharge of ABL Obligations, subject to the rights of the ABL Claimholders under Section 6.3; and
- (b) with respect to the Note Agent, the Note Claimholders and the Note Obligations, the date of the Discharge of Note Obligations, subject to the rights of the Note Claimholders under Section 6.3.

8.3 Amendments; Waivers. No amendment, modification or waiver of any of the provisions of this Agreement by the Note Agent or the ABL Agent shall be deemed to be made unless the same shall be in writing signed on behalf of each party hereto or its authorized agent and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. Notwithstanding the foregoing, no Grantor shall have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except to the extent its rights are directly affected.

8.4 Information Concerning Financial Condition of the Issuers and Their Subsidiaries. The ABL Agent and the ABL Claimholders, on the one hand, and the Note Agent and the Note Claimholders, on the other hand, shall each be responsible for keeping themselves informed of (a) the financial condition of the Grantors and all endorsers and/or guarantors and other Grantors of the ABL Obligations or the Note Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the ABL Obligations or the Note Obligations. Neither the ABL Claimholders, on the one hand, nor the Note Claimholders, on the other hand, shall have any duty to advise the other of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that either the ABL Agent or any of the other ABL Claimholders, on the one hand, or the Note Agent or any of the other Note Claimholders, on the other hand, undertakes at any time or from time to time to provide any such information to any of the others, it or they shall be under no obligation, (i) to make, and shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (ii) to provide any additional information or to provide any such information on any subsequent occasion, (iii) to undertake any investigation, or (iv) to disclose any information, which pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

8.5 Subrogation

- (a) With respect to the value of any payments or distributions in cash, property or other assets that any of the Note Claimholders actually pays over to the ABL Agent or the ABL Claimholders under the terms of this Agreement, the Note Claimholders shall be subrogated to the rights of the ABL Claimholders; provided, however, that the Note Agent, on behalf of the Note Claimholders, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of ABL Obligations has occurred. The Grantors acknowledge and agree that, to the extent permitted by applicable law, the value of any payments or distributions in cash, property or other assets received by the Note Claimholders that are paid over to the ABL Claimholders pursuant to this Agreement shall not reduce any of the Note Obligations. Notwithstanding the foregoing provisions of this Section 8.5(a), none of the Note Claimholders shall have any claim against any of the ABL Claimholders for any impairment of any subrogation rights herein granted to the Note Claimholders.

- (b) With respect to the value of any payments or distributions in cash, property or other assets that any of the ABL Claimholders actually pays over to the Note Claimholders under the terms of this Agreement, the ABL Claimholders shall be subrogated to the rights of the Note Claimholders; provided, however, that the ABL Agent, on behalf of the ABL Claimholders, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Note Obligations has occurred. The Grantors acknowledge and agree that, to the extent permitted by applicable law, the value of any payments or distributions in cash, property or other assets received by the ABL Claimholders that are paid over to the Note Claimholders pursuant to this Agreement shall not reduce any of the ABL Obligations. Notwithstanding the foregoing provisions of this Section 8.5(b), none of the ABL Claimholders shall have any claim against any of the Note Claimholders for any impairment of any subrogation rights herein granted to the ABL Claimholders.

8.6 SUBMISSION TO JURISDICTION; WAIVERS.

- (a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the Courts of the Province of Alberta, and any appellate court thereof, in any action or proceeding arising out of or relating to this Agreement or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in Alberta. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party hereto may otherwise have to bring any action or proceeding relating to this Agreement in the courts of any other jurisdiction.
- (b) Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in Section 8.6(a). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, any *forum non conveniens* defence to the maintenance of such action or proceeding in any such court.
- (c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 8.7.
- (d) Nothing contained in this Section 8.6 shall affect the right of the ABL Agent, the Note Agent, any ABL Claimholder or any Note Claimholder to serve process in any other manner permitted by law or commence legal proceedings or otherwise proceed against any party hereto in any other jurisdiction.
- (e) **EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT.**

- 8.7 Notices.** All notices permitted or required under this Agreement need be sent only to the Note Agent and the ABL Agent, as applicable, in order to be effective and otherwise binding on any applicable Claimholder. If any notice is sent for whatever reason to the other Note Claimholders or the ABL Claimholders, such notice shall also be sent to the applicable Agent. Unless otherwise specifically provided herein, any notice hereunder shall be in writing and may be personally served, telexed or sent by telefacsimile or registered or certified mail or courier service and shall be deemed to have been given when delivered in person or by overnight courier service and signed for against receipt thereof, upon receipt of telefacsimile or telex during normal business hours, or three Business Days after depositing it in the registered or certified mails (return receipt requested) with postage prepaid and properly addressed. For the purposes hereof, the addresses of the parties

hereto shall be as set forth below each party's name on the signature pages hereto, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

- 8.8 Further Assurances.** The ABL Agent, on behalf of the ABL Claimholders, and the Note Agent, on behalf of the Note Claimholders, and the Grantors, agree that each of them shall take such further action and shall execute and deliver such additional documents and Instruments (in recordable form, if requested) as the ABL Agent or the Note Agent may reasonably request to effectuate the terms of and the Lien priorities contemplated by this Agreement.
- 8.9 Applicable Law.** Except as expressly stated otherwise herein, this Agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- 8.10 Specific Performance.** Each of the ABL Agent and the Note Agent may demand specific performance of this Agreement. The ABL Agent, on behalf of itself and the ABL Claimholders, and the Note Agent, on behalf of itself and the Note Claimholders, hereby irrevocably waive any defense based on the adequacy of a remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by the ABL Agent or the other ABL Claimholders or the Note Agent or the other Note Claimholders, as applicable. Without limiting the generality of the foregoing or of the other provisions of this Agreement, in seeking specific performance in any Insolvency or Liquidation Proceeding, an Agent may seek such relief as if it were the "holder" of the claims of the other Agent's Claimholders under applicable Bankruptcy Laws (including, but not limited to, Section 1126(a) of the US Bankruptcy Code) or otherwise had been granted an irrevocable power of attorney by the other Agent's Claimholders.
- 8.11 Headings.** Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.
- 8.12 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. In proving this Agreement in any judicial proceedings, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought. Any signatures delivered by a party by facsimile transmission or by e-mail transmission shall be deemed an original signature hereto.
- 8.13 Authorization.** By its signature, each party hereto represents and warrants to the other parties hereto that the individual signing this Agreement on its behalf is duly authorized to execute this Agreement. The Note Agent hereby represents that it is authorized to, and by its signature hereon does, bind the other Note Claimholders to the terms of this Agreement. The ABL Agent hereby represents that it is authorized to, and by its signature hereon does, bind the other ABL Claimholders to the terms of this Agreement.
- 8.14 No Third Party Beneficiaries.** This Agreement and the rights and benefits hereof shall inure to the benefit of each of the parties hereto and its respective successors and assigns and shall inure to the benefit of (and shall be binding upon) each of the Agents, the other ABL Claimholders and the other Note Claimholders and their respective successors and assigns. Without limiting the generality of the foregoing, each of the Indenture and the amendments to ABL Security Documents shall expressly refer to this Agreement and acknowledge that its provisions shall be binding on the Note Agent, and the other Note Claimholders (and their respective successors and assigns) and on the ABL Agent and the other ABL Claimholders (and their respective successors and assigns), as applicable, and, in any event, this Agreement shall be binding on the Agents, the other ABL Claimholders, and the other Note Claimholders and their respective successors and assigns as if its provisions were set forth in their entirety in the ABL Credit Agreement and the Indenture.

- 8.15 Provisions Solely to Define Relative Rights.** The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the ABL Claimholders on the one hand and the Note Claimholders on the other hand. No Grantor or any other creditor thereof shall have any rights hereunder, and no Grantor may rely on the terms hereof. Nothing in this Agreement is intended to or shall impair as between the Grantors and the ABL Agent and the other ABL Claimholders, or as between the Grantors and the Note Agent and the other Note Claimholders, the obligations of any Grantor, which are absolute and unconditional, to pay principal, interest, fees and other amounts as provided in the other ABL Loan Documents and the other Note Documents, respectively, including as and when the same shall become due and payable in accordance with their terms.
- 8.16 Marshalling of Assets.** The Note Agent, on behalf of the Note Claimholders, hereby irrevocably, absolutely, and unconditionally waives any and all rights or powers any Note Claimholder may have at any time under applicable law or otherwise to have the ABL Priority Collateral, or any part thereof, marshaled upon any foreclosure or other enforcement of the ABL Agent's Liens. The ABL Agent, on behalf of the ABL Claimholders, hereby waives irrevocably, absolutely, and unconditionally any and all rights any ABL Claimholder may have at any time under applicable law or otherwise to have the Note Priority Collateral, or any part thereof, marshaled upon any foreclosure or other enforcement of the Note Agent's Liens.
- 8.17 Exclusive Means of Exercising Rights under this Agreement.** The Note Claimholders shall be deemed to have irrevocably appointed the Note Agent, and the ABL Claimholders shall be deemed to have irrevocably appointed the ABL Agent, as their respective and exclusive agents hereunder. Consistent with such appointment, the Note Claimholders and the ABL Claimholders further shall be deemed to have agreed that only their respective Agent (and not any individual Claimholder or group of Claimholders) shall have the exclusive right to exercise any rights, powers, and/or remedies under or in connection with this Agreement (including bringing any action to interpret or otherwise enforce the provisions of this Agreement) or the Collateral; provided, that (i) Cash Collateral may be held pursuant to the terms of the ABL Loan Documents and any such individual ABL Claimholder may act against such Collateral, and (ii) ABL Claimholders may exercise customary rights of setoff against depository or other accounts maintained with them. Specifically, but without limiting the generality of the foregoing, each Noteholder or group of Noteholders, and each Lender or group of Lenders, shall not be entitled to take or file, but instead shall be precluded from taking or filing (whether in any Insolvency or Liquidation Proceeding or otherwise), any action, judicial or otherwise, to enforce any right or power or pursue any remedy under this Agreement (including any declaratory judgment or other action to interpret or otherwise enforce the provisions of this Agreement) or otherwise in relation to the Collateral, except solely as provided in the proviso in the preceding sentence.
- 8.18 Interpretation.** This Agreement is a product of negotiations among representatives of, and has been reviewed by counsel to, the Note Agent, the ABL Agent, the Grantors and is the product of those Persons on behalf of themselves and the Note Claimholders (in the case of the Note Agent) and the ABL Claimholders (in the case of the ABL Claimholders). Accordingly, this Agreement's provisions shall not be construed against, or in favor of, any party or other Person merely by virtue of that party or other Person's involvement, or lack of involvement, in the preparation of this Agreement and of any of its specific provisions.
- 8.19 Capacity of Note Agent.** Computershare Trust Company of Canada is entering into this Agreement solely in its capacity as trustee and collateral agent under the Indenture and the rights, powers, privileges and protections afforded to the trustee and collateral agent under the Indenture shall also apply to Computershare Trust Company of Canada as the Note Agent hereunder. The Note Claimholders have expressly authorized and instructed the Note Agent to execute and deliver this Agreement.
- 8.20 Liability of Limited Partners.** Each of Source Energy Services Canada LP, Source Energy Services Canadian Chemical LP, Source Energy Services Canadian Logistics LP, Source Energy

Services US LP and SES Sand Holdings (US) LP is a limited partnership formed under the laws of the Province of Alberta of which a limited partner thereof is only liable for any of its debts or any of its obligations to the extent of the amount that such limited partner has contributed or agreed to contribute to the capital of the limited partnership.

8.21 Termination. This Agreement shall terminate and be of no further force and effect upon the Discharge of the ABL Obligations or upon the Discharge of the Note Obligations, subject to the rights of the Lenders and the Noteholders, as applicable, under Section 6.3.

8.22 Amendment and Restatement. The Existing Intercreditor Agreement shall be amended and restated in its entirety on the terms and conditions, and in the form of this Agreement. All rights, obligations, claims and other liabilities which have arisen and remain outstanding under or in respect of the Existing Intercreditor Agreement as of the date hereof shall, subject only the effect of the amendments and modifications to the Existing Intercreditor Agreement effected by this Agreement, continue in full force and effect as rights, obligations, indebtedness, claims and liabilities under or in respect of this Agreement, all in accordance with and subject to the provisions herein set forth.

[Signature Pages Follow]

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

ABL Agent:


FGI WORLDWIDE LLC

Per: 


Name: *Sam Altahar*

Title: *President*

Notice Address:

FGI Worldwide LLC
410 Park Avenue, Suite 920
New York, New York 10022
Attention: Chris Fulman
Email: 

With a copy to:

Blank Rome LLP
One Logan Square Philadelphia, Pennsylvania
19103
Attention: Kevin J. Baum, Esquire
Email: 

Note Agent:

Computershare Trust Company of Canada,
not in its individual capacity, but solely in its capacity
as trustee and collateral agent under the Indenture
and collateral agent under the Note Documents,
as Note Agent

Per: _____


Name: Corentin Leverrier
Title: Corporate Trust Officer

Per: _____


Name: Angela Fletcher
Title: Corporate Trust Officer

Notice Address:

Computershare Trust Company of Canada
#800, 324 - 8th Avenue SW
Calgary, Alberta
T2P 2Z2

Acknowledged and Agreed to by:

Issuers:

**SOURCE ENERGY SERVICES CANADA LP,
By its general partner, SOURCE ENERGY
SERVICES CANADA LP GP LTD.**

Per: 

Name: Derren Newell

Title: Chief Financial Officer

**SOURCE ENERGY SERVICES CANADA
HOLDINGS LTD.**

Per: 

Name: Derren Newell

Title: Chief Financial Officer

Notice Address:

Source Energy Services
500, 1060 – 7th Street SW,
Calgary, Alberta T2R 0C4

General Partners:

**SOURCE ENERGY SERVICES CANADA
LP GP LTD.**

Per: 

Name: Derren Newell

Title: Chief Financial Officer

**SOURCE ENERGY SERVICES US II LP
GP LTD.**

Per: 

Name: Derren Newell

Title: Chief Financial Officer

Parent:

SOURCE ENERGY SERVICES LTD.

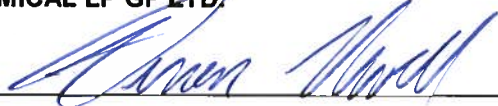
Per: 

Name: Derren Newell

Title: Chief Financial Officer

Related Parties:

SOURCE ENERGY SERVICES CANADIAN CHEMICAL LP, by its general partner, SOURCE ENERGY SERVICES CANADIAN CHEMICAL LP GP LTD.

Per: 
Name: Derren Newell
Title: Chief Financial Officer

SOURCE ENERGY SERVICES CANADIAN CHEMICAL LP GP LTD.

Per: 
Name: Derren Newell
Title: Chief Financial Officer

SOURCE ENERGY SERVICES CANADIAN LOGISTICS LP, by its general partner, SOURCE ENERGY SERVICES CANADIAN LOGISTICS LP GP LTD.

Per: 
Name: Derren Newell
Title: Chief Financial Officer

SOURCE ENERGY SERVICES CANADIAN LOGISTICS LP GP LTD.

Per: 
Name: Derren Newell
Title: Chief Financial Officer


SOURCE ENERGY SERVICES US LP, by its general partner, SOURCE ENERGY SERVICES US II LP GP LTD.

Per: 
Name: Derren Newell
Title: Chief Financial Officer

BERTHOLD TRANSLOAD INC.

Per: 
Name: Derren Newell
Title: Chief Financial Officer


SAND PRODUCTS WISCONSIN LLC, by its sole member, SOURCE ENERGY SERVICES US LP, by its general partner, SOURCE ENERGY SERVICES US II LP GP LTD.

Per: 
Name: Derren Newell
Title: Chief Financial Officer

SAND PRODUCTS RAIL LLC, by its sole member, SAND PRODUCTS WISCONSIN LLC

Per: 
Name: Derren Newell
Title: Chief Financial Officer

CSP PROPERTY HOLDINGS LLC, by its sole member, **SOURCE ENERGY SERVICES US LP**, by its general partner, **SOURCE ENERGY SERVICES US II LP GP LTD.**

Per: 
Name: Derren Newell
Title: Chief Financial Officer

SOURCE ENERGY SERVICES LOGISTICS US LP, by its general partner, **SOURCE ENERGY SERVICES US GP LTD.**

Per: 
Name: Derren Newell
Title: Chief Financial Officer

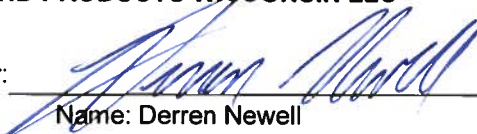
SOURCE ENERGY SERVICES PROPPANTS LP, by its general partner, **SOURCE ENERGY SERVICES US GP LTD.**

Per: 
Name: Derren Newell
Title: Chief Financial Officer

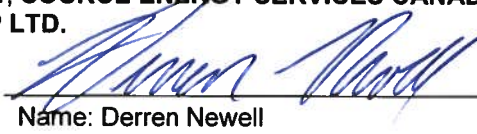
SOURCE ENERGY SERVICES US GP LTD.

Per: 
Name: Derren Newell
Title: Chief Financial Officer

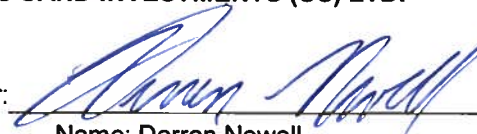
SPARTAN SAND, LLC, by its sole member, **SAND PRODUCTS WISCONSIN LLC**

Per: 
Name: Derren Newell
Title: Chief Financial Officer

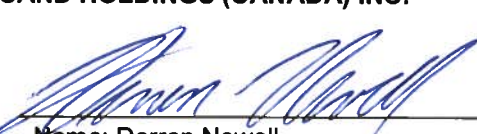
SES SAND HOLDINGS (US) LP, by its general partner, **SOURCE ENERGY SERVICES CANADA LP GP LTD.**

Per: 
Name: Derren Newell
Title: Chief Financial Officer

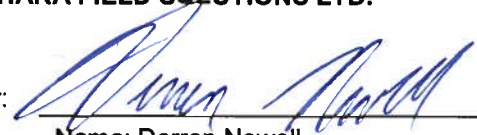
SES SAND INVESTMENTS (US) LTD.

Per: 
Name: Derren Newell
Title: Chief Financial Officer

SES SAND HOLDINGS (CANADA) INC.

Per: 
Name: Derren Newell
Title: Chief Financial Officer

SAHARA FIELD SOLUTIONS LTD.

Per: 
Name: Derren Newell
Title: Chief Financial Officer

SOURCE ENERGY SERVICES US CHEMICAL GP INC. SOURCE ENERGY SERVICES CHEMICAL US LP

Per: 
Name: Derren Newell
Title: Chief Financial Officer

**SOURCE ENERGY SERVICES CHEMICAL
US LP, by its general partner, SOURCE
ENERGY SERVICES US CHEMICAL GP
INC.**

Per:



Name: Derren Newell

Title: Chief Financial Officer