

Properties

<i>PIN</i>	48029 - 0690 LT	<i>Interest/Estate</i>	Leasehold
<i>Description</i>	SURFACE RIGHTS ONLY, PART LOCATION CL 18157, PART OF THE BED OF THE MUSKOKA RIVER IN FRONT OF LOT 33 CONCESSION 7 AND PART LOT 33 CONCESSION 7 WOOD, BEING PARTS 9, 10, 11, 12, 16 PLAN 35R25482; TOWNSHIP OF MUSKOKA LAKES		
<i>Address</i>	BALA		
<i>PIN</i>	48029 - 0691 LT	<i>Interest/Estate</i>	Leasehold
<i>Description</i>	SURFACE RIGHTS ONLY, PART LOCATION CL 18157, PART OF THE BED OF THE MUSKOKA RIVER IN FRONT OF LOT 33 CONCESSION 7 AND PART LOT 33 CONCESSION 7 WOOD, BEING PARTS 13, 14, 15, 17, 18, 19, 21, 22 PLAN 35R25482; SUBJECT TO AN EASEMENT OVER PART 14 35R25482 AS IN LT237667; SUBJECT TO AN EASEMENT OVER PART 14 35R25482 AS IN LT244690; TOWNSHIP OF MUSKOKA LAKES		
<i>Address</i>	BALA		
<i>PIN</i>	48029 - 0692 LT	<i>Interest/Estate</i>	Leasehold
<i>Description</i>	SURFACE RIGHTS ONLY, PART LOCATION CL 18157, BEING PART LOT 33 CONCESSION 7 WOOD, BEING PARTS 23, 24, 25, 26 PLAN 35R25482; SUBJECT TO AN EASEMENT OVER PART 23, 24, 25 35R25482 AS IN DM205426; TOWNSHIP OF MUSKOKA LAKES		
<i>Address</i>	BALA		
<i>PIN</i>	48154 - 1188 LT	<i>Interest/Estate</i>	Leasehold
<i>Description</i>	SURFACE RIGHTS ONLY, PART LOCATION CL 18157, BEING PART LOT 260 PLAN 26 AND PART BLOCK M PLAN 20 AND PART OF THE BED OF THE MUSKOKA RIVER IN FRONT OF LOT 14 CONCESSION A MEDORA, BEING PARTS 1, 2, 3, 4, 5 PLAN 35R25482; TOWNSHIP OF MUSKOKA LAKES		
<i>Address</i>	BALA		
<i>PIN</i>	48154 - 1189 LT	<i>Interest/Estate</i>	Leasehold
<i>Description</i>	SURFACE RIGHTS ONLY, PART LOCATION CL 18157, BEING PART OF THE BED OF THE MUSKOKA RIVER IN FRONT OF LOT 14 CONCESSION A MEDORA, BEING PARTS 6, 7, 8 PLAN 35R25482; SUBJECT TO AN EASEMENT OVER PART 7 35R25482 AS IN LT237667; SUBJECT TO AN EASEMENT OVER PART 7 35R25482 AS IN LT244690; TOWNSHIP OF MUSKOKA LAKES		
<i>Address</i>	BALA		

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name SWIFT RIVER ENERGY LIMITED
Address for Service c/o Horizon Legacy Group
60 St. Clair Avenue East, Suite 300
Toronto, Ontario
M4T 1N5
Attention: Gary Thomas, Chief Financial Officer

I, Anthony J. Zwig, Chairman/President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name NATIONAL BANK OF CANADA
Address for Service 130 King Street West, 8th Floor
Toronto, Ontario
M5X 1J9
Attention: Jonathan Hopkins, Director Nation Client Group,
Enterprise Banking

Statements

Schedule: See Schedules

In accordance with registration MT192658 registered on 2017/11/24, the consent of the Ministry of Northern Resources and Forestry has been obtained for the registration of this document.

Provisions

Principal \$60,000,000.00 Currency CDN
 Calculation Period
 Balance Due Date On Demand
 Interest Rate 25.0%
 Payments
 Interest Adjustment Date
 Payment Date See Schedule
 First Payment Date
 Last Payment Date
 Standard Charge Terms
 Insurance Amount full insurable value
 Guarantor

Signed By

Daniel Richard Law 333 Bay Street, Suite 2400, Bay acting for Signed 2018 01 09
 Adelaide Centre Chargor(s)
 Toronto
 M5H 2T6

Tel 416-366-8381

Fax 416-364-7813

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

FASKEN MARTINEAU DUMOULIN LLP 333 Bay Street, Suite 2400, Bay 2018 01 09
 Adelaide Centre
 Toronto
 M5H 2T6

Tel 416-366-8381

Fax 416-364-7813

Fees/Taxes/Payment

Statutory Registration Fee \$63.65
 Total Paid \$63.65

File Number

Chargor Client File Number : 265353.00003

DEMAND DEBENTURE
(SWIFT RIVER ENERGY LIMITED)

PRINCIPAL SUM: \$60,000,000

DATE: as of December 7, 2017

ARTICLE 1
PROMISE TO PAY

1.1 Promise to Pay: **SWIFT RIVER ENERGY LIMITED**, a corporation incorporated under the laws of the Province of Ontario (hereinafter referred to as the "**Chargor**"), for value received, hereby acknowledges itself indebted and covenants and promises to pay to or to the order of **NATIONAL BANK OF CANADA**, acting in its capacity as administrative agent for and on behalf of the Secured Creditors (as defined below) (including its successors and assigns, the "**Agent**"), at the address set forth in Section 4.3 or at such other place as the Agent may designate by notice in writing to the Chargor, ON DEMAND, the aggregate principal amount of SIXTY MILLION DOLLARS (\$60,000,000) or such lesser principal amount as is from time to time owing in respect of the Secured Liabilities (as defined below), together with interest thereon, from and including the date hereof (or from and including the last interest payment date to which interest shall have been paid) to and including the date of payment, at a rate of twenty-five per cent (25%) per annum, calculated and compounded monthly on the first day of each month, as well after as before demand and as well after as before default or judgment with interest on overdue interest at the same rate.

This Debenture secures payment to the Secured Creditors of all of the Secured Liabilities (as defined below).

Notwithstanding any other provision of this Debenture, if the security constituted by this Debenture becomes enforceable, the Chargor will not be liable to pay under this Debenture any greater amount than the aggregate of the Secured Liabilities.

1.2 Interpretation: In this Debenture, unless there is something in the subject matter or context that is inconsistent therewith, all capitalized terms used herein which are not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement. In this Debenture words importing the singular number only include the plural and vice versa, words importing any gender include all genders. Unless otherwise specifically provided, reference in this Debenture to any contract, agreement or any other instrument shall be deemed to include references to the same as varied, amended, supplemented, restated or replaced from time to time, and reference in this Debenture to any enactment including any statute, law, by-law, regulation, ordinance or order, shall be deemed to include references to such enactment as re-enacted, amended, extended or replaced from time to time. The terms "including" and "includes" mean "including without limitation" and "includes without limitation", respectively. In addition, the following terms shall have the following meanings:

"**Account**" has the meaning set out in Section 3.9 hereof.

"**Act**" has the meaning set out in Section 2.1(b) hereof.

"**Contract**" has the meaning set out in Section 3.9 hereof.

"**Credit Agreement**" means the credit agreement made as of October 11, 2017 amongst Swift River Energy Limited as general partner for Swift River Limited Partnership, as borrower, the Chargor, as general partner, the other Obligors from time to time party thereto, the Lenders and the Agent.

"**Easements**" means all present and future easements, rights of way, licences and privileges appurtenant or appertaining to the Secured Property and all guarantees, amendments, renewals, supplements, restatements or other modifications thereof, including as described in Schedule A attached hereto.

"**Event of Default**" means the occurrence of (i) an Event of Default as defined in the Credit Agreement, (ii) a "default," "event of default" or similar circumstance identified in any Other Secured Agreement that entitles the Obligor's counterparty to enforce its rights under that Other Secured Agreement, (iii) the failure of the Obligor to pay any of the Guaranteed Obligations when due, or (iv) any demand for payment validly made by any Secured Creditor pursuant to any Other Secured Agreement that is not met in accordance with the terms of the demand or within any applicable grace period.

"**Excluded Collateral**" has the meaning set out in Section 2.2 hereof.

"**Landlord Leases**" means all present and future leases, subleases, offers to lease or sublease, letter agreements, occupying or tenancy agreements, lease or sublease proposals and lease or sublease amending agreements relating to all or part of the Real Property made by the Chargor as landlord or lessor.

"**Leases**" means all present and future leases, subleases, licences and other occupancy or use agreements, affecting the Secured Property and all guarantees, amendments, renewals, supplements, restatements or other modifications thereof, including as described in Schedule "A" attached hereto.

"**Lenders**" means National Bank of Canada and the other lenders from time to time that are party to the Credit Agreement.

"**Person**" or "**person**" means an individual, a partnership, a corporation, a trust, an unincorporated organization, a government or any governmental department or agency or any other entity whatsoever and the heirs, executors, administrators or other legal representatives of an individual.

"**Real Property**" has the meaning set out in Section 2.1(a) hereof.

"**Revenues**" has the meaning set out in Section 2.1(b)(vi) hereof.

"**Secured Creditors**" means each person that from time to time (i) is defined as a "Lender" or as the "Agent" under the Credit Agreement or (ii) is a Lender or affiliate of a Lender to whom Other Secured Obligations are owed, in each case in its capacity as a creditor under the Other Secured Agreements. Any reference to the "Secured Creditors"

shall be interpreted as referring to "the Secured Parties or any of them". If a Lender ceases to be a Lender by reason of assigning all of its rights and obligations under the Credit Agreement, then that Lender and any affiliate to whom Other Secured Obligations are owed shall cease to be Secured Creditors under this Agreement.

"**Secured Liabilities**" means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured, in any currency at any time owing) of the Chargor to the Secured Creditors (or any of them) under, in connection with or with respect to any Financing Document and any unpaid balance thereof (including interest accruing during the pendency of any insolvency proceeding whether or not allowed in such proceeding) and whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again.

"**Secured Property**" means the lands and premises described in Schedule "B" attached hereto, together with all rights and privileges appertaining thereto and all buildings, improvements and structures now or hereafter constructed or placed therein, thereunder or thereon.

"**Security Interests**" has the meaning set out in Section 2.1 hereof.

ARTICLE 2 **SECURITY**

2.1 **Security:** As security for the due and timely payment and performance of all Secured Liabilities the Chargor:

- (a) grants, mortgages and charges (and provided that where the interest of the Chargor in any Secured Property is by way of leasehold, such mortgage and charge is by way of sublease) as and by way of a first fixed specific mortgage and charge to and in favour of the Agent, all of its right, title, estate and interest, present and future, in and to: (i) the Secured Property; (ii) the Leases; (iii) the Easements; (iv) all buildings, erections, structures, improvements and fixtures now or hereafter constructed or placed in, under or upon the Secured Property or the Easement lands; and (v) all interests in any of the foregoing and all benefits and rights to be derived by the Chargor in respect thereof (collectively, the "**Real Property**");
- (b) grants, conveys, mortgages, charges, pledges, assigns and creates a security interest in, as and by way of a fixed and specific mortgage, charge, pledge, assignment and security interest to and in favour of the Agent of all of its right, title, estate and interest, present and future, in and to any and all personal property used primarily in connection with the Real Property or located at the Real Property in which a security interest can be taken, reserved, created or granted whether under the *Personal Property Security Act* (Ontario) (the "**Act**"), any similar personal property security legislation in any jurisdiction in which any of the charged premises is located or otherwise under any statute or law or in equity

and which is now or at any time hereafter owned by the Chargor or in which the Chargor now has or at any time hereafter acquires any interest of any nature whatsoever, including the interest of the Chargor in:

- (i) all materials, supplies, machinery, equipment, fixtures, inventory, vehicles, furniture, tools, accessories and appliances now or hereafter owned or acquired by or on behalf of the Chargor and every interest therein which the Chargor now has or hereafter acquires, wheresoever situate;
- (ii) all present and future accounts (including cash collateral accounts), accounts receivable, money (including all money in any bank accounts), investment property (as defined in the Act), intangibles, claims, contract rights, demands, chattel papers, instruments, documents, warehouse receipts, bills of lading, notes and choses in action, together with any and all security therefor, including, without limiting the generality of the foregoing, all present and future mortgages receivable, debentures, bonds, promissory notes, bills of exchange, judgments and book debts, now due or hereafter to become due to or owned by the Chargor, together with all securities, documents, computer disks, tapes, software or records now or hereafter owned by the Chargor and representing or evidencing the said debts, accounts, accounts receivable, claims, contract rights, demands and choses in action and all other rights and benefits in respect thereof;
- (iii) all present and future rights, agreements, licenses, permits, consents, policies, approvals, development agreements, building contracts, performance bonds, purchase orders, plans, patents, trademarks, trade names, copyrights and other industrial and intellectual property, goodwill, know-how, rights to carry on business and specifications;
- (iv) all present and future computer hardware, software, programs and electronically stored data, and all rights, agreements, licences, permits and consents in respect of or in any way relating to such computer hardware, software and programs including all paper cards, magnetic tapes, discs, diskettes, drums or magnetic bubbles and whether permanently installed in hardware or crystallized in firmware, and all codes, passwords and security devices in respect thereof;
- (v) all present and future shares, stocks, warrants, bonds, debentures, debenture stock, partnership interests, joint venture interests or other securities investments;
- (vi) all present and future rents, revenues, income, insurance proceeds, expropriation proceeds, other proceeds and other monies to which the Chargor may from time to time be entitled from all sources which pertain to or are derived from any property (including the Real Property) or any part thereof including, all income and proceeds (whether in cash or on

credit) received or receivable by or on behalf of the Chargor in respect of the use, occupancy or enjoyment of any such property or any part thereof or for the sale of goods or the provision of services on, at or from any such property or from judgments, settlements or other resolutions of disputes relating to the ownership, use, construction, development, operation, maintenance or management of any such property (collectively, "**Revenues**"); and

- (vii) the benefit of any guarantees, warranties or indemnities relating to all or part of the property referred to in paragraphs 2.1 (b)(i) to (vi) inclusive;

and with respect to paragraphs 2.1(b)(i) to (vii) inclusive, in, to and under all amendments, extensions, renewals, replacements and substitutions of any of the foregoing, all increases, additions and accessions thereto and all rights, remedies, powers, easements, privileges and claims of the Chargor thereunder (whether arising pursuant thereto or available to the Chargor at law or in equity) including the right of the Chargor to enforce the foregoing and the obligations of the other parties thereto and to give or withhold any and all consents, requests, directions, approvals, extensions and/or waivers thereunder;

- (c) assigns, transfers and sets over unto and in favour of the Agent, as and by way of a fixed and specific assignment, all of its right, title, estate and interest, present and future, in and to:
 - (i) any agreements, including the Material Project Documents, relating to the Real Property (including those relating to construction or development on, or operation of, the Real Property) or the business, undertaking and operations of the Chargor at the Real Property; and
 - (ii) all amendments, extensions, renewals, replacements and substitutions of any of the property referred to in paragraph 2.1(c)(i) and all benefits, rights, remedies, privileges, claims, powers and advantages of the Chargor to be derived therefrom or thereunder (whether arising pursuant thereto or available to the Chargor at law or in equity) and all covenants, obligations and agreements of the other parties thereto including the right of the Chargor to enforce any of the foregoing and the obligations of the other parties thereto and to give or withhold any and all consents, requests, directions, approvals, extensions and/or waivers thereunder, provided that until an Event of Default has occurred and the security hereby constituted becomes and remains enforceable, the Chargor shall, subject to any limitation in the Credit Agreement and subject to the terms of any applicable Consent and Acknowledgement Agreement, be entitled to deal with any such agreements, including Material Project Documents, and to exercise, enforce, use and enjoy all of the benefits, advantages and powers thereunder (including giving or withholding any and all consents, requests, directions, approvals, extensions and/or waivers thereunder) and to deal with the parties thereto, provided that the Chargor shall not further assign,

pledge or encumber any such agreement without the written consent of the Agent;

- (d) assigns, transfers and sets over unto and in favour of the Agent, as and by way of a general assignment, all of its right, title, estate and interest present and future, in and to:
- (i) the Landlord Leases and all benefits, powers and advantages of the Chargor to be derived therefrom and all covenants, obligations and agreements of the tenants thereunder or in any agreement collateral thereto including the benefit of any right, option or obligation of any tenant or other person to acquire any of the Real Property or an interest therein, to renew or extend the Landlord Leases or any one of them, to lease other space and any other collateral advantage or benefit to be derived from the Landlord Leases or any of them, provided that until an Event of Default has occurred and the security hereby constituted becomes and remains enforceable, the Chargor shall, subject to any limitation in the Credit Agreement and subject to the terms of any applicable Consent and Acknowledgement Agreement, be entitled to deal with the Landlord Leases and to exercise, enforce, use and enjoy all of the benefits, advantages and powers thereunder and to deal with the tenants, provided that the Chargor shall not further assign, pledge or encumber the Landlord Leases without the written consent of the Agent;
 - (ii) all rents and other moneys now due and payable or hereafter to become due and payable under the Landlord Leases and each guarantee of or indemnity in respect of the obligations of the tenants thereunder with full power to demand, sue for recovery, receive and give receipts for all such rents and other moneys and otherwise to enforce the rights of the Chargor thereto in the name of the Chargor, provided that until an Event of Default has occurred and the security hereby constituted becomes and remains enforceable, the Chargor shall, subject to any limitation in the Credit Agreement and subject to the terms of any applicable Consent and Acknowledgement Agreement, be entitled to deal with the Landlord Leases and each such guarantee or indemnity and collect rents and other moneys payable thereunder or in relation thereto and to otherwise demand, sue for, recover, receive and give receipts for all such rents and other moneys and to otherwise enforce its rights thereunder;
 - (iii) all present and future intangibles arising from or out of the Real Property or any part or parts thereof and the property and assets referred to in subsections 2.1(b) and (c) above including, without limiting the generality of the foregoing, all of its rights, title and interest in all present and future book debts, accounts and other accounts receivable, contract rights and choses in action;

- (iv) any and all existing or future agreements, contracts, licences, permits, plans and specifications, bonds, letters of credit, letters of guarantee or other documents or instruments relating to the Real Property or any part or parts thereof and all extensions, amendments, renewals or substitutions thereof or therefor which may hereafter be effected or entered into and all benefit, power and advantage of the Chargor to be derived therefrom;
 - (v) any and all existing or future agreements of purchase and sale, options to purchase and mortgage, loan or other financing commitments relating to the Real Property or any part or parts thereof and all proceeds and other moneys now due and payable or hereafter to become due and payable thereunder and all benefit, power and advantage of the Chargor to be derived therefrom; and
 - (vi) the proceeds of any and all existing or future insurance policies pertaining to the Real Property or the property and assets referred to in subsections 2.1(b) and (c) and paragraphs 2.1(d)(i) to (v) inclusive and all proceeds of expropriation or similar taking of the Real Property or any part or parts thereof and all benefit, power and advantage of the Chargor to be derived therefrom provided that all such proceeds shall be held and applied in accordance with the Credit Agreement;
- (e) grants, conveys, mortgages, charges, pledges, assigns and creates a security interest in, as and by way of a fixed and specific mortgage, charge, pledge, assignment and security interest to and in favour of the Agent, all of its right, title, estate and interest, present and future, in and to all property in any form (including money) derived, directly or indirectly, from any dealing with the property referred to in subsections 2.1(a) to (d) inclusive, or proceeds therefrom or that indemnifies or compensates for all or part of such property or proceeds therefrom that is destroyed and damaged; and
- (f) grants, conveys, mortgages, charges, pledges and assigns as and by way of a floating charge to and in favour of the Agent all of the undertaking, property, assets, rights, entitlements, benefits and privileges, both real and personal, moveable and immoveable, of every nature and kind, now or at any time and from time to time hereafter existing and owned by the Chargor (except such property and assets as are validly and effectively subject to any fixed and specific mortgage and charge or assignment, transfer or security interest created hereby);

provided that the said grants, conveyances, mortgages, charges, pledges, transfers, assignments and security interests created pursuant to this Section 2.1 (the "**Security Interests**") shall not: (i) extend or apply to the Borrower Account or funds deposited therein or any proceeds thereof, or agreement in relation thereto; (ii) extend or apply to any personal property which is "consumer goods", as such term is defined in the Act; or (iii) extend to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Chargor, but should such Security Interests become enforceable the Chargor shall thereafter stand possessed of such last day and shall hold it in trust for the Agent for the purpose of this Debenture and assign and

dispose thereof as the Agent shall, for such purpose, direct. Upon any sale of such leasehold interest or any part thereof, the Agent, for the purpose of vesting the aforesaid one day residue of such term or renewal thereof in any purchaser or purchasers thereof, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other person or persons as new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place of the Chargor and to vest the same accordingly in the new trustee or trustees so appointed free and discharged from any obligation respecting the same.

All the undertaking, property and assets mortgaged and charged pursuant to Subsection 2.1(a) and all of the undertaking, property and assets granted, assigned, transferred, mortgaged and charged pursuant to Subsections 2.1(b), (e) and (f) hereof being hereinafter collectively referred to as the "mortgaged property"; all the undertaking, property and assets assigned, transferred and set over pursuant to Subsections 2.1(c) and (d) being hereinafter collectively referred to as the "assigned property"; and the mortgaged property and assigned property being hereinafter collectively referred to as the "Charged Premises". Wherever used herein in relation to the rights and remedies of the Agent the terms "Real Property", "mortgaged property", "assigned property" and "**Charged Premises**" shall, where the context permits, mean the whole or any part or parts thereof

TO HAVE AND TO HOLD the Charged Premises and all rights hereby conferred unto the Agent, in its capacity as agent for and on behalf of the Secured Creditors, and its successors and assigns, for the uses and purposes and with the powers and authorities and subject to the terms and conditions set forth herein and in the Credit Agreement.

2.2 Excluded Collateral: Notwithstanding anything contained in this Debenture, the Security Interests contained herein in respect of the Charged Premises, other than the Charged Premises referred to in Section 2.1(a), shall not extend or attach to the right, title, interest or benefit of the Chargor in any of the Charged Premises which by law cannot be assigned or charged or which requires the consent of any third party to such assignment or charge (if such consent has not been given) or which, if assigned or charged, would give rise to a default, penalty or right of termination (collectively, the "**Excluded Collateral**"). The Chargor agrees that, at the request of the Agent from time to time, it will, to the extent required under any Financing Document, obtain such consents in respect of the Excluded Collateral and to the transfer or assignment of the Excluded Collateral to any third party who may acquire an interest in the Charged Premises as a result of the exercise by the Agent of its remedies hereunder. Upon such consent being obtained, the Security Interests contained herein shall apply to such Excluded Collateral without regard to this Section 2.2 and without the necessity of any further assurance to effect the Security Interests contained herein in respect thereto. Until such consent is obtained, the Chargor shall, to the extent that it may do so by law or under the terms of the Excluded Collateral and without giving rise to any default, penalty or right of termination, hold all right, title, benefit and interest to be derived therefrom in trust for the Agent as additional security, as if the Security Interests contained herein applied, and shall deliver up such right, title, benefit and interest to the Agent forthwith upon the occurrence and during the continuance of an Event of Default.

2.3 Delivery of Instruments, Securities, Etc.: The Chargor shall, upon request from the Agent, forthwith deliver to the Agent to be held by the Agent hereunder all instruments, securities, letters of credit, advices of credit and negotiable documents of title in its possession or

control which pertain to or form part of the Charged Premises, and shall, where appropriate, duly endorse the same for transfer in blank or as the Agent may direct and shall deliver forthwith to the Agent any and all consents or other instruments or documents necessary to comply with any restrictions on the transfer thereof in order to transfer the same to the Agent.

2.4 Representations and Warranties of the Chargor: The Chargor represents and warrants to the Agent that the Leases and Landlord Leases (if any) are good, valid and subsisting leases (except as they relate to Parcel 2 as set out in Schedule "B" hereto) and have not been altered, varied or amended and have not been terminated, surrendered or forfeited, nor have they become void or voidable; (ii) all rents and other moneys reserved and due and payable under each of the Leases and Landlord Leases (if any) have been duly paid up to the date of execution hereof in accordance with the provisions thereof; and (iii) the covenants, agreements, provisions and conditions set forth and contained in the Leases and Landlord Leases (if any) have been duly observed, performed, fulfilled and complied with up to the date of execution hereof. The foregoing representations and warranties shall survive for so long as any of the Secured Liabilities remain unpaid and, notwithstanding any investigation made by or on behalf of the Agent, shall continue in full force and effect for the benefit of the Agent during such period.

2.5 Covenants of the Chargor: So long as any of the Secured Liabilities shall remain unpaid and any Lender has obligations to provide credit facilities pursuant to any Financing Document, the Chargor covenants and agrees with the Agent as follows:

- (a) No Accessions: The Chargor shall prevent any Charged Premises from being or becoming an accession to any property not subject to Security Interests created by this Debenture;
- (b) Registrations: The Chargor will, from time to time at the request of the Agent, promptly effect all registrations, filings, recordings and all renewals thereof and all re-registrations, re-filings and re-recordings of or in respect of this Debenture and the Security Interests created hereby in such offices of public record and at such times as may be necessary or of advantage in perfecting, maintaining and protecting the validity, effectiveness and priority hereof and of the Security Interests created hereby; provided that the Agent may effect all such registrations, filings, recordings, renewals, re-registrations, re-filings and re-recordings from time to time in its sole discretion at the expense of the Chargor;
- (c) Restrictions on Mortgaging/Transferring: The Chargor shall not create, incur, cause or permit any mortgage, charge, pledge, assignment, transfer, conveyance or security interest in respect of any Charged Premises except as permitted under the Credit Agreement;
- (d) Non-Merger of Freehold and Leasehold Estate: If the Chargor or any beneficial owner of the leasehold interest in any part of the Real Property acquires the freehold estate in such Real Property or any part thereof from the lessor under the Leases, the freehold estate shall not merge with the Chargor's leasehold title, but shall always remain separate and distinct unless the Agent otherwise consents in writing, and this Debenture shall constitute, automatically and immediately

without execution or registration of further documentation, a first charge of the freehold estate of the Real Property so acquired, in addition to a first charge of the leasehold interest, and this Debenture shall not be deemed or held to have been terminated;

- (e) Leases and Landlord Leases: In addition to the restrictions and limitations set out in the Credit Agreement, the Chargor (i) shall not surrender or terminate a Lease or materially amend a Lease in a way that is material and adverse to the Agent's security, either orally or in writing, or give any consent, concession or waiver or exercise any option of the Chargor permitted by such terms or take any action or give any notice which, in any such case, would have the effect of terminating or permitting the termination of the Leases, or effect a merger, elimination or material diminution of the obligations of the lessees or sublessees thereunder without the prior written consent of the Agent; (ii) will pay, or cause to be paid, all rents (including additional rents) and other moneys payable under the provisions of the Leases, as and when the same become due and payable and will at all times observe, perform, fulfil and comply with all the covenants, agreements, provisions and conditions set forth and contained in the Leases and Landlord Leases (if any), all to the end that the Leases and Landlord Leases (if any) shall each be and remain a good, valid and subsisting lease; (iii) will promptly notify the Agent in writing of the receipt by the Chargor of any notice (other than notices customarily sent on a regular periodic basis which the Agent has previously received) from the landlord under the Leases and of any notice noting or claiming any default by the Chargor in the performance or observance of any of the terms, covenants or conditions on the part of the Chargor to be performed or observed under the Leases and a copy of the response it intends to send to the landlord under the applicable Lease setting out the manner in which it will rectify or dispute the default; and (iv) hereby assigns to the Agent all its rights, privileges and prerogatives under the Leases to terminate, surrender, cancel, modify, change, supplement, alter or amend the Leases; and
- (f) Land Use: The Chargor shall not stage equipment or otherwise use the lands described as Parcel 2 in Schedule "B" hereto for any purpose, other than parking, until such time as evidence is delivered to the Agent, such evidence in form and substance satisfactory to the Agent, that the consent of the Ministry of Natural Resources and Forestry for the use of such lands by the Chargor has been obtained as required under the licence of occupation dated October 7, 1970 granted by the Department of Lands and Forests in favour of The Corporation of the Town of Bala.

ARTICLE 3

RIGHTS AND REMEDIES

3.1 Remedies Upon Default: Upon and after the occurrence of an Event of Default that is continuing, the Agent may do any one or more of the following:

- (a) by written notice to the Chargor, declare the Secured Liabilities to be immediately due and payable without the necessity of presentment for payment, or notice of non-payment and of protest (all of which are hereby expressly waived by the Chargor);
- (b) proceed to exercise any and all rights under this Debenture, the other Financing Documents and any other document or instrument executed pursuant to this Debenture or any other rights otherwise available to it whether under this Debenture, the other Financing Documents or otherwise, including enforcement of this Debenture;
- (c) take any action or proceeding authorized or permitted by this Debenture, the other Financing Documents or by law or equity, and file or cause to be filed on its behalf such proofs of claim and other documents as may be necessary or desirable to have its claims lodged in any bankruptcy, winding up or other judicial proceeding relative to the Chargor;
- (d) take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Premises;
- (e) immediately enter upon and take possession of, disable or remove all of the Charged Premises or any part or parts thereof with power, among other things, to exclude the Chargor, to preserve and maintain the Charged Premises and make additions and replacements thereto, to receive rents, income and profits of all kinds and pay therefrom all reasonable expenses of maintaining, completing, repairing, preserving and protecting and operating the Charged Premises and all charges, payment of which may be necessary to preserve or protect the Charged Premises, and enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including power to advance its own moneys at the highest rate then borne by any of the Secured Liabilities and enter into contracts and undertake obligations for the foregoing purposes upon the security hereof;
- (f) whether or not the Agent has taken possession of the Charged Premises or any of it, sell, lease or otherwise dispose thereof, either as a whole or in separate parcels, at public auction, by public tender or by private sale, with only such notice as may be required by law, either for cash or upon credit, at such time and upon such terms and conditions as the Agent may determine (including a term that a reasonable commission shall be payable to the Agent or any related corporation in respect thereof) and enter into, rescind or vary any contract for the sale, lease or other disposition of any of the Charged Premises and sell, lease or dispose thereof again without being answerable for any loss occasioned thereby and the Agent may execute and deliver to any purchaser of the Charged Premises or any part thereof good and sufficient deeds and documents for the same;

- (g) require the Chargor, at the Chargor's expense, to assemble the Charged Premises at a place or places designated by notice in writing given by the Agent to the Chargor, and the Chargor agrees to so assemble the Charged Premises;
- (h) require the Chargor, by notice in writing given by the Agent to the Chargor, to disclose to the Agent the location or locations of the Charged Premises and the Chargor agrees to make such disclosure when so required by the Agent;
- (i) without legal process, enter any premises where the Charged Premises may be situated and take possession of the Charged Premises by any method permitted by law;
- (j) carry on all or any part of the business or businesses of the Chargor relating exclusively to the Real Property and, to the exclusion of all others including the Chargor, enter upon, occupy and, subject to any requirements of law and subject to any leases or agreements then in place, use all or any of the Real Property, premises, buildings, plant, undertaking, assets and other property comprising the Charged Premises for such time and in such manner as the Agent sees fit, free of charge and, except to the extent required by law, the Agent shall not be liable to the Chargor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages or other amounts incurred in connection therewith or resulting therefrom;
- (k) borrow money for the purpose of carrying on the business of the Chargor relating exclusively to the Charged Premises or for the maintenance, preservation or protection of the Charged Premises and mortgage, charge, pledge or grant a security interest in the Charged Premises, whether or not in priority to the security interests created by this Debenture to secure repayment of any money so borrowed;
- (l) where the Agent has taken possession of the Charged Premises, retain the Charged Premises irrevocably, to the extent not prohibited by law, by giving notice thereof to the Chargor and to any other persons required by law in the manner provided by law;
- (m) send or employ inspectors or agents to inspect, audit and report upon the value, state and condition of the Charged Premises;
- (n) subject to Applicable Law, seize, collect, retain and administer the Charged Premises or any part or parts thereof in the Agent's discretion;
- (o) pay any encumbrance, lien, claim or charge that validly exists or has been threatened against any of the Charged Premises and any amounts determined to be validly existing shall, when so paid, together with any costs, charges and expenses incurred by the Agent (including reasonable and documented legal fees and disbursements on a solicitor-client basis), be added to the Secured Liabilities hereby and shall bear interest at the rate provided for in the relevant Financing Document;

- (p) take proceedings in any court of competent jurisdiction to enforce payment by the Chargor of the Secured Liabilities or any deficiency remaining upon application of proceeds of realization which are actually received by the Agent;
- (q) exercise or pursue any other remedy or proceeding authorized or permitted hereby or by the Act or any similar personal property security legislation or by any other legislation in any jurisdiction in which any of the Charged Premises is located or otherwise permitted by law or equity; and
- (r) with or without entry into possession of the Charged Premises, or any part thereof, appoint a receiver (which term shall include a receiver and manager) of the Charged Premises or any part thereof and of the rents and profits thereof pursuant to and in accordance with the provisions of the Financing Documents and this Debenture and with or without security for the performance of the receiver's obligations and from time to time remove any receiver and appoint another in its stead. Upon the appointment of any such receiver or receivers from time to time, subject to Applicable Law, the following provisions shall apply:
 - (i) every such receiver shall be the irrevocable agent of the Chargor for all purposes with respect to the Charged Premises including for the collection of all Revenues owing or earned in respect of the Real Property or any part thereof;
 - (ii) every such receiver may, in the discretion of the Agent, be vested with all or any of the powers and discretion of the Agent under this Debenture and the Financing Documents, including the power to carry on all or any part of the business of the Chargor relating exclusively to the Real Property and to sell, lease or otherwise dispose of the Charged Premises, either as a whole or in separate parcels, at public auction, by public tender or by private sale, with only such notice as may be required by Applicable Law, either for cash or on credit, at such time and upon such terms and conditions as the receiver may determine (including a term that a reasonable commission shall be payable to the receiver, or any related corporation in respect thereof) and enter into, rescind or vary any contract for the sale, lease or other disposition of any of the Charged Premises and sell, lease or dispose thereof again without being answerable for any loss occasioned thereby and the receiver may execute and deliver to any purchaser of the Charged Premises or any part thereof good and sufficient deeds and documents for the same and such receiver shall also have the power to take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Premises;
 - (iii) the Agent may from time to time fix the remuneration of every such receiver and every such receiver shall be entitled to deduct the same out of the income from the Charged Premises or the proceeds of disposition of the Charged Premises;

- (iv) the appointment of every such receiver by the Agent shall not, to the extent permitted by law, incur or create any liability on the part of the Agent to the receiver in any respect and such appointment or anything which may be done by any such receiver or the removal of any such receiver or the termination of any such receivership shall not have the effect of constituting the Agent a mortgagee in possession in respect of the Real Property or any part thereof;
- (v) every such receiver shall, from time to time, have the power to lease or otherwise deal with any portion of the Real Property which may become vacant or available for lease on such terms and conditions as such receiver may deem advisable and shall have full power to complete any unfinished construction upon the Real Property (such power of the receiver to include the power to borrow funds in the name of and on the credit of the Chargor for such purposes, which borrowings may be secured by the Charged Premises, or any part thereof, and which security shall have such priority as the receiver deems appropriate);
- (vi) every such receiver shall have full power to fully manage, develop, operate, lease, deal with agreements and Leases, construct, complete, repair, renovate or alter the Real Property or any part thereof on behalf of the Chargor and to take all such actions as are required in the exercise of such powers including entering into, amending and terminating such contracts and other agreements relating to the Charged Premises as are necessary or advisable, in the opinion of the receiver, and the entering into, renewal, amendment, supplement or termination of any agreements and Leases as the receiver may deem appropriate in its sole and absolute discretion; the aforementioned power shall include the power to borrow money in the name of and on the credit of the Chargor for all such purposes (which borrowings may be secured by the Charged Premises, or any part thereof, and which security shall have such priority as the receiver deems appropriate);
- (vii) no such receiver shall be liable to the Chargor to account for monies other than monies actually received by or in respect of Charged Premises or any part thereof and out of such monies so received, every such receiver shall, subject to the further direction of the Agent, in the following order pay:
 - (A) his remuneration aforesaid;
 - (B) all payments made or incurred by him in connection with the management, operation, construction, completion, repair or alteration of the Charged Premises or any part thereof in accordance with the provisions thereof;
 - (C) all payments of interest, principal and other money which may, from time to time, be or become charged upon the Charged

Premises in priority to this Debenture or the Financing Documents and all taxes, insurance premiums and every other proper expenditure made or incurred by him in respect of the Charged Premises or any part thereof and in payment of all interest, fees and other similar amounts due or falling due hereunder and the balance to be applied upon the Secured Liabilities in accordance with the terms of the Credit Agreement; and

- (D) at the discretion of the receiver, interest, principal and other monies which may from time to time constitute an encumbrance on the Charged Premises subsequent or subordinate to this Debenture or the Financing Documents;

and every receiver may in its discretion retain reasonable reserves to pay accruing amounts and anticipated payments in connection with any of the foregoing; and any surplus remaining in the hands of every such receiver after payments made as aforesaid shall be accountable to the Chargor and upon termination of the receivership such receiver shall pay such surplus to the Chargor or pay it into court, as the receiver may elect;

- (viii) the Agent may at any time and from time to time terminate any such receivership by notice in writing to the Chargor and to any such receiver; and
- (ix) the receiver may carry out all actions and do all things that the Agent may do under this Debenture and the Financing Documents as if it were the Agent (it being agreed that such powers are not in any way limited by the foregoing provisions of this Subsection 3.1(r)).

3.2 Sale of Charged Premises: The Chargor agrees that any sale referred to in Section 3.1 may be either a sale of all or any portion of the Charged Premises and may be by way of public auction, public tender, private contract or otherwise without notice, advertisement or any other formality, except as required by law, all of which the Chargor waives to the extent permitted by law. To the extent not prohibited by law, any such sale may be made with or without any special condition as to the upset price, reserve bid, title or evidence of title or other matter and from time to time as the Agent in its sole discretion thinks fit with power to vary or rescind any such sale or buy in at any public sale and resell. The Agent may sell the Charged Premises for a consideration payable by instalments either with or without taking security for the payment of such instalments and may make and deliver to any purchaser thereof good and sufficient deeds, assurances and conveyances of the Charged Premises and give receipts for the purchase money, and any such sale shall be a perpetual bar, both at law and in equity, against the Chargor and all those claiming an interest in the Charged Premises by, from, through or under the Chargor.

3.3 References to the Agent Include Receiver: For the purposes of Sections 3.2, 3.4, 3.7, 3.8, 3.10, 3.11 and 3.14 a reference to the Agent shall, where the context permits, include any receiver or receiver and manager or other agent on behalf of the Agent.

3.4 Chargor's Rights: Subject to the terms of the Financing Documents, until an Event of Default has occurred and is continuing and the security hereby constituted becomes and remains enforceable, the Chargor shall be entitled to deal with the Charged Premises and enforce, use and enjoy all of the benefits, advantages and powers thereunder as if this Debenture had not been made. Upon the security hereby constituted becoming and remaining enforceable, the Agent may, but shall not be obligated to, exercise all rights, powers, authority and discretions of the Chargor in respect of the Charged Premises in its place and stead.

3.5 Judgment: Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish the liabilities of the Chargor to make payment of the principal hereby secured or interest thereon or other moneys owing hereunder nor shall such operate as a merger of any covenant or affect the right of the Agent to interest at the rate hereinbefore specified and any judgment shall bear interest at such rate.

3.6 Interest: If any amount payable to the Agent under this Debenture is not paid when due, the Chargor will pay to the Agent immediately on demand, interest on such amount from the date due until paid, at an annual rate equal to the interest rate stipulated therefor in the relevant Financing Document. All amounts payable by the Chargor to the Agent under this Debenture, and all interest on all such amounts will form part of the Secured Liabilities and will be secured by the security interests created by this Debenture.

3.7 Charge as Security:

- (a) It is expressly acknowledged and agreed that nothing herein contained shall obligate the Agent to assume or perform any obligation of the Chargor to any third party in respect of or arising out of any of the Charged Premises. The Agent may, however, at its option, assume or perform any such obligations as the Agent considers necessary or desirable to obtain the benefit of the Charged Premises free of any set-off, deduction or abatement and any money expended by the Agent in this regard shall form part of and shall be deemed to form part of the Secured Liabilities and bear interest at the rate stipulated in Section 3.6. This Debenture shall not of itself create the relationship of landlord and tenant between the Agent and any lessee.
- (b) The exercise by the Agent of its rights under this Debenture or the assumption of certain obligations of the Chargor as referred to in Subsection 3.7(a) above shall not constitute or have the effect of making the Agent a mortgagee in possession. Care, control and management of the Charged Premises shall remain and shall be deemed to be with the Chargor in the absence of clear and unequivocal action by the Agent depriving the Chargor of such care, control and management and the assumption thereof by the Agent.

3.8 Limitations on Agent's Liability: The Agent will not be liable to the Chargor or any other Person for any failure or delay in exercising any of the rights of the Agent under this Debenture (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Charged Premises, or to preserve rights against prior parties). Neither the Agent, nor any receiver or agent of the Agent is required to take, or will have any liability for any failure to take or delay

in taking, any steps necessary or advisable to preserve rights against other Persons under any Charged Premises in its possession. Neither the Agent nor any receiver or agent will be liable for any, and the Chargor will bear the full risk of all, loss or damage to any and all of the Charged Premises (including any Charged Premises in the possession of the Agent or any receiver or agent) caused for any reason other than the gross negligence or wilful misconduct of the Agent or such receiver or agent.

3.9 Chargor Remains Liable under Accounts and Contracts: Notwithstanding any provision of this Debenture, the Chargor will remain liable under each of the agreements, contracts, Leases, material agreements, and other documents comprising the Charged Premises (each a "**Contract**") to pay and satisfy all indebtedness, liabilities and other monetary obligations and to observe and perform all the conditions and obligations which are to be paid, satisfied, observed and performed by the Chargor thereunder, all in accordance with the terms of each such Contract. The Agent will have no obligation or liability under any account or monetary obligation (an "**Account**") (or any Contract giving rise thereto) or Contract by reason of or arising out of this Debenture or the receipt by the Agent of any payment relating to such Account or Contract pursuant hereto, and in particular (but without limitation), the Agent will not be obligated in any manner to perform any of the obligations of the Chargor under or pursuant to any Account (or any Contract giving rise thereto) or under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any Contract giving rise thereto) or under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.

3.10 Dealings by Agent: The Agent will not be obliged to exhaust its recourse against the Chargor or any other Person or against any other security it may hold in respect of the Secured Liabilities before realizing upon or otherwise dealing with the Charged Premises in such manner as the Agent may consider desirable. The Agent may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Chargor and any other Person, and with any or all of the Charged Premises, and with other security and sureties, as the Agent may see fit, all without prejudice to the Secured Liabilities or to the rights and remedies of the Agent under this Debenture or the other Documents. The powers conferred on the Agent under this Debenture are solely to protect the interests of the Agent in the Charged Premises and will not impose any duty upon the Agent to exercise any such powers.

3.11 Possession of Charged Premises: Where any Charged Premises is in the possession of the Agent or any receiver or agent:

- (a) the Agent shall only have the duty of care with respect to such Charged Premises as would a reasonable and prudent owner, including the duty to use reasonable care in the custody and preservation thereof, provided that the Agent need not take any steps of any nature to defend or preserve the rights of the Chargor therein against the claims or demands of others or to preserve rights therein against prior parties;

- (b) the Agent may, at any time following the occurrence of an Event of Default which is continuing, grant or otherwise create a security interest in such Charged Premises upon any terms provided that such terms do not impair the Chargor's right to redeem such Charged Premises; and
- (c) the Agent may, at any time following the occurrence of an Event of Default which is continuing, use such Charged Premises in any manner and to such extent as it deems necessary or desirable.

3.12 After Acquired Property: The Chargor covenants and agrees that, if and to the extent that any of its respective rights, titles, estates and interests in any of the Charged Premises is not acquired until after delivery of this Debenture, this Debenture shall nonetheless apply thereto and the Security Interests of the Agent hereby created shall attach to such Charged Premises at the same time as the Chargor acquires rights therein, without the necessity of any further mortgage, charge, pledge, assignment or assurance and thereafter such Charged Premises shall be subject to the Security Interests created hereby in accordance with the provisions of Section 2.1 hereof.

3.13 Attachment: The Chargor hereby acknowledges and agrees that value has been given for the granting of the Security Interests created hereby and that there is no agreement between the Chargor and the Agent, express or implied, to postpone the attachment of the Security Interests created hereby except in respect of after-acquired property forming part of the Charged Premises with respect to which the Security Interests created hereby shall attach at the same time as the Chargor acquires rights therein or thereto.

3.14 Indemnity: The Chargor agrees to indemnify the Agent from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent and arising by reason of any action (including any action referred to in this Debenture) or inaction or omission to do any act legally required by the Chargor other than by reason of the gross negligence or wilful misconduct of the Agent. This indemnification will survive the satisfaction, release or extinguishment of the Secured Liabilities and the security interests created by this Debenture.

3.15 General Assignment of Rents and Leases: As general and continuing security for payment and performance of the Secured Liabilities, the Chargor hereby assigns, transfers, grants and sets over to the Agent, as and by way of a first fixed and specific assignment and security interest, (but subject to the limitations in Section 2.2) all legal and beneficial right, title and interest in and to (i) the rents and other monies now or hereafter due and payable in respect of the Leases with full power and authority to demand, collect, sue for, recover, receive and give receipts for same in the name of the Chargor or the owner from time to time of the Real Property or in the name of the Agent, as the Agent may determine in its sole discretion, and (ii) the Leases with full benefit and advantage thereof including the benefit of all covenants and agreements contained in the Leases on the part of the tenants therein or any guarantor or indemnitor thereof to be observed, performed or kept, including all proceeds of or from any of the foregoing. This assignment and security interest is in addition to and not in substitution for any other general assignment of the rents and Leases and other security granted by the Chargor to the Agent to secure the Secured Liabilities, provided that until an Event of Default has occurred and the

security hereby constituted becomes and remains enforceable, the Chargor shall, subject to any limitation in the Credit Agreement and subject to the terms of any applicable Consent and Acknowledgement Agreement, be entitled to deal with the Leases in the ordinary course of business and to exercise, enforce, use and enjoy all of the benefits, advantages and powers thereunder and to deal with the tenants and collect the rents and other monies in respect of the Leases and to otherwise demand, sue for, recover, receive and give receipts for all such rents and other monies, provided that the Chargor shall not further assign, pledge or encumber the Leases without the written consent of the Agent.

ARTICLE 4 **GENERAL PROVISIONS**

4.1 Remedies Cumulative and Waivers: For greater certainty, it is expressly understood and agreed that the rights and remedies of the Agent hereunder or under any other document or instrument executed pursuant to this Debenture are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Agent of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Debenture or other document or instrument executed pursuant to this Debenture or the Financing Documents shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Agent may be lawfully entitled for such default or breach. Any waiver by the Agent of the strict observance, performance or compliance with any term, covenant, condition or agreement herein contained and any indulgence granted either expressly or by course of conduct by the Agent shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Agent under this Debenture or other document or instrument executed pursuant to this Debenture as a result of any other default or breach hereunder or thereunder.

4.2 Termination: The Agent covenants and agrees with the Chargor that, if the Chargor pays, performs, satisfies and extinguishes all Secured Liabilities and if no Secured Creditor has any further obligation to provide or continue to provide credit facilities to the Chargor pursuant to any Financing Document, this Debenture shall be and become fully ended and terminated and all right, title, interest and benefit of the Chargor in, to, under or in respect of the Charged Premises, assigned by it to, or held by it in trust for, the Agent hereunder shall automatically revert to the Chargor or its successors or assigns, and all covenants and agreements of the Chargor hereunder shall be at an end and the Agent, upon the request and at the expense of the Chargor, shall execute such instruments, discharges or reassignments and give such notification or assurances as the Chargor may properly require to fully release, discharge and cancel this Debenture in the circumstances.

4.3 Notice: Subject to the last sentence of this Section 4.3, any demand, notice, consent or other communication to be made or given hereunder shall be in writing and may be made or given by delivery or by transmittal by electronic communication addressed to the respective parties as follows:

and addressed to the Chargor at:

Swift River Energy Limited
c/o Horizon Legacy Group
60 St. Clair Ave. E., Suite 300
Toronto, Ontario
M4T 1N5

Attention: Gary Thomas, Chief Financial Officer
Email: gthomas@horizonlegacy.com
Fax No.: (416) 864-9568

and addressed to the Agent at:

National Bank of Canada
130 King Street West, 8th Floor
Toronto, Ontario
M5X 1J9

Attention: Jonathan Hopkins, Director
National Client Group, Enterprise Banking
Email: jonathan.hopkins@nbc.ca
Fax No.: (416) 864-7819

or to such other address or telecopy number as any party may from time to time notify to the other in accordance with this Section 4.3. Any demand, notice, consent or communication made or given by delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof, or, if made or given by telecopy, on the first Business Day following the transmittal thereof.

4.4 Further Assurances: Each party shall, at its own expense, promptly execute and deliver to the other upon request all such other and further documents, agreements, opinions, certificates and other instruments in compliance with or accomplishment of their covenants and agreements hereunder or under any document to be delivered pursuant hereto or otherwise necessary to make any recording, file any notice or obtain any consent, all as may be reasonably necessary and appropriate in connection herewith.

4.5 Continuing Security: This Debenture and the rights and remedies it creates are a continuing agreement and security and shall bind the parties until discharge of this Debenture as provided in Section 4.2 hereof. No payment by the Chargor of the whole or any part of any Secured Liabilities by this Debenture shall reduce the amount secured hereby unless specifically appropriated to and noted on this Debenture by the Agent.

4.6 No Marshalling: This Debenture shall be in addition to and not in substitution for any other security which the Agent may now or hereafter hold in respect of the Secured Liabilities and the Agent shall be under no obligation to marshal in favour of the Chargor, any other

Obligor or other lender or holder of security, any monies or other assets which the Agent may be entitled to receive or upon which the Agent may have a claim.

4.7 Agreement Paramount: In the event of any conflict or inconsistency between the provisions of this Debenture and the provisions of the Credit Agreement then, notwithstanding anything contained in this Debenture, the provisions contained in the Credit Agreement shall prevail to the extent of such conflict or inconsistency and the provisions of this Debenture shall be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency, it being understood that the purpose of this Debenture is to add to, and not detract from, the rights granted to the Agent (for the benefit of the Secured Creditors) under the Credit Agreement. If any act or omission of the Chargor is expressly permitted under the Credit Agreement but is expressly prohibited under this Debenture, such act or omission shall be permitted. If any act or omission is expressly prohibited under this Debenture, but the Credit Agreement does not expressly permit such act or omission, or if any act is expressly required to be performed under this Debenture but the Credit Agreement does not expressly relieve the Chargor from such performance, such circumstance shall not constitute a conflict between the applicable provisions of this Debenture and the provisions of the Credit Agreement.

4.8 Amendment of Agreement: No supplement, modification, amendment, waiver or termination of this Debenture shall be binding unless executed in writing by all parties hereto. No waiver of any provision of this Debenture shall be deemed or shall constitute a waiver of any other provision of this Debenture (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise so expressed or provided.

4.9 Invalidity of Provisions: If any of the provisions in this Debenture should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

4.10 Time: Time shall be of the essence in this Debenture.

4.11 Successors and Assigns: This Debenture and all its provisions shall enure to the benefit of and shall be binding upon the Agent and the Chargor and their respective successors and permitted assigns.

4.12 Assignment by Agent: The rights of the Agent under this Debenture may be assigned by the Agent, in accordance with the terms of the Credit Agreement, without the prior consent of the Chargor. The Chargor may not assign its obligations under this Debenture.

4.13 Attorney: The Chargor hereby irrevocably nominates, constitutes and appoints the Agent and each of its officers holding office from time to time as the true and lawful attorney of the Chargor with full power of substitution in the name of the Chargor to do any and all such acts and things or execute and deliver all such agreements, documents and instruments as the Agent considers necessary or desirable to carry out the provisions and purposes of this Debenture and to perform all acts of ownership in respect to the Charged Premises in accordance with this Debenture or to exercise any of its rights and remedies hereunder, such power being coupled with an interest, and the Chargor hereby ratifies and agrees to ratify all acts of any such attorney taken or done in accordance with this Section 4.13. Without in any way limiting the generality of

the foregoing, the Agent shall have the right to execute for and in the name of the Chargor all financing statements, financing change statements, conveyances, transfers, assignments, consents and other instruments as may be required for such purposes. This power of attorney shall not be revoked or terminated by any act or thing other than the discharge of this Debenture in accordance with Section 4.2.

4.14 Acknowledgement by Chargor: The Chargor acknowledges receipt of a copy of this Debenture and hereby expressly waives the right to receive a copy of any financing statement or a copy of the statement confirming the registration of any financing statement that may be registered in connection with any security interest created under this Debenture.

4.15 Applicable Law: This Debenture shall be governed in all respects by the laws of the Province of Ontario and the laws of Canada applicable therein.

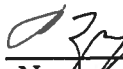
4.16 Attornment: The Chargor submits to the non-exclusive jurisdiction of any court in the Province of Ontario in any action or proceeding arising out of or relating to this Debenture, and the Chargor irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in any such court or in any other court of competent jurisdiction selected by the Agent.

4.17 Land Registration Reform Act: The implied covenants deemed to be included in a charge under Subsection 7(1) of the *Land Registration Reform Act* (Ontario) are hereby expressly excluded and replaced by the terms of this Debenture.

[SIGNATURE PAGE FOLLOWS]

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

SWIFT RIVER ENERGY LIMITED

Per: 
Name: Anthony J. Zwig
Title: Chairman and President

I have authority to bind the Corporation.

Schedule "A"

LEASES AND EASEMENTS

1. Lease agreement dated January 15, 2016 from The Corporation of The Township of Muskoka Lakes (the "**Township**") as landlord to the Chargor as tenant of the Township's freehold and leasehold interest in those certain lands described on Schedule A to the lease for use in connection with the construction of the Project for the purposes of access to the Project and storage and staging, all as more particularly detailed therein, as amended, restated, supplemented or otherwise modified from time to time (the "**Staged Lands Lease**").
2. Construction lease dated August 15, 2017 between Her Majesty the Queen in right of Ontario, as represented by the Minister of Natural Resources and Forestry, as landlord and the Chargor, as tenant, which grants to the Obligor the right to use the Project Sites for the purpose of constructing the Project, as amended, restated, supplemented or otherwise modified from time to time (the "**MNRF Construction Lease**").

Schedule "B"

LANDS AND PREMISES

Staged Lands Lease

Parcel 1.

The Corporation of the Township of Muskoka Lakes' freehold interest in the parcel of land immediately adjacent to and south of the North Bala Falls Small Hydro Project site that was transferred to the Township from the District in 2011 (PIN 48029-0679);

Parcel 2.

The Corporation of the Township of Muskoka Lakes' leasehold interest in the parcel currently leased by the Landlord from the Ministry of Natural Resources and Forestry as the Shield Parking Lot (north end) (PIN 48029- 0634); and

Parcel 3.

The Corporation of the Township of Muskoka Lakes' freehold interest in the parcel of land known as the Portage Landing Parking Lot (south end) (PIN 48154-1077).

MNRF Construction Lease

PIN 48029-0690 (LT)

SURFACE RIGHTS ONLY, PART LOCATION CL 18157, PART OF THE BED OF THE MUSKOKA RIVER IN FRONT OF LOT 33 CONCESSION 7 AND PART LOT 33 CONCESSION 7 WOOD, BEING PARTS 9, 10, 11, 12, 16 PLAN 35R25482; TOWNSHIP OF MUSKOKA LAKES

PIN 48029-0691 (LT)

SURFACE RIGHTS ONLY, PART LOCATION CL 18157, PART OF THE BED OF THE MUSKOKA RIVER IN FRONT OF LOT 33 CONCESSION 7 AND PART LOT 33 CONCESSION 7 WOOD, BEING PARTS 13, 14, 15, 17, 18, 19, 21, 22 PLAN 35R25482; SUBJECT TO AN EASEMENT OVER PART 14 35R25482 AS IN LT237667; SUBJECT TO AN EASEMENT OVER PART 14 35R25482 AS IN LT244690; TOWNSHIP OF MUSKOKA LAKES

PIN 48029-0692 (LT)

SURFACE RIGHTS ONLY, PART LOCATION CL 18157, BEING PART LOT 33 CONCESSION 7 WOOD, BEING PARTS 23, 24, 25, 26 PLAN 35R25482; SUBJECT TO AN EASEMENT OVER PART 23, 24, 25 35R25482 AS IN DM205426; TOWNSHIP OF MUSKOKA LAKES

PIN 48154-1188 (LT)

SURFACE RIGHTS ONLY, PART LOCATION CL 18157, BEING PART LOT 260 PLAN 26 AND PART BLOCK M PLAN 20 AND PART OF THE BED OF THE MUSKOKA RIVER IN FRONT OF LOT 14 CONCESSION A MEDORA, BEING PARTS 1, 2, 3, 4, 5 PLAN 35R25482; TOWNSHIP OF MUSKOKA LAKES

PIN 48154-1189 (LT)

SURFACE RIGHTS ONLY, PART LOCATION CL 18157, BEING PART OF THE BED OF THE MUSKOKA RIVER IN FRONT OF LOT 14 CONCESSION A MEDORA, BEING PARTS 6, 7, 8 PLAN 35R25482; SUBJECT TO AN EASEMENT OVER PART 7 35R25482 AS IN LT237667; SUBJECT TO AN EASEMENT OVER PART 7 35R25482 AS IN LT244690; TOWNSHIP OF MUSKOKA LAKES