

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST**

B E T W E E N :

FREEPORT FINANCIAL LLC

Applicant

- and -

PRACS INSTITUTE CANADA B.C. LTD.

Respondent

APPLICATION UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*, RSO 1990, c C43, AS AMENDED and SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED

APPLICATION RECORD

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Toronto, ON, M5J 2T3

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TAB A

Court File No.

**ONTARIO
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- and -

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NOTICE OF APPLICATION

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing on March 22, 2013, at 10:00 a.m. at 330 University Ave, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date March , 2013

Issued by _____

Local registrar

Address of 330 University Avenue, 7th Floor
court office Toronto, ON M5G 1R7

TO: Guy P. Martel
Stikeman Elliott LLP
1155 René-Lévesque Blvd. West, Suite 4000
Montréal, QC H3B 3V2

Counsel for the Respondent

APPLICATION

1. The applicant makes application for an Order substantially in the form attached hereto as Schedule "A", *inter alia*:

- (a) Abridging, or if necessary, dispensing with service of this Notice of Application and Application Record and stating that the Application is properly returnable today, and that all parties entitled to service of the Notice of Application have been duly served and that further service on any other parties be dispensed with;
- (b) Appointing PricewaterhouseCoopers Inc. ("PwC") as receiver, without security, of all of the assets, undertakings and properties (collectively, the "**Property**") of the respondent, PRACS Institute Canada B.C. Ltd ("**PRACS Canada**" or the "**Debtor**") pursuant to section 243 of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended (the "**CJA**") (in such capacities, the "**Receiver**"); and
- (c) Such other relief as to this Honourable Court may seem just.

The grounds for the application are:

- (a) The Debtor is a wholly owned subsidiary of PRACS Institute Holdings, LLC (the "**Holding Company**"), the holding company for the PRACS Institute group of companies (the "**PRACS Institute**");
- (b) By way of a credit agreement dated June 20, 2012, the Holding Company, PRACS Canada and their direct and indirect subsidiaries entered into a credit agreement, (as amended, restated, modified or supplemented, the "**Credit Agreement**") with the financial institutions party thereto as lenders (the "**Lenders**"), and Freeport Financial LLC, as agent (in such capacity, the "**Agent**");

- (c) Pursuant to the Credit Agreement, the Lenders extended (i) a \$20,000,000 Revolving Loan (which was partially drawn on the Closing Date, and has since been fully drawn), (ii) a \$15,300,000 US Term Loan A, (iii) a \$5,000,000 US Term Loan B, (iv) a \$31,000,000 US Term Loan C, and (v) a \$4,000,000 Canadian Term Loan C;
- (d) The Canadian Term Loan C and the other obligations of PRACS Canada under the Credit Agreement are secured by first priority liens and security interests granted pursuant to a security agreement, dated as of June 20, 2012 (the "**Security Agreement**"), by and among the Agent and the PRACS Institute entities other than PRACS Canada;
- (e) The Debtor has reached its maximum borrowing and the Lenders are not willing to provide additional financing;
- (f) On March 22, 2013 the Debtor's parent, PRACS Holdings, made a voluntary Chapter 7 filing;
- (g) All of the Debtor's employees have been terminated and the board of directors has, or is about to, resign;
- (h) The appointment of a receiver is necessary to preserve what value remaining on the Property and to facilitate a prompt sale of the Debtor's assets;
- (i) The Debtor has consented to the appointment of a receiver;
- (j) Such appointment is in the interest of all stakeholders;
- (k) PwC has consented to act as receiver;
- (l) Those grounds as set out in the affidavit of Anthony Marino, sworn March 22, 2013 (the "**Marino Affidavit**") and the exhibits thereto;
- (m) Section 243 of the BIA;

- (n) Section 101 of the CJA;
- (o) Rules 3.02, 16.08 and 41 of the *Rules of Civil Procedure*; and
- (p) Such other grounds as counsel may advise and this Honourable Court may permit.

2. The following documentary evidence will be used at the hearing of the application:

- (a) The Marino Affidavit;
- (b) The consent of PwC to act as receiver; and
- (c) Such other material as counsel may advise and this Honourable Court may permit.

March 22, 2013

McMILLAN LLP
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181 Bay Street, Suite 4400
Toronto, ON, M5J 2T3

Brett Harrison LS#: 44336A
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Fax: 416-865-7048

Lawyers for the Applicant

FREEPORT FINANCIAL LLC
Applicant and Respondent

Court File No:

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

NOTICE OF APPLICATION

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Lawyers for the Applicant

TAB B

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

FREEPORT FINANCIAL LLC

Applicant

- and -

PRACS INSTITUTE CANADA B.C. LTD.

Respondents

APPLICATION UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*, RSO 1990, c C43, AS AMENDED and SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED

**AFFIDAVIT OF ANTHONY MARINO
(sworn March 22, 2013)**

I, Anthony Marino, of the City of St. Francis, Wisconsin, MAKE OATH AND SAY:

1. I am Associate General Counsel at Stark & Roth LLC, an affiliate of Freeport Financial LLC, Agent for the Lenders (as defined below), and as such have knowledge of the information to which I hereinafter depose. Where I do not have personal knowledge I have stated the source of my information and believe it to be true.

A. OVERVIEW

2. The respondent, PRACS Institute Canada B.C. LTD. (the "PRACS Canada") is a wholly owned subsidiary of PRACS Institute Holdings, LLC, a Delaware limited liability company (the "Holding Company"), the holding company for the PRACS

Institute group of companies (the “PRACS Institute”). An organizational chart for the PRACS Institute is attached as Exhibit “1.”

3. The PRACS Institute was provider of early phase clinical research services for the development of drugs and medical services. It operated its business through entities controlled, directly or indirectly, by the Holding Company.

4. The PRACS Institute operated clinical research facilities and bioanalytical laboratories in North Dakota, Florida, Missouri, Texas and Ontario. PRACS Canada, a British Columbia corporation registered to carry on business in Ontario, operated PRACS Institute’s facilities in the Greater Toronto Area.

5. PRACS Institute formerly operated as the Cetero Group of companies. The Cetero Group carried out an asset sale through a proceeding under Chapter 11 of the United States Bankruptcy Code in 2012, which bankruptcy proceeding was recognized by this court under the cross-border proceedings provisions of the *Companies’ Creditors Arrangement Act*. PricewaterhouseCoopers Inc. was appointed as the Information Officer in these cross-border recognition proceedings.

6. In 2012, the Lenders formed the corporate entities comprising the PRACS Institute for the purpose of making a combination credit bid and cash bid for the assets of the Cetero Group, which bid was accepted by the Cetero Group. The sale was approved by the US bankruptcy court, and such approval was recognized by this court. As part of the purchase price, the PRACS Institute assumed a portion of the Lenders’ prepetition debt, and the Lenders also provided incremental financing to help fund operations of the PRACS Institute from and after the closing of the sale in June 2012.

7. The Applicant seeks the appointment of a receiver over the property of PRACS Canada to preserve and protect the collateral of the Lenders and to facilitate an orderly realization of its assets.

B. DEBT AND SECURITY

8. In connection with the purchase of substantially all assets of Cetero Group, the Holding Company, PRACS Canada and their direct and indirect subsidiaries defined as “Loan Parties” in the Credit Agreement (as defined below) entered into a credit agreement, dated as of June 20, 2012 (the “**Closing Date**”) (as amended, restated, modified or supplemented, the “**Credit Agreement**”) with the financial institutions party thereto as lenders (the “**Lenders**”), and Freeport Financial LLC, as agent (in such capacity, the “**Agent**”) and Lead Arranger. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Credit Agreement. A copy of the Credit Agreement is attached as Exhibit “2”.

9. Pursuant to the Credit Agreement, on the Closing Date the Lenders extended (i) a \$20,000,000 Revolving Loan (which was partially drawn on the Closing Date, and has since been fully drawn), (ii) a \$15,300,000 US Term Loan A, (iii) a \$5,000,000 US Term Loan B, (iv) a \$31,000,000 US Term Loan C, and (v) a \$4,000,000 Canadian Term Loan C (collectively, the “**Closing Date Loans**”).

10. In November 2012, the PRACS Institute, having exhausted its Revolving Loan availability, requested further loans from the Lenders to fund operations and requested that the Lenders waive certain defaults under the Credit Agreement. The Agent, certain Lenders, and the PRACS Institute amended the Credit Agreement pursuant to a limited

waiver and first amendment to the Credit Agreement, dated as of November 6, 2012, pursuant to which certain Lenders waived specified defaults and extended a \$3,000,000 superpriority loan (the “**US Additional Term Loan**”) to the PRACS Institute.

11. In further need of funds, the PRACS Institute requested additional loans from the Lenders in February, 2013. The Agent, certain Lenders, and the PRACS Institute entered into a second amendment to Credit Agreement, dated as of February 22, 2013, pursuant to which certain Lenders extended a \$580,000 superpriority loan (the “**US LIFO Loan**”).

12. In March, 2013, the PRACS Institute requested further funds from the Lenders for amounts sufficient to pay payroll and obligations related thereto. On March 15, 2013, the PRACS Institute, the Lenders, and the Agent entered into a third amendment to Credit Agreement, pursuant to which certain Lenders extended \$3,380,000 of superpriority loans (inclusive of closing fees added to the principal amount of such loans) (the “**Emergency Advances**,” and together with the Closing Date Loans, the US Additional Term Loan, and the US LIFO Loan, and all other obligations under the Credit Agreement, the “**First Lien Obligations**”). The amount of the First Lien Obligations is approximately \$87,099,496 in the aggregate.

13. The First Lien Obligations are guaranteed pursuant to a guaranty, dated as of June 20, 2012, by the PRACS Institute entities other than PRACS Canada in favor of the Agent. The First Lien Obligations are secured by first priority liens and security interests in substantially all assets of the PRACS Institute entities other than PRACS Canada granted pursuant to a security agreement, dated as of June 20, 2012 (the

“Security Agreement”), by and among the Agent and the PRACS Institute entities other than PRACS Canada. The First Lien Obligations are also secured by mortgages covering certain real property of the PRACS Institute in Fargo, North Dakota, San Antonio, Texas, and St. Charles, Missouri. A copy of the Security Agreement is attached as Exhibit “3”.

14. The Canadian Term Loan C and the other obligations of PRACS Canada under the Credit Agreement (the “**PRACS Canada Obligations**”) are secured by first priority liens and security interests granted pursuant to the Security Agreement by and among the Agent and PRACS Canada. The PRACS Canada Obligations are approximately \$4,219,662 in the aggregate.

15. The Security Agreement provides the Agent with the right to appoint a receiver on default. The PRACS Institute’s Board of Director’s authorization of a Chapter 7 filing described below constitutes an event of default under the Security Agreement and the security granted by PRACS Canada has become enforceable.

16. Based on information provided by Michael Gries (“**Gries**”), the Chief Restructuring Officer of the PRACS Institute, I understand that the realizable value of the assets of PRACS Canada will be significantly less than the amount owing to the Lenders.

17. Our counsel have conducted a search under the Personal Property Security Act registry in Ontario and British Columbia and there are no registrations against the Debtor other than those of the Lenders. A copy of the searches conducted on March 6, 2013 and March 21, 2013 are attached as Exhibit “4”.

C. THE BUSINESS OF THE PRACS INSTITUTE

18. As a provider of early phase clinical research services for the development of drugs and medical services, the PRACS Institute provided testing services for pharmaceutical and biotechnology companies.

19. I am advised by Gries that as of March 1, 2013, the PRACS Institute employed approximately 1,035 people. Approximately 800 of its employees were located in the US, and approximately 235 were in the Greater Toronto Area. PRACS Canada does not have a defined benefit pension plan.

20. PRACS Institute had three primary lines of business: (a) clinical pharmacology services; (b) bioanalytical services, and (c) scientific affairs services.

(a) Clinical Pharmacology Services: PRACS Institute provided clinical pharmacology services, operating five clinical pharmacology facilities which are located in North Dakota, Florida, Missouri and in Ontario.

(b) Bioanalytical Services: PRACS Institute operated two bioanalytical laboratories located in Ontario.

(c) Scientific Affairs Services: PRACS Institute also offers various scientific affairs services.

D. PRACS INSTITUTE'S CANADIAN OPERATIONS

21. The PRACS Institute's Canadian operations were carried out by PRACS Canada, which operated out of the Greater Toronto Area.

22. I am advised by Gries that PRACS Canada operated out of five premises:

- (a) 4520 Dixie Road: PRACS Canada leases a clinic located at 4520 Dixie Road, Mississauga, Ontario. This facility contains three independent study units with approximately 75 beds in total;
- (b) 4500 Dixie Road: PRACS Canada also leases a facility located at 4500 Dixie Road, Mississauga, Ontario;
- (c) 4540 Dixie Road: PRACS Canada leases an administrative center located at 4540 Dixie Road, Mississauga, Ontario;
- (d) 1310 Fewster Road: The recruiting/call center operated by PRACS Canada is located at 1310 Fewster Road in Toronto, Ontario. This facility hosts the local human resources department, as well as the offices used for the recruitment of participants for clinical studies; and
- (e) 1290 Ellesmere Road: This facility consists of a bioanalytical laboratory located at 1290 Ellesmere Road, in Toronto, Ontario. This laboratory is specialized in data management operations (collectively the "Ontario Premises").

23. I am advised by Gries that rent under the leases for the Ontario Premises is paid on the first of the month in advance. The leases were in good standing as of February 28, 2013. No rent payments have been made for March. To the best of my knowledge no action has been taken by the landlords against PRACS Canada.

E. EVENTS LEADING TO RECEIVERSHIP

24. I have been advised by Gries that:

- (a) PRACS Canada has no funds with which to operate its business and the Lenders are not prepared to provide any additional funding;
- (b) PRACS Canada has no alternative sources of financing and it has ceased operations;
- (c) the directors of PRACS Canada intend to resign on March 22, 2013; and
- (d) all PRACS Canada's employees have been terminated as of March 20, 2013.

25. I have been advised by Gries, that PRACS Canada consents to the appointment of the Receiver and PwC has consented to such appointment.

26. In my view, the appointment of a receiver provides a stable, transparent court supervised process to attempt to maximize value for stakeholders, which may include exploring going concern solutions with a purchaser that may be willing to restart some or all of the operations of PRACS Canada. Given the lack of funding the Agent anticipating an expedited process will be required. The Agent is concerned that any delay in appointing a receiver will make this difficult.

27. I have been advised by Deborah Williams, a partner at Cox Smith, local U.S. counsel for the Lenders, that PRACS Institute's Board of Directors authorized a filing in the US under Chapter 7 of the United States Bankruptcy Code and that this filing is to occur on March 22, 2013.

28. I swear this affidavit in support of the application to appoint PricewaterhouseCoopers as receiver of PRACS Canada and for no other purpose.

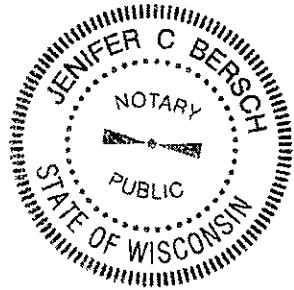
SWORN BEFORE ME at the City of
St. Francis, in the State of Wisconsin
March 22, 2013.

Jenifer C Bersch

A Notary Public in and for the State of
Wisconsin

Anthony Marino

ANTHONY MARINO



FREREPORT FINANCIAL LLC PRACS INSTITUTE CANADA B.C. LTD.
Applicant and Respondent

Court File No:

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

AFFIDAVIT OF ANTHONY MARINO
(SWORN MARCH 22, 2013)

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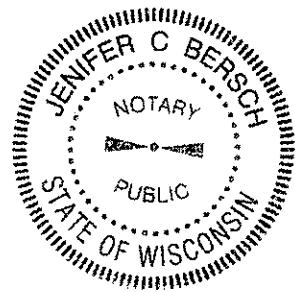
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Lawyers for the Applicant

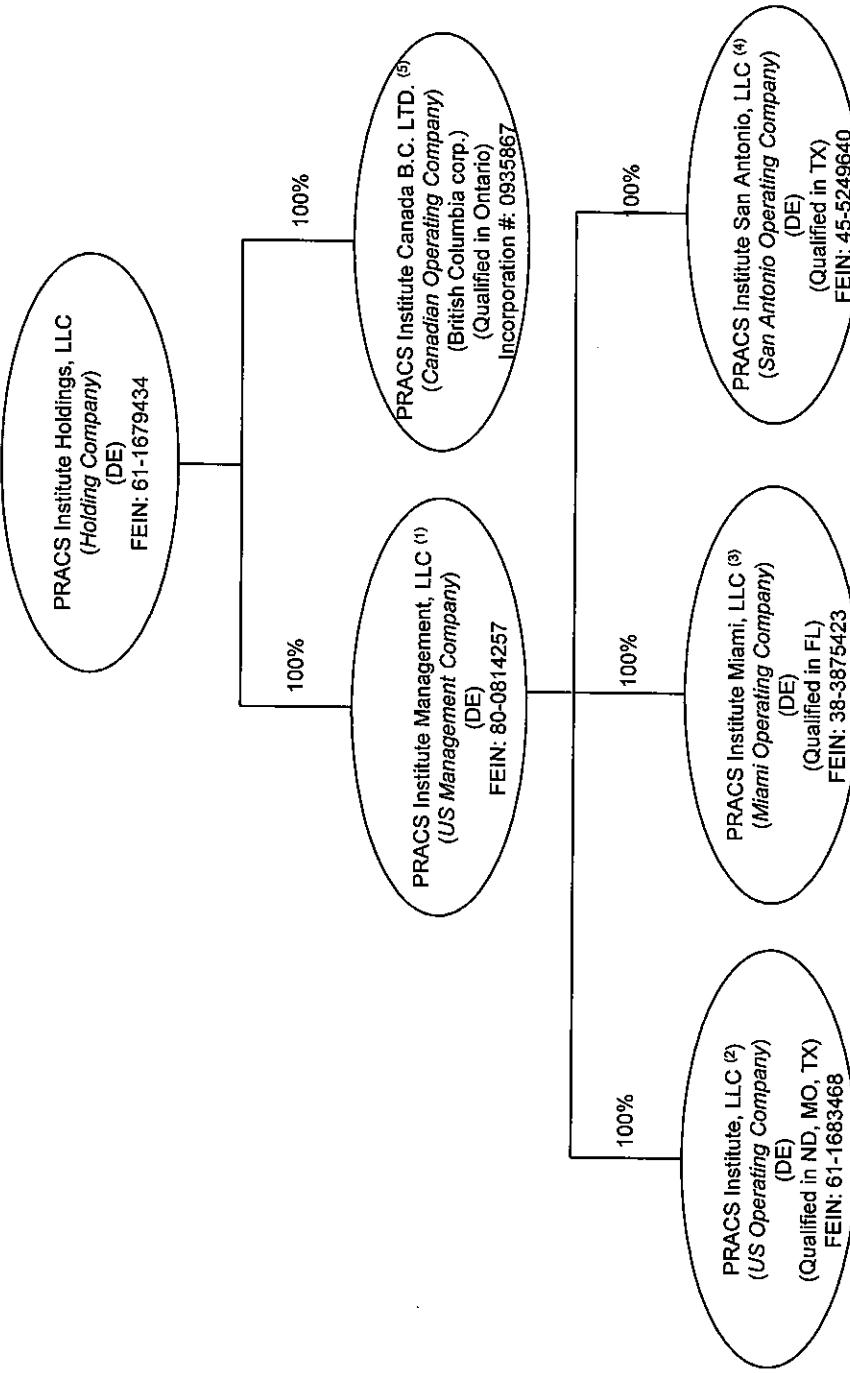
TAB 1

This is Exhibit "1" referred to in the
Affidavit of Anthony Marino
Sworn before me, this 22nd day of
March, 2013.

Jenifer C Bersch
A Commissioner for Taking Affidavits
Notary Public, State of Wisconsin



PRACS Institute Structure Chart



(1) PRACS Institute Management, LLC will hold all employees, and will act as a management company, with a Master Services Agreement between itself and its subsidiaries.

(2) PRACS Institute, LLC will act as the operating company for all US locations and will hold all contracts, leases and permits (except for leases and permits for the Miami and San Antonio locations).

(3) PRACS Institute Miami, LLC will hold the leases and permits for the Miami location.

(4) PRACS Institute San Antonio, LLC will hold the leases and permits for the San Antonio location.

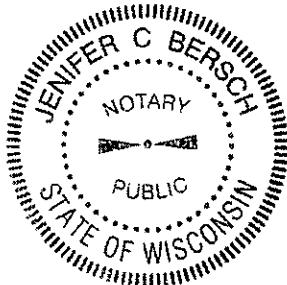
(5) PRACS Institute Canada B.C. LTD. will hold all Canadian assets and will act as the Canadian operating entity. Note that qualification in Ontario is in process.

TAB 2

This is Exhibit "2" referred to in the
Affidavit of Anthony Marino
Sworn before me, this 22nd day of
March, 2013.

Jenifer C Bersch

A Commissioner for Taking Affidavits
Notary Public, State of Wisconsin



Schedule 6.9
Business Description

PRACS Institute Holdings, LLC is a holding company for PRACS Institute Management, LLC and PRACS Institute Canada B.C. LTD.

PRACS Institute Management, LLC holds all employees and manages the affairs of its subsidiaries.

PRACS Institute Canada B.C. LTD. holds all Canadian assets and is engaged in the business of analyzing biological samples for bioequivalence and bioavailability and the design, supervision and implementation of clinical trial studies for pharmaceutical products in Canada.

PRACS Institute, LLC is engaged in the business of analyzing biological samples for bioequivalence and bioavailability and the design, supervision and implementation of clinical trial studies for pharmaceutical products in the United States. PRACS Institute, LLC holds all contracts, leases and permits related to operations of the Loan Parties in the United States, other than leases and permits for the Miami and San Antonio locations.

PRACS Institute Miami, LLC holds leases and permits for the Miami location.

PRACS Institute San Antonio, LLC holds leases and permits for the San Antonio location.

CREDIT AGREEMENT

DATED AS OF JUNE 20, 2012

by and among

PRACS INSTITUTE HOLDINGS, LLC
as US Borrower

and

PRACS INSTITUTE CANADA B.C. LTD.
as Canadian Borrower

and

THE OTHER PERSONS PARTY HERETO THAT
ARE DESIGNATED AS LOAN PARTIES

and

FREEPORT FINANCIAL LLC
as Agent and Lead Arranger

and

THE OTHER FINANCIAL INSTITUTIONS PARTY HERETO
as Lenders

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Exhibits

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Exhibit 2.1(b)	-	Canadian Term Notes
Exhibit 2.1(c)(i)	-	Revolving Note
Exhibit 2.1(c)(ii)	-	Notice of Revolving Credit Advance
Exhibit 2.1(d)	-	Swing Line Note
Exhibit 2.1(f)	-	Request for Letter of Credit Issuance
Exhibit 2.2(e)	-	Notice of Continuation/Conversion
Exhibit 7.2(d)	-	Borrowing Base Certificate
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CREDIT AGREEMENT

This CREDIT AGREEMENT is dated as of June 20, 2012 and entered into by and among PRACS INSTITUTE HOLDINGS, LLC, a Delaware limited liability company ("US Borrower"), PRACS INSTITUTE CANADA B.C. LTD., a British Columbia corporation ("Canadian Borrower") (US Borrower and Canadian Borrower are sometimes collectively referred to herein as the "Borrowers" and individually as a "Borrower"), the other persons designated as "Loan Parties", the financial institutions who are or hereafter become parties to this Agreement as Lenders, and FREEPORT FINANCIAL LLC, a Delaware limited liability company (in its individual capacity, "Freeport"), as Agent.

RECAPITALS:

WHEREAS, on March 26, 2012, Contract Research Solutions, Inc., a Delaware corporation ("CRS"), PRACS Institute, Ltd., a North Dakota corporation ("Pre-Petition US Borrower"), and certain subsidiaries of CRS (each a "Debtor" and collectively, the "Debtors"), commenced Chapter 11 Cases administratively consolidated as Case No. 12-11004 (KG) (the "Cases") under the Bankruptcy Code (as defined below) with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court");

WHEREAS, CRS, as foreign representative of Allied Research Holdings, Inc., an Ontario corporation ("Allied Research"), Allied Research International, Inc., an Ontario corporation, and BA Research Co., a Nova Scotia unlimited liability company, and all other Debtors, commenced a recognition proceeding (the "Canadian Recognition Proceeding") under Part IV of the *Companies' Creditors Arrangement Act* (the "CCAA") in the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court");

WHEREAS, in connection with the Cases, on May 17, 2012, the Bankruptcy Court entered an order (the "Sale Order") approving the acquisition of substantially all of the assets of the Debtors and assumption of certain liabilities of the Debtors by the Borrowers or their Subsidiaries pursuant to Sections, 105, 363 and 365 of the Bankruptcy Code and in accordance with the terms and conditions of the Acquisition Agreement (as defined below) (the "Acquisition");

WHEREAS, in connection with the Canadian Recognition Proceeding, on May 25, 2012, the Canadian Court entered an order (the "Recognition Order") recognizing and approving the Sale Order;

WHEREAS, in connection with the Acquisition, the Borrowers have assumed certain obligations and have issued certain notes;

WHEREAS, US Borrower has requested that the Lenders provide a revolving credit facility to US Borrower for the purpose of funding the payment of fees and expenses incurred in connection with the Acquisition, providing working capital financing for US Borrower and its Subsidiaries and providing funds for other general corporate purposes of US Borrower and its Subsidiaries;

WHEREAS, US Borrower desires to secure all of its Obligations (as hereinafter defined) under the Loan Documents (as hereinafter defined) by granting to Agent, for the benefit of Agent and each of the Lenders and L/C Issuers, a security interest in and lien upon substantially all of its personal and real property;

WHEREAS, the Canadian Borrower desires to secure all of its Obligations by granting to Agent, for the benefit of Agent and each of the Canadian Term Lenders, a security interest in and lien upon substantially all of its personal and real property;

WHEREAS, US Borrower desires to pledge to the Agent, for the benefit of itself and each of the Lenders and L/C Issuers, (i) all of the Stock of its directly owned US Subsidiaries and 65% of the Stock of its Canadian Subsidiaries to serve as collateral for its Obligations and (ii) all of the Stock of its Subsidiaries to serve as collateral for the Obligations of the Canadian Borrower; and

WHEREAS, each Subsidiary (other than Canadian Borrower) is willing to guaranty all of the Obligations of Borrowers and to grant to Agent, for the benefit of itself and each of the Lenders and L/C Issuers, a security interest in and lien upon substantially all of its personal and real property to secure such Obligations.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, Borrowers, Loan Parties, Lenders and Agent agree as follows:

SECTION 1. DEFINITIONS AND ASSUMPTION

1.1 Definitions. Capitalized terms used in the Loan Documents shall have the following respective meanings:

Acceptable Business Plan has the meaning ascribed to it in Section 5.16.

Acceptable Standby Letter of Credit means a standby letter of credit, issued by a bank or financial institution reasonably acceptable to Agent in its sole discretion, in form and substance reasonably satisfactory to Agent in its sole discretion, in an amount equal to 105% of the aggregate outstanding Letter of Credit Obligations to be available to Agent to reimburse payments of drafts drawn under outstanding Letters of Credit and to pay any Fees and expenses related thereto.

Account Debtor means any Person who may become obligated to any Loan Party under, with respect to, or on account of, an Account, Chattel Paper or General Intangibles (including a payment intangible).

Accounting Changes means: (a) changes in accounting principles required by GAAP and implemented by US Borrower or any of its Subsidiaries; and (b) changes in accounting principles recommended by US Borrower's certified public accountants and implemented by US Borrower;

Accounts means all "accounts," as such term is defined in the Code, now owned or hereafter acquired by any Loan Party.

Acquisition has the meaning ascribed to it in the preamble to this Agreement.

Acquisition Agreement means that certain Asset Purchase Agreement, dated as of March 25, 2012, by and among US Borrower, as U.S. Purchaser, Canadian Borrower, as Canadian Purchaser, CRS, and those direct and indirect subsidiaries of CRS set forth on the signature pages thereto and on Schedule A thereto (collectively with CRS, "Sellers"), as the same may be amended, supplemented, restated or otherwise modified from time to time on or prior to the date hereof.

Advances means any Revolving Credit Advance or Swing Line Advance, as the context may require.

Affected Lender has the meaning ascribed to it in Section 10.19(a).

Affiliate means, with respect to any Person, (a) each Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, 10% or more of the Stock having ordinary voting power in the election of directors of such Person, (b) each Person that controls, is controlled by or is under common control with such Person, and (c) each of such Person's officers, directors, joint venturers and partners. For the purposes of this definition, "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise; provided, however, that the term "Affiliate" shall specifically exclude Agent and each Lender, and any purchaser of the Subordinated Debt.

Agent means Freeport in its capacity as Agent for itself and Lenders, or its successor in such capacity.

Agreement means this Credit Agreement (including all schedules, subschedules, annexes and exhibits hereto), as the same may be amended, supplemented, restated or otherwise modified from time to time.

Allied Research has the meaning ascribed to it in the preamble to this Agreement.

Applicable Margins means collectively the Applicable Revolver Unused Line Fee Margin, the Applicable Revolver Index Margin, the Applicable Revolver LIBOR Margin, the Applicable Term Loan A Index Margin, the Applicable Term Loan A LIBOR Margin, the Applicable Term Loan B Index Margin, the Applicable Term Loan B LIBOR Margin, the Applicable Term Loan C Index Margin and the Applicable Term Loan C LIBOR Margin.

Applicable Multiple means, for each date of determination, the maximum permitted Leverage Ratio, expressed as the quotient of such ratio, for the most recently specified test date set forth in Section 7.1(e) as of such date of determination.

Applicable Revolver Index Margin means the per annum interest rate margin from time to time in effect and payable in addition to the Index Rate applicable to the Revolving Loan, as determined by reference to Section 2.2(a).

Applicable Revolver LIBOR Margin means the per annum interest rate from time to time in effect and payable in addition to the LIBOR Rate applicable to the Revolving Loan, as determined by reference to Section 2.2(a).

Applicable Revolver Unused Line Fee Margin means the per annum fee from time to time in effect payable in respect of each Borrower's non-use of committed funds pursuant to Section 2.3(b), which fee is determined by reference to Section 2.2 (a).

Applicable Term Loan A Index Margin means the per annum interest rate from time to time in effect and payable in addition to the Index Rate applicable to the US Term Loan A, as determined by reference to Section 2.2(a).

Applicable Term Loan A LIBOR Margin means the per annum interest rate from time to time in effect and payable in addition to the LIBOR Rate applicable to the US Term Loan A, as determined by reference to Section 2.2(a).

Applicable Term Loan B Index Margin means the per annum interest rate from time to time in effect and payable in addition to the Index Rate applicable to the US Term Loan B, as determined by reference to Section 2.2(a).

Applicable Term Loan B LIBOR Margin means the per annum interest rate from time to time in effect and payable in addition to the LIBOR Rate applicable to the US Term Loan B, as determined by reference to Section 2.2(a).

Applicable Term Loan C Index Margin means the per annum interest rate from time to time in effect and payable in addition to the Index Rate applicable to the US Term Loan C and Canadian Term Loan C, as determined by reference to Section 2.2(a).

Applicable Term Loan C LIBOR Margin means the per annum interest rate from time to time in effect and payable in addition to the LIBOR Rate applicable to the US Term Loan C and Canadian Term Loan C, as determined by reference to Section 2.2(a).

Appropriate Category of Lenders means, as applicable, Requisite Lenders, Requisite US Lenders, Requisite Canadian Term Lenders, Requisite Revolving Lenders, Requisite US Term Loan Lenders, Requisite US Term Loan A Lenders, Requisite US Term Loan B Lenders, or Requisite US Term Loan C Lenders.

Assays means the qualitative or quantitative analysis of a substance to determine its components.

Asset Disposition means the disposition, whether by sale, lease, transfer, loss, damage, destruction, casualty, condemnation or otherwise, of any of the following: (a) any of the Stock or other equity or ownership interest of any of US Borrower's Subsidiaries or (b) any or all of the assets of US Borrower or any of its Subsidiaries other than sales and dispositions described in Section 6.7(a).

Assignment Agreement has the meaning ascribed to it in Section 9.1(a).

Average Daily Balance means, for any period, the average of the daily closing balances of the Revolving Loan (including, without duplication, the Swing Line Loan, but excluding Letter of Credit Obligations) for each day during the last 30 days of any applicable period.

Bankruptcy Code means the provisions of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. or other applicable bankruptcy, insolvency or similar laws.

Bankruptcy Court has the meaning ascribed to it in the preamble to this Agreement.

Borrower has the meaning ascribed to it in the preamble to this Agreement.

Borrower Representative means US Borrower, in its capacity as Borrower Representative under Section 2.10.

Borrowers has the meaning ascribed to it in the preamble to this Agreement.

Borrowing Availability means (A) as of any date of determination on or prior to June 30, 2013, the Maximum Amount less the outstanding balance of the Revolving Loans and (B) as of any date of determination on or after July 1, 2013, the lesser of (i) the Maximum Amount and (ii) the Borrowing Base, in each case, less the outstanding balance of the Revolving Loans.

Borrowing Base means, as of any date of calculation, (i) the product of (a) EBITDA of US Borrower and its Subsidiaries for the twelve months ending on the last day of the most recent month for which financial statements are available hereunder multiplied by (b) the Applicable Multiple, minus (ii) total Funded Debt of US Borrower and its Subsidiaries (other than the outstanding principal balance of the Revolving Loans).

Borrowing Base Certificate has the meaning ascribed to it in Section 7.2(d).

Business Day means any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the States of Illinois or Wisconsin (and in reference to the Canadian Term Loan C, in the Province of Ontario), and in reference to LIBOR Loans shall mean any such day that is also a LIBOR Business Day.

Canadian Benefit Plans means all material employee benefit plans of any nature or kind whatsoever that are maintained or contributed to by any Loan Party having employees in Canada, but excluding the Canadian Pension Plans and any statutory benefit plans which any Loan Party having employees in Canada is required to participate in or comply with, such as the Canadian Pension Plan and plans administered pursuant to applicable health, tax, workplace safety insurance, prescription drug insurance, parental leave insurance and employment insurance legislation.

Canadian Borrower has the meaning ascribed to it in the preamble to this Agreement.

Canadian Court has the meaning ascribed to it in the preamble to this Agreement.

Canadian Indemnitees has the meaning ascribed to it in Section 10.1.

Canadian Loan Party means any Loan Party organized, incorporated, amalgamated, or continued under the laws of Canada or any Province of Canada.

Canadian Obligations means all Obligations with respect to Canadian Subsidiaries which are Loan Parties and all other Obligations owing by such Canadian Subsidiaries.

Canadian Pension Plans means each plan which is considered to be a pension plan for the purposes of any applicable pension benefits standards statute and/or regulation in Canada established, maintained or contributed to by any Loan Party for its employees or former employees.

Canadian PPSL means, collectively, Canadian provincial personal property security laws that are applicable to Collateral or a Loan Party.

Canadian PPSL Collateral means all Collateral to the extent that the validity and effect of perfection and nonperfection of a security interest therein is governed by Canadian PPSL.

Canadian Recognition Proceeding has the meaning ascribed to it in the preamble to this Agreement.

Canadian Subsidiary means any Subsidiary of US Borrower organized, incorporated, amalgamated, or continued under the laws of Canada or any Province of Canada.

Canadian Term Lenders means those Lender holding a Canadian Term Loan C.

Canadian Term Loan C has the meaning ascribed to it in Section 2.1(b).

Canadian Term Loan C Amount means at any time (a) as to any Lender, the principal amount of the Canadian Term Loan C held by such Lender at such time (with such amount on the Closing Date being the amount set forth on Annex A opposite such Lender's name (with respect to such Lender, such Lender's "Canadian Term Loan C Initial Amount") and (b) as to all Lenders, the aggregate principal amount of the Canadian Term Loan C held by all Lenders at such time.

Canadian Term Loan C Initial Amount has the meaning ascribed to it in the definition of the term "Canadian Term Loan C Amount".

Canadian Term Note has the meaning ascribed to it in Section 2.1(b).

Capex Limit has the meaning ascribed to it in Section 7.1.

Capital Expenditures means (i) all expenditures during any measuring period for any fixed asset or improvements or replacements, substitutions, or additions thereto that have a useful life of more than one year and are required to be capitalized under GAAP, excluding Capital Expenditures to the extent financed by third party lenders, plus (ii) deposits made during such measuring period for such Capital Expenditures less (iii) such deposits during a prior measuring period and reflected in the amount calculated in clause (i) above, less (iv) Net Proceeds of Asset Dispositions which US Borrower or its Subsidiaries have reinvested under Section 2.5(c) that are reflected in the amount calculated in clause (i) above, less (v) expenditures made in connection with the replacement, substitution or restoration of assets to the extent financed (x) from insurance proceeds paid on account of the loss of or damage to the assets being replaced or restored or (y) with awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced.

Capital Lease means, with respect to any Person, any lease of any property (whether real, personal or mixed) by such Person as lessee that, in accordance with GAAP, would be required to be classified and accounted for as a capital lease on a balance sheet of such Person.

Capital Lease Obligation means, with respect to any Capital Lease of any Person, the amount of the obligation of the lessee thereunder that, in accordance with GAAP, would appear on a balance sheet of such lessee in respect of such Capital Lease.

Carry Over Amount has the meaning ascribed to it Section 7.1(a).

Cases has the meaning ascribed to it in the preamble to this Agreement.

Cash Equivalents means: (i) marketable securities (A) issued or directly and unconditionally guaranteed as to interest and principal by the United States or Canadian government or (B) issued by any agency of the United States or Canadian government the obligations of which are backed by the full faith and credit of the United States or of Canada, in each case maturing within one (1) year after acquisition thereof; (ii) marketable direct obligations issued by any state of the United States or province or territory of Canada, or any political subdivision of any such state, province or territory, or any public

instrumentality thereof, in each case maturing within one year after acquisition thereof and having, at the time of acquisition, a rating of at least A-1 from S&P or at least P-1 from Moody's; (iii) commercial paper maturing no more than one year from the date of acquisition and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's; (iv) certificates of deposit or bankers' acceptances issued or accepted by any Lender or by any commercial bank organized under the laws of the United States or any state thereof or the District of Columbia or Canada that is at least (A) "adequately capitalized" (as defined in the regulations of its primary Federal banking regulator) and (B) has Tier 1 capital (as defined in such regulations) of not less than \$250,000,000, in each case maturing within one year after issuance or acceptance thereof; and (v) shares of any money market mutual or similar funds that (A) has substantially all of its assets invested continuously in the types of investments referred to in clauses (i) through (iv) above, (B) has net assets of not less than \$500,000,000 and (C) has the highest rating obtainable from either S&P or Moody's.

CCAA has the meaning ascribed to it in the preamble to this Agreement.

Certificate of Exemption has the meaning ascribed to it in Section 2.9(c).

Change of Control means any event, transaction or occurrence as a result of which (a) US Borrower ceases to own and control, directly or indirectly, all of the outstanding Stock and economic and voting rights associated with all of the outstanding Stock of any Person that is on the Closing Date or that becomes thereafter a Subsidiary of US Borrower or (b) any "Change of Control" (as such term, or any similar term, is defined in any agreement governing Subordinated Debt) shall occur.

Charges means all federal, state, provincial, county, city, municipal, local, foreign or other governmental premiums, taxes and other amounts (including premiums, taxes and other amounts owed to the PBGC at the time due and payable), levies, assessments, charges, liens, claims or encumbrances upon or relating to (a) the Collateral, (b) the Obligations, (c) the employees, payroll, income, gross receipts or capital of any Loan Party, (d) any Loan Party's ownership or use of any properties or other assets, or (e) any other aspect of any Loan Party's business.

Chattel Paper means any "chattel paper," as such term is defined in the Code, including electronic chattel paper, now owned or hereafter acquired by any Loan Party, wherever located.

Closing Checklist means the schedule, including all appendices, exhibits or schedules thereto, listing certain documents and information to be delivered in connection with this Agreement, the other Loan Documents and the transactions contemplated thereunder, substantially in the form attached hereto as Annex B.

Closing Date means June 20, 2012.

Code means the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in the State of Illinois; provided, that to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code or in Canadian PPSL for the Province of Ontario, the definition of such term contained in Article or Division 9 or Canadian PPSL (for the Province of Ontario with respect to Canadian PPSL Collateral) shall govern; and provided further, that if Canadian PPSL (for the Province of Ontario) does not contain a definition that is used in another Loan Document, the definition that is used in such other Loan Document shall have the meaning given to it in the Code as though the reference to Canadian PPSL in the first proviso of this definition does not exist; and provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with

respect to, Agent's or any Lender's Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of Illinois or by Canadian PPSL, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction or the applicable Canadian PPSL solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

Collateral means the property covered by the Security Agreement, the Mortgages and the other Collateral Documents and any other property, real or personal, tangible or intangible, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of Agent, on behalf of Agent and applicable Lenders, to secure the Obligations or any portion thereof.

Collateral Documents means the Security Agreement, the Pledge Agreements, the Guaranties, the Mortgages, the Patent Security Agreements, the Trademark Security Agreements, the Copyright Security Agreements, and all similar agreements entered into guaranteeing payment of, or granting a Lien upon property as security for payment of, the Obligations or any portion thereof.

Commitment Termination Date means the earliest of (a) June 20, 2015, (b) the date of termination of Lenders' obligations to make Advances and to incur Letter of Credit Obligations or permit existing Loans to remain outstanding pursuant to Section 8.3, and (c) the date of (i) payment or prepayment in full by Borrowers of the Loans, (ii) the cancellation and return (or stand-by guarantee) of all Letters of Credit or the cash collateralization or, with the consent of Agent in each instance, the backing with standby letters of credit acceptable to Agent, of all Letter of Credit Obligations pursuant to and in the amount required by Section 2.5, and (iii) the permanent reduction of the Revolving Loan Commitments to zero dollars (\$0).

Communication means any notice, information or other communication required or permitted to be given or made under this Agreement, but excluding any Loan Document requested by Agent to be delivered solely in a signed writing, including without limitation, any Mortgage, Note, power of attorney, or Patent, Trademark or Copyright Security Agreement.

Compliance and Excess Cash Flow Certificate has the meaning ascribed to it in Section 7.2(o).

Connection Income Taxes means taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes, in each case, to the extent imposed with respect to a Lender or the Agent as a result of a present or former connection between such Lender or Agent and the jurisdiction imposing such Tax (other than connections arising from such Lender or Agent having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement or any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

Consolidated Net Income means net income of US Borrower and its Subsidiaries during the measuring period on a consolidated basis excluding: (i) the income (or deficit) of any Person accrued prior to the date it became a Subsidiary of, or was merged or consolidated into or amalgamated with, US Borrower or any of US Borrower's Subsidiaries, (ii) the income (or deficit) of any Person (other than a Subsidiary) in which any Loan Party has an ownership interest, except to the extent any such income has actually been received by US Borrower or any of its Subsidiaries in the form of cash dividends or distributions, (iii) the undistributed earnings of any Subsidiary of US Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation or requirement of law applicable to such Subsidiary, (iv) any restoration to income of any contingency reserve, except to the extent that provision for such

reserve was made out of income accrued during such period, (v) any net gain attributable to the write-up of any asset, (vi) any loss attributable to the write-down of any asset (other than Accounts and Inventory), (vii) any net gain from the collection of the proceeds of life insurance policies, (viii) any net gain arising from the acquisition of any securities, or the extinguishment of any Indebtedness, of US Borrower or any of its Subsidiaries, (ix) any deferred credit representing the excess of equity in any Subsidiary of US Borrower at the date of acquisition of such Subsidiary over the cost to US Borrower of the investment in such Subsidiary.

Contingent Obligation means, as applied to any Person, any direct or indirect liability of that Person: (i) with respect to Guaranteed Indebtedness and with respect to any Indebtedness, lease, dividend or other obligation of another Person if the purpose or intent of the Person incurring such liability, or the effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto; (ii) with respect to any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings; (iii) under any foreign exchange contract, currency swap agreement, interest rate swap agreement or other similar agreement or arrangement designed to alter the risks of that Person arising from fluctuations in currency values or interest rates, (iv) any agreement, contract or transaction involving commodity options or future contracts, (v) to make take-or-pay or similar payments if required regardless of nonperformance by any other party or parties to an agreement, or (vi) pursuant to any agreement to purchase, repurchase or otherwise acquire any obligation or any property constituting security therefor, to provide funds for the payment or discharge of such obligation or to maintain the solvency, financial condition or any balance sheet item or level of income of another. The amount of any Contingent Obligation shall be equal to the amount of the obligation so guaranteed or otherwise supported or, if not a fixed and determined amount, the maximum amount so guaranteed.

Contract Research Organization means a Person that assumes or performs, as an independent contractor of the sponsor of a clinical or preclinical investigation, one or more of the obligations of such sponsor or one or more activities or services on behalf of such sponsor, including but not limited to, design of a protocol, selection of investigators, monitoring of investigations, evaluation of reports, and preparation of materials to be submitted to the FDA or other Governmental Authority having equivalent jurisdiction in countries other than the United States.

Contractual Obligations means, as applied to any Person, any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject including the Related Transactions Documents.

Control Agreement means (i) with respect to Collateral other than Canadian PPSL Collateral, a tri-party deposit account, securities account or commodities account control agreements by and among the applicable Loan Party, Agent and the depository, securities intermediary or commodities intermediary, and each in form and substance reasonably satisfactory to Agent, and in any event providing to Agent "control" of such deposit account, securities or commodities account, as applicable, within the meaning of Articles 8 and 9 of the Code; and (ii) with respect to Canadian PPSL Collateral, any agreement in form and substance reasonably satisfactory to Agent entered into by (a) the applicable Loan Party, Agent, and an issuer, securities intermediary, or futures intermediary, whereby the parties intend for Agent to obtain control (within the meaning of Canadian PPSL) of Investment Property (within the meaning of Canadian PPSL) or (b) the applicable Loan Party, Agent, and a bank where a deposit account is maintained, pursuant to which, among other things, such bank waives (subject to exceptions reasonably acceptable to Agent) its rights of setoff, combination, or recoupment or any other claim against such account and agrees

from and after the receipt of a notice (an “Activation Notice”) from Agent (which Activation Notice may not be given by Agent unless an Event of Default has occurred and is continuing) to take instructions exclusively from Agent with respect to such account.

Copyright License means any and all rights now owned or hereafter acquired by any Loan Party under any written agreement granting any right to such Loan Party to use any Copyright or Copyright registration owned by a third party.

Copyright Security Agreements means the Copyright Security Agreements made in favor of Agent, on behalf of Agent and applicable Lenders, by each applicable Loan Party.

Copyrights means all of the following now owned or hereafter adopted or acquired by any Loan Party: (a) all copyrights and General Intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof; and (b) all reissues, extensions or renewals thereof.

Credit Bid Transactions means (i) the transfer by the Pre-Petition First Lien Agents to US Borrower and Canadian Borrower of rights to receive, if certain credit bids are successful, all or substantially all of the assets of Sellers, (ii) one or more credit bids by the Pre-Petition First Lien Agents for all or substantially all of the assets of Sellers, (iii) the execution and delivery of the Acquisition Agreement, and (iv) the payment of the purchase price for the Acquisition by the Pre-Petition First Lien Agents and the transfer of the Credit Bid and Acquisition Consideration by the Borrowers to the Pre-Petition First Lien Agents as consideration for such payment.

Credit Bid and Acquisition Consideration means certain Stock of US Borrower, the assumption of the principal balance of the Roll-Up Obligations as of the Closing Date by US Borrower, the assumption of obligations under the DIP Revolving Facility outstanding as of the Closing Date by US Borrower, issuance of notes by a Borrower evidencing US Term Loan A, US Term Loan B, US Term Loan C and Canadian Term Loan C and the execution and delivery of the Acquisition Agreement.

Credit Bid and Acquisition Documents means (i) the Acquisition Agreement, (ii) the Sale Support Agreement, (iii) the Investors’ Agreement, (iv) the Operating Agreement, (v) Operations Support Agreement and (vi) any other document, agreement or instrument evidencing or governing the Credit Bid Transactions, the delivery or receipt of the Credit Bid and Acquisition Consideration or the Acquisition.

CRS has the meaning ascribed to it in the preamble to this Agreement.

CSA has the meaning ascribed to it in Section 4.9(b)(i).

Current Assets means, with respect to any Person, all current assets of such Person as of any date of determination calculated in accordance with GAAP, but excluding cash, cash equivalents and debts due from Affiliates.

Current Liabilities means, with respect to any Person, all liabilities that should, in accordance with GAAP, be classified as current liabilities, and in any event shall include all Indebtedness payable on demand or within one year from any date of determination without any option on the part of the obligor to extend or renew beyond such year, all accruals for federal or other taxes based on or measured by income or capital and payable within such year, but excluding the current portion of long-term debt required to be

paid within one year and the aggregate outstanding principal balances of the Revolving Loan and the Swing Line Loan.

Debtor and Debtors have the meanings ascribed to them in the preamble to this Agreement.

Default means any event that, with the passage of time or notice or both, would, unless cured or waived, become an Event of Default.

Default Rate has the meaning ascribed to it in Section 2.2(d).

Defaulting Lender means any Lender that has (a) failed to fund any payments required to be made by it under the Loan Documents within two (2) Business Days after any such payment is due (excluding expense and similar reimbursements that are subject to good faith disputes), (b) given written notice (and Agent has not received a revocation in writing), to Borrower Representative, Agent, any Lender, or the L/C Issuer or has otherwise publicly announced (and Agent has not received notice of a public retraction) that such Lender believes it will fail to fund payments or purchases of participations required to be funded by it under the Loan Documents or one or more other syndicated credit facilities, (c) failed to fund, and not cured, loans, participations, advances, or reimbursement obligations under one or more other syndicated credit facilities, unless subject to a good faith dispute, or (d) any Non-Signing Lender.

Design License means rights under any written agreement now owned or hereafter acquired by any Loan Party granting any right to use any Design.

Designs means all of the following now owned or hereafter acquired by any Loan Party: (a) all industrial designs and intangibles of like nature (whether registered or unregistered), now owned or existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the Canadian Industrial Design Office or in any similar office or agency in any other country or any political subdivision thereof, and (b) all reissues, extensions or renewals thereof.

Determined Minimum EBITDA Level means the minimum dollar amount of EBITDA permitted under Section 7.1(b) for the 12-Fiscal Month period ending on December 31, 2012 and for the 12-Fiscal Month period ending on March 31, 2013 to be determined by the Requisite Lenders in a written notice to Borrower Representative and Lenders with a cushion of not more than 20% to the forecasted relevant amounts for the relevant periods set forth in the Acceptable Business Plan.

DIP Credit Agreement means that certain Superpriority and Priming Debtor-in-Possession Credit Facility, dated as of March 27, 2012, by and among the Debtors, Freeport as agent, and the other financial institutions party thereto as lenders (as amended, restated, supplemented or otherwise modified prior to the date hereof).

DIP Lenders means, collectively, the "Lenders" under (and as defined) in the DIP Credit Agreement.

DIP Revolving Facility means the revolving credit facility under the DIP Credit Agreement.

Disbursement Account has the meaning ascribed to it in Section 2.1(g)(i).

Disclosure Schedules means the Schedules prepared by Borrowers and denominated as Schedules 4.1(a) through 6.9 in the index to this Agreement.

Documents means any “document,” as such term is defined in the Code, including electronic documents, now owned or hereafter acquired by any Loan Party, wherever located.

Dollars or \$ means lawful currency of the United States of America.

EBITDA means Consolidated Net Income:

Less: (in each case to the extent included in the calculation of Consolidated Net Income, but without duplication):

- (i) income and franchise tax credits,
- (ii) interest income,
- (iii) gain from extraordinary items or non-recurring gains,
- (iv) any gain arising from the sale, exchange or other disposition of assets outside of the ordinary course of business, other than Accounts and Inventory,
- (v) any other non-cash gains, and
- (vi) non-recurring gains,

Plus: (in each case to the extent deducted in or excluded from the calculation of Consolidated Net Income, but without duplication):

- (i) expenses for recruiting of directors and senior executives reasonably acceptable to Agent,
- (ii) transaction costs related to acquisitions after the Closing Date reasonably acceptable to Agent,
- (iii) any provision for income and franchise taxes,
- (iv) Interest Expense,
- (v) depreciation and amortization,
- (vi) amortized debt discount (but in the case of amortization and expenses of Related Transactions, only to the extent included in the Pro Forma),
- (vii) any deduction as the result of any grant to employees of US Borrower or any of its Subsidiaries of any Stock,
- (viii) loss from extraordinary items,
- (ix) any loss arising from the sale, exchange or other disposition of assets outside of the ordinary course of business, other than Accounts and Inventory, but including amortization of intangibles (including but not limited to goodwill),

- (x) any other non-cash losses (other than non-cash losses relating to write-offs, write-downs or reserves with respect to Accounts and Inventory),
- (xi) expenses of the Related Transactions, provided that such expenses were included in the Pro Forma or disclosed in any notes thereto plus up to \$250,000 of such expenses not reflected in the Pro Forma,
- (xii) proceeds of business interruption insurance policies, and
- (xiii) business optimization expenses and other restructuring charges or reserves (which, for the avoidance of doubt, may include, without limitation, the effect of optimization programs, facility closure, facility consolidations, retention, severance, systems establishment costs, systems conversion and integration costs, contract termination costs, future lease commitments and excess pension charges) and any other non-cash amounts to the extent approved in writing by the Agent and the Requisite Lenders in their sole discretion.

Environmental Laws means all applicable federal, state, provincial, local and foreign laws, statutes, ordinances, codes, rules, standards, orders-in-council and regulations, now or hereafter in effect, and any legally binding applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative order, consent decree, order or judgment, imposing liability or standards of conduct for or relating to the regulation and protection of human health, safety and the environment (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata) or human health or safety with respect to exposure to Hazardous Materials. Environmental Laws include the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 *et seq.*) ("CERCLA"); the Hazardous Materials Transportation Authorization Act of 1994 (49 U.S.C. §§ 5101 *et seq.*); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §§ 136 *et seq.*); the Solid Waste Disposal Act (42 U.S.C. §§ 6901 *et seq.*); the Toxic Substance Control Act (15 U.S.C. §§ 2601 *et seq.*); the Clean Air Act (42 U.S.C. §§ 7401 *et seq.*); the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 *et seq.*); the Occupational Safety and Health Act (29 U.S.C. §§ 651 *et seq.*); and the Safe Drinking Water Act (42 U.S.C. §§ 300(f) *et seq.*), and any and all regulations promulgated thereunder, and all analogous state, provincial, local and foreign counterparts or equivalents (including, without limitation, the *Canadian Environmental Protection Act, 1999* (Canada), *Transportation of Dangerous Goods Act, 1992* (Canada), and the *Hazardous Products Act* (Canada), and any and all regulations promulgated thereunder) and any transfer of ownership notification or approval statutes.

Environmental Liabilities means, with respect to any Person, all liabilities, obligations, responsibilities, response, remedial and removal costs, investigation and feasibility study costs, capital costs, operation and maintenance costs, losses, damages, punitive damages, property damages, natural resource damages, consequential damages, treble damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts and consultants), fines, penalties, sanctions and interest incurred as a result of or related to any claim, suit, action, investigation, proceeding or demand by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, including any arising under or related to any Environmental Laws, Environmental Permits, or in connection with any Release or threatened Release or presence of a Hazardous Material whether on, at, in, under, from or about or in the vicinity of any real or personal property.

Environmental Permits means all permits, licenses, authorizations, certificates, approvals or registrations required by any Governmental Authority under any Environmental Laws.

Equipment means all “equipment,” as such term is defined in the Code, now owned or hereafter acquired by any Loan Party, wherever located.

ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any regulations promulgated thereunder.

ERISA Affiliate means, with respect to any Loan Party, any trade or business (whether or not incorporated) that, together with such Loan Party, are treated as a single employer within the meaning of Sections 414(b), (c), (m) or (o) of the IRC.

ERISA Event means, with respect to any Loan Party or any ERISA Affiliate, (a) any event described in Section 4043(c) of ERISA with respect to a Title IV Plan; (b) the withdrawal of any Loan Party or ERISA Affiliate from a Title IV Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (c) the complete or partial withdrawal of any Loan Party or any ERISA Affiliate from any Multiemployer Plan; (d) the filing of a notice of intent to terminate a Title IV Plan or the treatment of a plan amendment as a termination under Section 4041 of ERISA; (e) the institution of proceedings to terminate a Title IV Plan or Multiemployer Plan by the PBGC; (f) the failure by any Loan Party or ERISA Affiliate to make when due required contributions to a Multiemployer Plan or Title IV Plan unless such failure is cured within 30 days; (g) any other event or condition that might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Title IV Plan or Multiemployer Plan or for the imposition of liability under Section 4069 or 4212(c) of ERISA; (h) the termination of a Multiemployer Plan under Section 4041A of ERISA or the reorganization or insolvency of a Multiemployer Plan under Section 4241 or 4245 of ERISA; (i) the loss of a Qualified Plan’s qualification or tax exempt status; or (j) the termination of a Plan described in Section 4064 of ERISA.

ESOP means a Plan that is intended to satisfy the requirements of Section 4975(e)(7) of the IRC.

Event of Default has the meaning ascribed to it in Section 8.1.

Excess Cash Flow has the meaning ascribed to it in Schedule 2 to Annex E.

Excluded Taxes has the meaning ascribed to it in Section 2.9(a).

Fair Labor Standards Act means the Fair Labor Standards Act, 29 U.S.C. §201 et seq.

FATCA means Sections 1471 through 1474 of the IRC, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

FDA has the meaning ascribed to it in Section 4.23.

FDA Letter Matters means those matters that are set forth in that certain letter, dated July 26, 2011, issued by FDA to Holdings and in the subsequent letters, directives rulings and orders issued by FDA related to the subject matter thereof.

Federal Funds Rate means, for any day, a floating rate equal to the weighted average of the rates on overnight federal funds transactions among members of the Federal Reserve System, as determined by

Agent in its sole discretion, which determination shall be final, binding and conclusive (absent manifest error).

Federal Reserve Board means the Board of Governors of the Federal Reserve System.

Fee Letter has the meaning ascribed to it in Section 2.3(a).

Fees means any and all fees payable to Agent or any Lender pursuant to this Agreement or any of the other Loan Documents.

FFDCA has the meaning ascribed to it in Section 4.9(b)(i).

Field Review has the meaning ascribed to it in Section 5.3.

Final Order has the meaning ascribed to it in the DIP Credit Agreement.

Financial Statements means the consolidated income statements, statements of cash flows and balance sheets of US Borrower and its Subsidiaries delivered in accordance with Sections 7.2(a) and (b).

Fiscal Month means any of the monthly accounting periods of US Borrower of each Fiscal Year.

Fiscal Quarter means any of the quarterly accounting periods of US Borrower, ending on March 31, June 30, September 30 and December 31 of each year.

Fiscal Year means any of the annual accounting periods of US Borrower ending on December 31 of each year.

Fixed Charges means for any measuring period:

(i) Interest Expense, plus

(ii) scheduled payments of principal of Indebtedness (which for the avoidance of doubt shall not include prepayments).

Fixed Charge Coverage Ratio means for any measuring period the ratio of (x) EBITDA minus (i) Capital Expenditures, minus (ii) any income and franchise taxes paid in cash, to (y) Fixed Charges.

Fixtures means all “fixtures” as such term is defined in the Code, now owned or hereafter acquired by any Loan Party.

Foreign Lender has the meaning ascribed to it in Section 2.9(c).

Foreign Subsidiary means any direct or indirect Subsidiary of US Borrower that is not a “United States person” within the meaning of Section 7701(a)(30) of the IRC.

Freeport has the meaning ascribed to it in the Preamble.

Freeport Loan means Freeport Loan Fund LLC, a Delaware limited liability company.

Funded Debt means, with respect to any Person, without duplication, all Indebtedness for borrowed money evidenced by notes, bonds, debentures, or similar evidences of Indebtedness and that by

its terms matures more than one year from, or is directly or indirectly renewable or extendible at such Person's option under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of more than one year from the date of creation thereof, and specifically including Capital Lease Obligations, current maturities of long-term debt, revolving credit and short-term debt extendible beyond one year at the option of the debtor, and also including, without limitation, in the case of US Borrower, the US Obligations (including unreimbursed Letter of Credit Obligations), in the case of Canadian Borrower, the Canadian Obligations, and, without duplication, Guaranteed Indebtedness consisting of guaranties of Funded Debt of other Persons, less cash on deposit subject to a Control Agreement.

Funding Date has the meaning ascribed to it in Section 3.2.

GAAP means generally accepted accounting principles in the United States or Canada (with respect to any Canadian Loan Party), as the case may be, consistently applied.

General Intangibles means "general intangibles," as such term is defined in the Code, now owned or hereafter acquired by any Loan Party.

Goods means any "goods," as such term is defined in the Code, now owned or hereafter acquired by any Loan Party, wherever located, including embedded software to the extent included in "goods" as defined in the Code, manufactured homes, standing timber that is cut and removed for sale and unborn young of animals.

Governmental Authority means any nation or government, any state, province, territory or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government. Government Authority shall include any agency, branch or other governmental body charged with the responsibility and/or vested with the authority to administer and/or enforce any Health Care Laws.

Guaranteed Indebtedness means, as to any Person, any obligation of such Person guaranteeing, providing comfort for or otherwise supporting any Indebtedness, lease, dividend, or other obligation ("primary obligation") of any other Person (the "primary obligor") in any manner, including any obligation or arrangement of such Person to (a) purchase or repurchase any such primary obligation, (b) advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet condition of the primary obligor, (c) purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, (d) protect the beneficiary of such arrangement from loss (other than product warranties given in the ordinary course of business) or (e) indemnify the owner of such primary obligation against loss in respect thereof. The amount of any Guaranteed Indebtedness at any time shall be deemed to be an amount equal to the lesser at such time of (x) the stated or determinable amount of the primary obligation in respect of which such Guaranteed Indebtedness is incurred and (y) the maximum amount for which such Person may be liable pursuant to the terms of the instrument embodying such Guaranteed Indebtedness, or, if not stated or determinable, the maximum reasonably anticipated liability (assuming full performance) in respect thereof.

Guaranties means, collectively, each guaranty executed by any Guarantor in favor of Agent and applicable Lenders in respect of the Obligations or the Canadian Obligations, as applicable.

Guarantor Payment has the meaning ascribed to it in Section 11.7.

Guarantors means each Subsidiary of US Borrower (other than Canadian Borrower) and each other Person, if any, that executes a guaranty or other similar agreement in favor of Agent, for the benefit of Agent and applicable Lenders, in connection with the transactions contemplated by this Agreement and the other Loan Documents.

Hazardous Material means any substance, material or waste that is regulated by, or forms the basis of liability now or hereafter under, any Environmental Laws, including any material or substance that is (a) defined as a “solid waste,” “hazardous waste,” “hazardous material,” “hazardous substance,” “dangerous goods,” “extremely hazardous waste,” “restricted hazardous waste,” “pollutant,” “contaminant,” “hazardous constituent,” “special waste,” “toxic substance” or other similar term or phrase under any Environmental Laws, or (b) petroleum or any fraction or by-product thereof, asbestos, polychlorinated biphenyls (PCB’s), or any radioactive substance.

Health Care Laws has the meaning given such term in Section 4.9 hereof.

Indebtedness means, with respect to any Person, without duplication (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services (other than as set forth in clause (viii) below), except trade accounts payable arising and paid on a timely basis and in the ordinary course of business, (iv) all Capital Leases of such Person, (v) all non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit, banker’s acceptance or similar instrument, (vi) all equity securities of such Person subject to repurchase or redemption otherwise than at the sole option of such Person, (vii) all obligations secured by a Lien on any asset of such Person, whether or not such obligation is otherwise an obligation of such Person, (viii) “earnouts” and similar payment obligations of such Person to the extent such payments are finally determined and earned, (ix) all Indebtedness of others guaranteed by such Person, (x) hedging obligations to the extent required to be on the balance sheet of such Person, and (xi) the principal balance under any synthetic lease, off balance sheet loan or similar off balance sheet financial product.

Indemnitees has the meaning ascribed to it in Section 10.1.

Index Rate means, for any day, a floating rate equal to the highest of (i) 3.00%, (ii) the rate publicly quoted from time to time by The Wall Street Journal, (iii) the Federal Funds Rate plus 50 basis points per annum and (iv) the LIBOR Rate for a LIBOR Period of three months that appears on Reuters Screen LIBOR01 Page as of 11:00 a.m. (London time), on the second full LIBOR Business Day next preceding such day, plus 100 basis points per annum.

Index Rate Loan means a Loan or portion thereof bearing interest by reference to the Index Rate.

Insolvency Law means any of the *Bankruptcy Code*, the *Bankruptcy and Insolvency Act* (Canada) and the *Companies’ Creditors Arrangement Act* (Canada), each as now and hereafter in effect, any successors to such statutes and any other applicable insolvency or other similar law of any jurisdiction including, without limitation, any law (including any corporate law) of any jurisdiction permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it.

Instruments means all “instruments,” as such term is defined in the Code, now owned or hereafter acquired by any Loan Party, wherever located, and, in any event, including all certificated securities, all certificates of deposit, and all promissory notes and other evidences of indebtedness, other than instruments that constitute, or are a part of a group of writings that constitute, Chattel Paper.

Intellectual Property means any and all Licenses, Patents, Copyrights, Trademarks, Designs and the goodwill associated with such Trademarks, including any trade secrets owned by any Loan Party in such Loan Party's proprietary methods related to Assays.

Intercompany Debt has the meaning ascribed to it in Section 10.21.

Intercompany Notes means a promissory note contemplated by Section 6.1(c).

Interest Expense means for any measuring period interest expense (whether cash or non-cash) determined in accordance with GAAP and deducted in the calculation of Consolidated Net Income, including capitalized interest expense, less the sum of (i) amortization of capitalized fees and expenses with respect to Related Transactions for such period, (ii) amortization of any original issue discount attributable to Funded Debt or warrants for such period, and (iii) interest paid in-kind during such period.

Interest Payment Date means (a) as to any Index Rate Loan, the first Business Day of each month to occur while such Loan is outstanding and (b) as to any LIBOR Loan, the last day of the applicable LIBOR Period; provided, that in the case of any LIBOR Period greater than three months in duration, interest shall be payable at three month intervals and on the last day of such LIBOR Period; and provided further that, in addition to the foregoing, each of (x) the date upon which all of the Revolving Loan Commitments have been terminated and the Loans have been paid in full and (y) the Commitment Termination Date shall be deemed to be an "Interest Payment Date" with respect to any interest that has then accrued under this Agreement.

Interest Rate Agreement means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or similar agreement or arrangement designed to protect either Borrower against fluctuations in interest rates entered into between any Borrower and any Lender.

Inventory means any "inventory," as such term is defined in the Code, now owned or hereafter acquired by any Loan Party, wherever located.

Investment means (i) any direct or indirect purchase or other acquisition by US Borrower or any of its Subsidiaries of any Stock, or other ownership interest in, any other Person, and (ii) any direct or indirect loan, advance or capital contribution by US Borrower or any of its Subsidiaries to any other Person excluding Accounts and deposits arising in the ordinary course of business and any extension of trade credit in the ordinary course of business.

Investment Property means all "investment property," as such term is defined in the Code, now owned or hereafter acquired by any Loan Party, wherever located.

Investors' Agreement means the Investors' Agreement, dated as of the Closing Date, among, *inter alia*, US Borrower, the Investors (as defined therein) and any other holders of equity securities of US Borrower, as the same may be amended, supplemented, restated or otherwise modified from time to time.

IRC means the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder.

IRS means the United States Internal Revenue Service.

ITA means the *Income Tax Act* (Canada) and any regulations promulgated thereunder, as the same may, from time to time, be in effect.

knowledge means, whenever any provision in any Loan Document refers to the knowledge (or an analogous phrase) of any Loan Party, that one or more officers of such Loan Party has actual knowledge or awareness of a particular fact or circumstance.

L/C Issuer means Freeport or a Subsidiary thereof or a bank or other legally authorized Person selected by or acceptable to Agent in its sole discretion and reasonably acceptable to US Borrower, in such Person's capacity as an issuer of Letters of Credit hereunder.

L/C Sublimit has the meaning ascribed to it in Section 2.1(f)(i).

Lenders means Freeport, the other Lenders named on the signature pages of this Agreement (and, if any such Person shall decide to assign all or any portion of the Obligations, such term shall include any assignee of such Person); provided, that for the purposes of (i) the definitions of "Interest Rate Agreement" and "Obligations", (ii) Sections 9.2(a), (b), (c), (d) and (f) of this Agreement and (iii) the granting and perfection of Liens pursuant to one or more Loan Documents (including references in the Loan Documents to Liens being held by Agent for the benefit of Lenders), each Qualified Counterparty (and each L/C Issuer with respect to the preceding clauses (ii) and (iii)) shall be deemed to be a US Lender or a Canadian Term Lender as the context requires (it being agreed that no such Qualified Counterparty or L/C Issuer (except as expressly provided otherwise in this Agreement) shall have the right to vote on or consent to any matter requiring a vote or consent of one or more Lenders).

Letters of Credit means documentary or standby letters of credit issued for the account of US Borrower by L/C Issuers, and bankers' acceptances issued by US Borrower, for which Agent and US Lenders have incurred Letter of Credit Obligations.

Letter of Credit Fee has the meaning ascribed to it in Section 2.3(c).

Letter of Credit Obligations means all outstanding obligations incurred by Agent and US Lenders at the request of Borrower Representative, whether direct or indirect, contingent or otherwise, due or not due, in connection with the issuance of Letters of Credit by L/C Issuers or the purchase of a participation as set forth in Section 2.1(f) with respect to any Letter of Credit. The amount of such Letter of Credit Obligations shall equal the maximum amount that may be payable by Agent and US Lenders thereupon or pursuant thereto.

Leverage Ratio means for any measuring period the ratio of (x)(i) Funded Debt (including Letter of Credit Obligations, but otherwise excluding the Revolving Loan balance) as of the last day of such measuring period plus (ii) the Average Daily Balance to (y) EBITDA.

LIBOR Breakage Costs means an amount equal to the amount of any losses, expenses, liabilities (including, without limitation, any loss (including interest paid) and lost opportunity cost (consisting of the present value of the difference between the LIBOR Rate in effect for the Interest Period and any lower LIBOR Rate in effect at the time of prepayment for the remainder of that Interest Period) in connection with the re-employment of such funds) that any Lender sustains as a result of (i) any default by either Borrower in making any borrowing of, conversion into or continuation of any LIBOR Loan following Borrower Representative's delivery to Agent of any LIBOR Loan request in respect thereof or (ii) any payment of a LIBOR Loan on any day that is not the last day of the LIBOR Period applicable thereto (regardless of the source of such prepayment and whether voluntary, by acceleration or otherwise). For

purposes of calculating amounts payable to a Lender under Section 2.3(d), each Lender shall be deemed to have actually funded its relevant LIBOR Loan through the purchase of a deposit bearing interest at the LIBOR Rate in an amount equal to the amount of that LIBOR Loan and having a maturity and repricing characteristics comparable to the relevant LIBOR Period; provided, however, that each Lender may fund each of its LIBOR Loans in any manner it sees fit, and the foregoing assumption shall be utilized only for the calculation of amounts payable under Section 2.3(d).

LIBOR Business Day means a Business Day on which banks in the City of London are generally open for interbank or foreign exchange transactions.

LIBOR Loans means a Loan or any portion thereof bearing interest by reference to the LIBOR Rate.

LIBOR Period means, with respect to any LIBOR Loan, each period commencing on a LIBOR Business Day selected by Borrower Representative pursuant to this Agreement and ending one, two, three, six or twelve months thereafter, as selected by Borrower Representative's irrevocable notice to Agent as set forth in Section 2.2(e); provided, that the foregoing provision relating to LIBOR Periods is subject to the following:

- (a) if any LIBOR Period would otherwise end on a day that is not a LIBOR Business Day, such LIBOR Period shall be extended to the next succeeding LIBOR Business Day unless the result of such extension would be to carry such LIBOR Period into another calendar month in which event such LIBOR Period shall end on the immediately preceding LIBOR Business Day;
- (b) any LIBOR Period that would otherwise extend beyond the date set forth in clause (a) of the definition of "Commitment Termination Date" shall end two (2) LIBOR Business Days prior to such date;
- (c) any LIBOR Period that begins on the last LIBOR Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such LIBOR Period) shall end on the last LIBOR Business Day of a calendar month; and
- (d) Borrower Representative shall select LIBOR Periods so that there shall be no more than 10 separate LIBOR Loans in existence at any one time.

LIBOR Rate means for each LIBOR Period, a rate of interest determined by Agent equal to the greater of (a) 2.00% and (b):

- (i) the offered rate for deposits in United States Dollars for the applicable LIBOR Period that appears on Reuters Screen LIBOR01 Page as of 11:00 a.m. (London time), on the second full LIBOR Business Day next preceding the first day of such LIBOR Period (unless such date is not a Business Day, in which event the next succeeding Business Day will be used); divided by
- (ii) a number equal to 1.0 minus the aggregate (but without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on the day that is two (2) LIBOR Business Days prior to the beginning of such LIBOR Period (including basic, supplemental, marginal and emergency reserves under any regulations of the Federal Reserve Board or other Governmental Authority having jurisdiction with respect thereto, as now and from

time to time in effect) for Eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Federal Reserve Board that are required to be maintained by a member bank of the Federal Reserve System.

If such interest rates shall cease to be available from Reuters, the LIBOR Rate shall be determined from such financial reporting service or other information as shall be available to Agent.

License means any Copyright License, Patent License, Trademark License, Design License or other license of rights or interests now held or hereafter acquired by any Loan Party.

Lien means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the Code or comparable law of any jurisdiction).

Liquidity means, at any time, the sum of (a) Borrowing Availability at such time, *plus* (b) the aggregate amount of unrestricted cash on hand of the Loan Parties at such time.

Litigation has the meaning ascribed to it in Section 7.2(k).

Loan Account has the meaning ascribed to it in Section 2.7.

Loan Documents means this Agreement, the Notes, the Collateral Documents, the Fee Letter, Interest Rate Agreements, the subordination provisions applicable to any Subordinated Debt and intercreditor provisions applicable to any Indebtedness that is *pari passu* in right of payment to the Obligations and all other agreements, instruments, documents and certificates identified in the Closing Checklist executed and delivered to, or in favor of, Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts, notices, and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Loan Party, or any employee of any Loan Party, and delivered to Agent or any Lender in connection with this Agreement or the transactions contemplated thereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

Loan Parties means US Borrower, Canadian Borrower, each other Subsidiary of US Borrower and any other Person (i) which executes this Agreement as a "Loan Party," (ii) which executes a Guaranty, (iii) which grants a Lien on all or substantially all of its assets to secure payment of any of the Obligations and (iv) all of the Stock of which is pledged to Agent for the benefit of Agent and applicable Lenders.

Loans means the Revolving Loans, the Swing Line Loan and the Term Loans.

Material Adverse Effect means a material adverse effect on (a) the business, assets, results of operations or financial or other condition of the Loan Parties considered as a whole, (b) Borrowers' ability to pay any of the Loans or any of the other Obligations in accordance with the terms of this Agreement, (c) the Collateral or Agent's Liens, on behalf of Agent and applicable Lenders, on the

Collateral or the priority of such Liens, or (d) Agent's or any Lender's rights and remedies under this Agreement and the other Loan Documents.

Maximum Amount means, as of any date of determination, an amount equal to the aggregate Revolving Loan Commitment of all Lenders as of that date.

Maximum Lawful Rate has the meaning ascribed to it in Section 2.2(f).

Moody's means Moody's Investors Services, Inc.

Mortgaged Leases means the leases for any leased facilities that are subject to a Mortgage.

Mortgages means each of the mortgages, deeds of trust, collateral assignments of leases or other real estate security documents delivered by any Loan Party to Agent on behalf of Agent and applicable Lenders with respect to owned or leased Real Estate; including a leasehold mortgage with respect to US Borrower's building in Fargo, North Dakota.

Multiemployer Plan means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA, and to which any Loan Party or ERISA Affiliate is making or is obligated to make contributions on behalf of participants who are or were employed by any of them or withdrawal liability payments.

Net Proceeds means cash proceeds received by US Borrower or any of its Subsidiaries from any Asset Disposition (including insurance proceeds (other than proceeds of any business interruption insurance policy), awards of condemnation, and payments under notes or other debt securities received in connection with any Asset Disposition), net of (a) the costs of such Asset Disposition (including taxes attributable to such sale, lease or transfer) and any commissions and other customary transaction fees, costs and expenses, other than any costs payable to any Affiliate of a Loan Party (b) amounts applied to repayment of Indebtedness (other than the Obligations) secured by a Lien permitted under this Agreement on the asset or property disposed, and (c) any amounts required to be held in escrow until such time as such amounts are released from escrow whereupon such amounts shall be considered Net Proceeds.

Non-Consenting Lender has the meaning ascribed to it in Section 10.19(c).

Non-Excluded Taxes has the meaning ascribed to it in Section 2.9(a).

Non-Signing Lender means any Lender that has failed to execute and deliver any applicable Loan Document, any applicable Credit Bid and Acquisition Document or any other definitive documentation effectuating the transactions contemplated by the Sale Support Agreement.

Notes means, collectively, the Revolving Notes, the Swing Line Note and the Term Notes.

Notice of Conversion/Continuation has the meaning ascribed to it in Section 2.2(e).

Notice of Revolving Credit Advance has the meaning ascribed to it in Section 2.1(c).

Obligations means all loans, advances, debts, liabilities and obligations, for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or such amounts are liquidated or determinable), including obligations pursuant to Interest Rate Agreements and Letter of Credit Obligations, owing by any Loan Party to Agent or any Lender, and all covenants and duties regarding such amounts, of any kind or nature, present or future,

whether or not evidenced by any note, agreement or other instrument, arising under this Agreement or any of the other Loan Documents. This term includes all principal, interest (including all interest that accrues after the commencement of any case or proceeding by or against any Loan Party in bankruptcy or insolvency, whether or not allowed in such case or proceeding), Fees, charges, expenses, reasonable attorneys' fees and any other sum chargeable to any Loan Party under this Agreement or any of the other Loan Documents.

Operating Agreement means the Second Amended and Restated Limited Liability Company Agreement of PRACS Institute Holdings, LLC, effective as of the Closing Date, among, *inter alia*, Freeport, as the same may be amended, supplemented, restated or otherwise modified from time to time.

Operations Support Agreement means that certain Operations Support Agreement, dated as of the Closing Date, among US Borrower and Sellers, as the same may be amended, supplemented, restated or otherwise modified from time to time.

Other Taxes has the meaning ascribed to it in Section 2.9(a).

Overadvance has the meaning ascribed to it in Section 2.1(c).

Patent License means rights under any written agreement now owned or hereafter acquired by any Loan Party granting any right to such Loan Party with respect to any invention on which a Patent owned by a third party is in existence.

Patent Security Agreements means the Patent Security Agreements made in favor of Agent, on behalf of Agent and applicable Lenders, by each applicable Loan Party.

Patents means all of the following in which any Loan Party now holds or hereafter acquires any interest: (a) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or of any other country, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State or any other country, and (b) all reissues, continuations, continuations-in-part or extensions thereof.

PBGC means the Pension Benefit Guaranty Corporation.

Pension Plan means a Plan described in Section 3(2) of ERISA.

Permitted Encumbrances means the following encumbrances: (a) Liens for taxes, assessments or governmental charges or levies not yet due and payable and Liens for taxes, assessments or governmental charges or levies being contested in good faith and by appropriate proceedings for which adequate reserves have been established in accordance with GAAP, excluding federal income tax Liens, Liens in favor of the PBGC under ERISA and Liens in the form of deemed trusts in favor of pension plan administrators or regulators in respect of accrued and not yet due obligations of any Loan Party in respect of Canadian Pension Plans; (b) Liens in respect of property or assets of US Borrower or any of its Subsidiaries imposed by law which were incurred in the ordinary course of business and which have not arisen to secure Indebtedness for borrowed money, such as carriers', materialmen's, warehousemen's and mechanics' Liens, statutory and common law landlord's Liens, and other similar Liens arising in the ordinary course of business, and which either (1) do not in the aggregate materially detract from the value of such property or assets or materially impair the use thereof in the operation of the business of US Borrower or any of its Subsidiaries or (2) are being contested in good faith by appropriate proceedings,

which proceedings have the effect of preventing the forfeiture or sale of the property or asset subject to such Lien; (c) Liens created by or pursuant to this Agreement, the Collateral Documents or the other Loan Documents; (d) Liens in existence on the Closing Date which are listed, and the property subject thereto described, on Schedule 6.2, without giving effect to any extensions or renewals thereof; (e) Liens arising from judgments, decrees, awards or attachments in circumstances not constituting an Event of Default, provided that the amount of cash and property (determined on a fair market value basis) deposited or delivered to secure the respective judgment or decree or subject to attachment shall not exceed the limit for a separate judgment in Section 8.1(h); (f) Liens (other than any Lien imposed by ERISA) (1) incurred or deposits made in the ordinary course of business in connection with general insurance maintained by US Borrower and its Subsidiaries, (2) incurred or deposits made in the ordinary course of business of US Borrower and its Subsidiaries in connection with workers' compensation, unemployment insurance and other types of social security, the remittance or payment of which is not yet due and payable, (3) to secure the performance by US Borrower and its Subsidiaries of tenders, statutory obligations not yet due and payable (other than excise taxes), surety, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money) to the extent incurred in the ordinary course of business, (4) consisting of deposits to secure the performance by US Borrower and its Subsidiaries of leases of Real Property, to the extent incurred or made in the ordinary course of business consistent with past practices, and (5) other deposits made solely in the ordinary course of the Loan Parties' business; (g) licenses, sublicenses, leases or subleases granted to third Persons in the ordinary course of business not interfering in any material respect with the business of US Borrower or any of its Subsidiaries; (h) easements, rights-of-way, restrictions, minor defects or irregularities in title, encroachments and other similar charges or encumbrances, in each case not securing Indebtedness and not interfering in any material respect with the ordinary conduct of the business of US Borrower or any of its Subsidiaries; (i) Liens arising from precautionary Code or Canadian PPSL financing statements regarding operating leases; (j) Liens created pursuant to or in connection with leases or Capital Leases permitted pursuant to this Agreement, provided that (1) such Liens only serve to secure the payment of rent or Indebtedness arising under such leases or Capital Leases and (2) the Liens encumbering the assets leased or purported to be leased under such leases or Capital Leases do not encumber any other assets of US Borrower or any of its Subsidiaries (other than letters of credit, payment undertaking agreements, guaranteed investment contracts, deposits of cash or Cash Equivalents and other credit support arrangements, in each case having an aggregate value not exceeding the fair market value of the assets leased or purported to be leased under such leases or Capital Leases (each of such values determined at the time when the lease agreement relating to the relevant lease or Capital Lease is signed and delivered)); (k) (1) those liens, encumbrances, hypothecs and other matters affecting title to any Real Property and found reasonably acceptable by the Agent or insured against by title insurance, (2) as to any particular Real Property at any time, such easements, encroachments, covenants, rights of way, minor defects, irregularities or encumbrances on title which would not reasonably be expected to materially impair such Real Property for the purpose for which it is held by the mortgagor or grantor thereof, or the lien or hypothec held by Agent, (3) zoning and other municipal ordinances which are not violated in any material respect by the existing improvements and the present use made by the mortgagor or grantor thereof of the premises, (4) general real estate taxes and assessments not yet delinquent, (5) any Lien that would be disclosed on a true, correct and complete survey of the Real Property that does not materially affect the use or enjoyment of the Real Property as it is currently being used, and (6) such other similar items as the Agent may consent to (such consent not to be unreasonably withheld); (l) Liens arising pursuant to purchase money mortgages or security interests securing Indebtedness representing the purchase price (or financing of the purchase price within 90 days after the respective purchase) of fixed assets acquired after the Closing Date, provided that (1) any such Liens attach only to the assets so purchased, upgrades thereon and, if the asset so purchased is an upgrade, the original asset itself (and such other assets financed by the same financing source), (2) the Indebtedness (other than Indebtedness incurred from the

same financing source to purchase other assets and excluding Indebtedness representing obligations to pay installation and delivery charges for the property so purchased) secured by any such Lien does not exceed 100% of the lesser of the fair market value or the purchase price of the property being purchased at the time of the incurrence of such Indebtedness and (3) the Indebtedness secured thereby is permitted to be incurred pursuant to this Agreement; (m) Liens arising out of consignment, bailment or similar arrangements entered into by US Borrower or any of its Subsidiaries in the ordinary course of business; (n) rights of setoff upon deposits of cash in favor of banks or other depository institutions as permitted by any Control Agreement or, with respect to deposits of cash not subject to a Control Agreement, customary rights of setoff in favor of such banks or depository institutions; and (o) Liens securing Indebtedness or leases that refinance, refund, extend, renew and/or replace Indebtedness or leases secured by Liens described in clauses (a) through (n) above, as long as such Indebtedness is permitted hereunder.

Person means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, unlimited company, institution, public benefit corporation, other entity or government (whether federal, provincial, state, county, city, municipal, local, foreign, or otherwise, including any instrumentality, division, agency, body or department thereof).

Plan means, at any time, an “employee benefit plan,” as defined in Section 3(3) of ERISA, that any Loan Party or ERISA Affiliate maintains, contributes to or has an obligation to contribute to on behalf of participants who are or were employed by any Loan Party.

Pledge Agreements means, collectively, any pledge agreement entered into by and among any Agent, on behalf of Agent and applicable Lenders, and each Loan Party that is a signatory thereto.

Post-Closing Matters Agreement means that certain Post-Closing Matters Agreement dated as of the Closing Date among the Loan Parties, as may be amended, restated, supplemented or otherwise modified from time to time.

PRACS Management means PRACS Institute Management, LLC, a Delaware limited liability company.

PRACS Institute means PRACS Institute, LLC, a Delaware limited liability company.

PRACS Miami means PRACS Institute Miami, LLC, a Delaware limited liability company.

PRACS San Antonio means PRACS Institute San Antonio, LLC, a Delaware limited liability company.

Pre-Petition First Lien Agents means the “US Agent” under (and as defined in) the Pre-Petition First Lien Credit Agreement and the “Canadian Agent” under (and as defined in) the Pre-Petition First Lien Credit Agreement.

Pre-Petition First Lien Credit Agreement means that certain Third Amended and Restated Credit Agreement dated as of March 14, 2007, as amended, restated, supplemented or otherwise modified from time to time prior to March 27, 2012, among Pre-Petition US Borrower, Allied Research, the other loan parties party thereto, the financial institutions party thereto as lenders, Freeport as agent to the US lenders and Bank of Montreal as agent to the Canadian lenders.

Pre-Petition First Lien Lenders means, collectively, the “Lenders” under (and as defined in) the Pre-Petition First Lien Credit Agreement.

Pre-Petition US Borrower has the meaning ascribed to it in the preamble to this Agreement.

Pro Forma means the unaudited estimated consolidated balance sheets of US Borrower and its Subsidiaries prepared in accordance with GAAP as of the Closing Date after giving effect to the Related Transactions. The Pro Forma is annexed hereto as Annex C.

Pro Rata Share means with respect to all matters relating to any Lender at any time (a) with respect to the Revolving Loan, the percentage obtained by dividing (i) the Revolving Loan Commitment of that Lender at such time by (ii) the aggregate Revolving Loan Commitments of all Lenders at such time, (b) with respect to any Term Loan, the percentage obtained by dividing (i) the applicable Term Loan Amount of that Lender at such time by (ii) the aggregate applicable Term Loan Amounts of all Lenders at such time, (d) with respect to all Loans, the percentage obtained by dividing (i) the sum of (A) the Revolving Loan Commitment of that Lender at such time *plus* (B) the aggregate Term Loan Amounts of that Lender at such time by (ii) the sum of (A) the aggregate Revolving Loan Commitments of all Lenders at such time *plus* (B) the aggregate Term Loan Amounts of all Lenders at such time, and (e) with respect to all Loans on and after the Commitment Termination Date, the percentage obtained by dividing (i) the aggregate outstanding principal balance of the Loans held by that Lender at such time, by (ii) the outstanding principal balance of the Loans held by all Lenders at such time, as any such percentages may be adjusted by assignments pursuant to Section 9.1.

Proceeding means a proceeding under any Insolvency Law, in which any Loan Party or any Subsidiary thereof is a debtor.

Projections means US Borrower and its Subsidiaries' forecasted: (a) consolidated balance sheet; (b) consolidated and consolidating profit and loss statements; and (c) consolidated cash flow statement, and otherwise consistent with the historical Financial Statements of US Borrower, together with appropriate supporting details and a statement of underlying assumptions; provided, that the initial projections shall be for US Borrower and its Subsidiaries on a consolidated basis.

Proposed Change has the meaning ascribed to it in Section 10.19(c).

Qualified Assignee means (a) any Lender, any Affiliate of any Lender and, with respect to any Lender, any investment fund that invests in commercial loans and that is managed or advised by such Lender, an Affiliate of such Lender or the same investment advisor as such Lender or by an Affiliate of such investment advisor (including, without limitation, any Related Fund), and (b) any commercial bank, savings and loan association or savings bank or any other entity which is an "accredited investor" (as defined in Regulation D under the Securities Act of 1933 or, with respect to any assignee of all or any portion of the Canadian Term Loan C, as defined under National Instrument 45-106 (Prospectus and Registration Exceptions), as amended, supplemented, replaced and otherwise modified from time to time) which extends credit or buys loans as one of its businesses, including insurance companies, mutual funds, lease financing companies and commercial finance companies, which has a rating of BBB or higher from S&P or, with respect to any assignee of all or any portion of the Canadian Term Loan C, Dominion Bond Rating Service Limited, and a rating of Baa2 or higher from Moody's at the date that it becomes a Lender and which, through its applicable lending office, is capable of lending to Borrower without the imposition of any withholding or similar taxes or other additional amounts under Section 2.9; provided that no Person that is a Defaulting Lender shall be a Qualified Assignee.

Qualified Counterparty means a Person which (i) is an Affiliate of a Lender and (ii) has entered into an agreement, in form and substance reasonably satisfactory to the Agent, pursuant to which such

Person has, among other things, appointed Agent as its agent and agreed to be bound by certain provisions of the Loan Documents.

Qualified Plan means a Pension Plan that is intended to be tax-qualified under Section 401(a) of the IRC.

Real Estate has the meaning ascribed to it in Section 4.14.

Recognition Order has the meaning ascribed to it in the preamble to this Agreement.

Refunded Swing Line Loan has the meaning ascribed to it in Section 2.1(c)(iii).

Regulatory Permits has the meaning ascribed to in Section 4.23.

Related Fund means (a) any fund, trust or similar entity that invests in commercial loans in the ordinary course of business and is advised or managed by (i) a Lender, (ii) an affiliate of a Lender, (iii) the same investment advisor that manages a Lender or (iv) an affiliate of an investment advisor that manages a Lender, or (b) any finance company, insurance company or other financial institution which temporarily warehouses loans for any Lender or any Person described in clause (a) of this definition.

Related Transactions means the initial borrowing under the Revolving Loan on the Closing Date, the Acquisition, the Credit Bid Transactions, the delivery of the Credit Bid and Acquisition Consideration, the payment of all Fees, costs and expenses associated with all of the foregoing and the execution and delivery of all of the Related Transactions Documents.

Related Transactions Documents means the Loan Documents, the Credit Bid and Acquisition Documents and all other agreements or instruments executed in connection with the Related Transactions.

Release means any release, threatened release, spill, emission, leaking, pumping, pouring, emitting, emptying, escape, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Material in the indoor or outdoor environment, including the movement of Hazardous Material through or in the air, soil, surface water, ground water or property.

Replacement Lender has the meaning ascribed to it in Section 10.19(a).

Request for Letter of Credit Issuance has the meaning ascribed to it in Section 2.1(f).

Requisite Canadian Term Lenders means Lenders holding more than 50% of the aggregate outstanding principal amount of the Canadian Term Loan C.

Requisite Lenders means Lenders holding (a) more than 50% of the sum of (i) the Revolving Loan Commitments of all Lenders *plus* (ii) the aggregate outstanding principal amount of the Term Loans, or (b) if the Revolving Loan Commitments have been terminated, more than 50% of the aggregate outstanding amount of the Loans.

Requisite Revolving Lenders means Lenders holding (a) more than 50% of the Revolving Loan Commitments of all Lenders, or (b) if the Revolving Loan Commitments have been terminated, more than 50% of the aggregate outstanding amount of the Revolving Loan (with the Swing Line Loan being attributed to the Lender making such Loan).

Requisite US Lenders means Lenders holding (a) more than the sum of (i) 50% of the Revolving Loan Commitments of all Lenders *plus* (ii) the aggregate principal amount of the US Term Loans, or (b) if the Revolving Loan Commitments have been terminated, more than 50% of the aggregate outstanding amount of the US Loans.

Requisite US Term Loan A Lenders means Lenders holding more than 50% of the aggregate outstanding principal amount of the US Term Loan A.

Requisite US Term Loan B Lenders means Lenders holding more than 50% of the aggregate outstanding principal amount of the US Term Loan B.

Requisite US Term Loan C Lenders means Lenders holding more than 50% of the aggregate outstanding principal amount of US Term Loan C.

Requisite US Term Loan Lenders means Lenders holding more than 50% of the aggregate outstanding principal amount of the US Term Loans.

Restricted Payment means, with respect to any Loan Party (a) the declaration or payment of any dividend or the incurrence of any liability to make any other payment or distribution of cash or other property or assets in respect of Stock (other than non-cash dividends or other non-cash distributions in the form of additional stock issued by such Loan Party to the extent such issuance is not prohibited hereunder); (b) any payment on account of the purchase, redemption, defeasance, sinking fund or other retirement of such Loan Party's Stock or any other payment or distribution made in respect thereof, either directly or indirectly; (c) any payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire Stock of such Loan Party now or hereafter outstanding (other than cashless exercises of warrants, options or other similar rights not resulting in the incurrence of Indebtedness); (d) any payment of a claim for the rescission of the purchase or sale of, or for material damages arising from the purchase or sale of, any shares of such Loan Party's Stock or of a claim for reimbursement, indemnification or contribution arising out of or related to any such claim for damages or rescission; and (e) any payment, loan, contribution, or other transfer of funds or other property to any Stockholder of such Loan Party other than payment of compensation in the ordinary course of business to Stockholders who are employees of such Loan Party.

Revolving Credit Advance has the meaning ascribed to it in Section 2.1(c).

Revolving Lenders means those Lenders having Revolving Loan Commitments (or if the Revolving Loan Commitments have terminated, who hold Revolving Loans).

Revolving Loan(s) means, at any time, the sum of (i) the aggregate amount of Revolving Credit Advances outstanding to US Borrower (including Swing Line Advances) *plus* (ii) the aggregate Letter of Credit Obligations incurred on behalf of US Borrower. Unless the context otherwise requires, references to the outstanding principal balance of the Revolving Loan shall include the outstanding balance of Letter of Credit Obligations.

Revolving Loan Commitment means (a) as to any Lender, the commitment of such Lender to make its Pro Rata Share of Revolving Credit Advances or incur its Pro Rata Share of Letter of Credit Obligations (including, in the case of the Swing Line Lender, its commitment to make Swing Line Advances as a portion of its Revolving Loan Commitment) as set forth on Annex A or in the most recent Assignment Agreement, if any, executed by such Lender and (b) as to all Lenders, the aggregate commitment of all Lenders to make the Revolving Credit Advances (including, in the case of the Swing

Line Lender, Swing Line Advances) or incur Letter of Credit Obligations, which aggregate commitment shall be TWENTY MILLION DOLLARS AND ZERO CENTS (\$20,000,000.00) from and after the Closing Date, as such amount may be adjusted, if at all, from time to time in accordance with this Agreement.

Revolving Notes has the meaning ascribed to it in Section 2.1(c).

Roll-Up Obligations has the meaning ascribed to it in the Final Order.

Roll-Up Secured Parties has the meaning ascribed to it in the DIP Credit Agreement.

S&P means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc.

Sale Order has the meaning ascribed to it in the preamble to this Agreement.

Sale Support Agreement means the Sale Support Agreement, dated as of March 23, 2012, among, *inter alia*, Pre-Petition US Borrower, Allied Research, and their respective subsidiaries and affiliates signatory thereto, (ii) Freeport, as US agent, and Bank of Montreal, as Canadian agent, under the Pre-Petition First Lien Credit Agreement, the "Consenting First Lien Lenders" (as defined therein), the Second Lien Agent (as defined therein), and the "Consenting Second Lien Lenders" (as defined therein) in various capacities thereunder, as the same is amended, supplemented, restated or otherwise modified from time to time.

Security Agreement means, collectively, each security agreement entered into by and among any Agent, on behalf of Agent and applicable Lenders, and each Loan Party that is a signatory thereto.

Senior Debt means as of any date of determination (i) Funded Debt, including Letter of Credit Obligations, but otherwise excluding the Revolving Loan balance, plus (ii) the Average Daily Balance, less (iii) Subordinated Debt.

Sellers has the meaning ascribed to it in the definition of the term "Acquisition Agreement".

Software means all "software" as such term is defined in the Code, now owned or hereafter acquired by any Loan Party, other than software embedded in any category of Goods, including all computer programs and all supporting information provided in connection with a transaction related to any program.

Solvent means (1) with respect to any Person on a particular date that is subject to the Insolvency Laws of the United States, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including subordinated and contingent liabilities, of such Person; (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts and liabilities, including subordinated and contingent liabilities as they become absolute and matured; (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature; and (d) such Person is not engaged in a business or transaction, and is not about to engage in a business or transaction, for which such Person's property would constitute an unreasonably small capital; and (2) with respect to any Person on a particular date that is subject to Insolvency Law of Canada, that on such date (a) the aggregate property of such Person is sufficient at a fair valuation or if disposed of at a fairly conducted sale under legal process, to enable payment of all its obligations, due and accruing due, (b) such Person has not ceased paying its current obligations in the ordinary course of

business as they generally become due; and (c) such person is not for any reason unable to meet its obligations as they generally come due. The amount of contingent liabilities (such as Litigation, guaranties and pension plan liabilities) at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, represents the amount that would reasonably be expected to become an actual or matured liability.

Statement has the meaning ascribed to it in Section 7.2(b).

Stock means all shares, options, warrants, general or limited partnership interests, membership interests or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity, whether voting or nonvoting, including common stock, preferred stock or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934).

Stockholder means, with respect to any Person, each holder of Stock of such Person.

Subordinated Debt means the Indebtedness of any Loan Party subordinated to the Obligations as to right and time of payment and as to any other rights and remedies thereunder and having such other terms as are satisfactory to Agent.

Subsidiary means, with respect to any Person, (a) any corporation of which 100% of the outstanding Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, Stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned legally or beneficially by such Person or one or more Subsidiaries of such Person, or with respect to which any such Person has the right to vote or designate the vote of 100% of such Stock whether by proxy, agreement, operation of law or otherwise, and (b) any partnership or limited liability company in which such Person and/or one or more Subsidiaries of such Person shall have an interest (whether in the form of voting or participation in profits or capital contribution) of more 100% or of which any such Person is a general partner or may exercise the powers of a general partner. Unless the context otherwise requires, each reference to a Subsidiary shall be a reference to a Subsidiary of US Borrower.

Swing Line Advance has the meaning ascribed to it in Section 2.1(c).

Swing Line Availability has the meaning ascribed to it in Section 2.1(c).

Swing Line Commitment means the commitment of the Swing Line Lender to make Swing Line Advances as set forth on Annex A to this Agreement, which commitment constitutes a subfacility of the Revolving Loan Commitment of the Swing Line Lender, which aggregate commitment shall be THREE MILLION DOLLARS AND ZERO CENTS (\$3,000,000.00) as of the Closing Date, as such amount may be adjusted, if at all, in accordance with this Agreement.

Swing Line Lender means Freeport Offshore Loan Fund LLC.

Swing Line Loan means at any time, the aggregate amount of Swing Line Advances outstanding to US Borrower.

Swing Line Note has the meaning ascribed to it in Section 2.1(c).

Tax Returns means all reports, returns, information returns, claims for refund, elections, estimated Tax filings or payments, requests for extension, documents, statements, declarations and certifications and other information required to be filed with respect to Taxes, including attachments thereto and amendments thereof.

Taxes has the meaning ascribed to it in Section 2.9(a).

Termination Date means the date on which (a) the Loans have been repaid in full, (b) all other Obligations under this Agreement and the other Loan Documents have been completely discharged (other than contingent indemnification obligations as to which no unsatisfied claim has been asserted), (c) all Letter of Credit Obligations have been cash collateralized in the amount set forth in Section 2.5(h), cancelled or, with the consent of Agent in each instance, backed by standby letters of credit acceptable to Agent, (d) all Revolving Loan Commitments have been terminated and (e) Agent and Lenders have been released by Loan Parties of all claims against Agent and Lenders.

Term Lenders means Canadian Term Lenders and US Term Lenders.

Term Loan Amount means the US Term Loan Amount and the Canadian Term Loan C Amount.

Term Loans means, collectively, the US Term Loans and Canadian Term Loan C.

Term Notes means the US Term Notes and the Canadian Term Notes.

Title IV Plan means a “pension plan” as defined in Section 3(2) of ERISA (other than a Multiemployer Plan), that is covered by Title IV of ERISA or Section 412 of the IRC, and that any Loan Party or ERISA Affiliate maintains, contributes to or has an obligation to contribute to on behalf of participants who are or were employed by any of them.

Trademark Security Agreements means the Trademark Security Agreements made in favor of Agent, on behalf of Agent and applicable Lenders, by each applicable Loan Party.

Trademark License means rights under any written agreement now owned or hereafter acquired by any Loan Party granting any right to such Loan Party to use any Trademark owned by a third party.

Trademarks means all of the following now owned or hereafter adopted or acquired by any Loan Party: (a) all trademarks, trade names, corporate names, business names, trade styles, service marks, logos, internet domain names, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof; (b) all reissues, extensions or renewals thereof; and (c) all goodwill associated with or symbolized by any of the foregoing.

United States and U.S. mean the United States of America.

US Borrower has the meaning ascribed to it in the preamble to this Agreement.

US Indemnitees has the meaning ascribed to in Section 10.1.

US Lenders means (i) those Lenders having a Revolving Loan Commitment and/or holding a US Term Loan; and (ii) Qualified Counterparties and L/C Issuers as provided in the definition of "Lenders."

US Loan Parties means any Loan Party organized or incorporated under the laws of a jurisdiction in the United States.

US Loans means the Revolving Loans, the US Term Loan A, the US Term Loan B, the US Term Loan C and the Swing Line Loan.

US Obligations means all US Loans, all Obligations with respect to US Loans and all other Obligations owing by the US Borrower (other than the guaranty by US Loan Parties of any Canadian Obligations) under the Loan Documents.

US Scheduled Installments has the meaning ascribed to it in Section 2.1(a).

US Settlement Date has the meaning ascribed to it in Section 9.5(a)(ii).

US Subsidiaries means any Subsidiary organized or incorporated under the laws of a jurisdiction in the United States.

US Term Lenders means those Lenders holding a US Term Loan.

US Term Loan Amount means at any time the US Term Loan A Amount, the US Term Loan B Amount and the US Term Loan C Amount at such time.

US Term Loan A has the meaning ascribed to it in Section 2.1(a).

US Term Loan A Amount means at any time (a) as to any Lender, the principal amount of the US Term Loan A held by such Lender at such time (with such amount on the Closing Date being the amount set forth on Annex A opposite such Lender's name (with respect to such Lender, such Lender's "US Term Loan A Initial Amount") and (b) as to all Lenders, the aggregate principal amount of the US Term Loan A held by all Lenders at such time.

US Term Loan A Initial Amount has the meaning ascribed to it in the definition of the term "US Term Loan A Amount".

US Term Loan A Lenders means those Lenders holding a US Term Loan A.

US Term Loan B has the meaning ascribed to it in Section 2.1(a).

US Term Loan B Amount means at any time (a) as to any Lender, the principal amount of the US Term Loan B held by such Lender at such time (with such amount on the Closing Date being the amount set forth on Annex A opposite such Lender's name (with respect to such Lender, such Lender's "US Term Loan B Initial Amount") and (b) as to all Lenders, the aggregate principal amount of the US Term Loan B held by all Lenders at such time.

US Term Loan B Initial Amount has the meaning ascribed to it in the definition of the term "US Term Loan B Amount".

US Term Loan B Lenders means those Lenders holding a US Term Loan B.

US Term Loan C has the meaning ascribed to it in Section 2.1(a).

US Term Loan C Amount means at any time (a) as to any Lender, the principal amount of the US Term Loan C held by such Lender at such time (with such amount on the Closing Date being the amount set forth on Annex A opposite such Lender's name (with respect to such Lender, such Lender's "US Term Loan C Initial Amount") and (b) as to all Lenders, the aggregate principal amount of the US Term Loan C held by all Lenders at such time.

US Term Loan C Initial Amount has the meaning ascribed to it in the definition of the term "US Term Loan C Amount".

US Term Loan C Lenders means those Lenders holding a US Term Loan C.

US Term Loans means, collectively, US Term Loan A, US Term Loan B and US Term Loan C.

US Term Notes has the meaning ascribed to it in Section 2.1(a).

1.2 Rules of Construction. Rules of construction with respect to accounting terms used in this Agreement or the other Loan Documents shall be as set forth or referred to in this Section 1.2. All other undefined terms contained in any of the Loan Documents shall, unless the context indicates otherwise, have the meanings provided for by the Code to the extent the same are used or defined therein. Unless otherwise specified, references in this Agreement or any of the Appendices to a Section, subsection or clause refer to such Section, subsection or clause as contained in this Agreement. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole, including all Annexes, Exhibits and Schedules, as the same may from time to time be amended, restated, modified or supplemented, and not to any particular section, subsection or clause contained in this Agreement or any such Annex, Exhibit or Schedule.

Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter genders. The words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; the word "or" is not exclusive; references to Persons include their respective successors and assigns (to the extent and only to the extent permitted by the Loan Documents) or, in the case of governmental Persons, Persons succeeding to the relevant functions of such Persons; and all references to statutes and related regulations shall include any amendments of the same and any successor statutes and regulations. Definitions of agreements and instruments referenced in this Agreement shall mean and refer to such agreements and instruments as amended, modified, supplemented, restated, substituted or replaced from time to time in accordance with their respective terms and the terms of this Agreement and the other Loan Documents. For the purpose of any threshold or limit referred to herein by reference to an amount of Dollars, the equivalent amount in Dollars of any other relevant currency shall be calculated on the basis of the applicable currency exchange rate most recently published in The Wall Street Journal, or, where applicable, an average for the applicable period.

SECTION 2. **AMOUNTS AND TERMS OF LOANS**

2.1 Loans. Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of Borrowers and the other Loan Parties contained herein:

(a) US Term Loans.

(i) On the Closing Date, pursuant to the applicable Credit Bid and Acquisition Documents and as a portion of the Credit Bid and Acquisition Consideration provided by US Borrower, US Borrower hereby assumes the principal balance of the Roll-Up Obligations as of the Closing Date, and the aggregate amount so assumed shall be considered the aggregate principal amount of a loan hereunder equal to \$15,300,000 (the "US Term Loan A") (and the amount held by each Lender on the Closing Date shall be such Lender's US Term Loan A Initial Amount). US Borrower shall repay the US Term Loan A through periodic payments on the dates and in the amounts indicated below (the "US Scheduled Installments"):

US Term Loan A

<u>Date</u>	<u>US Scheduled Installment</u>
April 1, 2013	\$12,500
July 1, 2013	\$12,500
October 1, 2013	\$12,500
January 1, 2014	\$12,500
April 1, 2014	\$12,500
July 1, 2014	\$12,500
October 1, 2014	\$12,500
January 1, 2015	\$12,500
April 1, 2015	\$12,500
June 20, 2015	\$15,187,500

The final installment shall in all events equal the entire remaining principal balance of US Term Loan A.

(ii) On the Closing Date, a \$5,000,000 note constituted a portion of the Credit Bid and Acquisition Consideration provided by US Borrower and (x) the obligations under such note evidence a loan hereunder (the "US Term Loan B") and shall hereafter be governed hereby and (y) on the Closing Date, each Lender shall hold US Term Loan B in an amount equal to its US Term Loan B Initial Amount (if any). The entire principal amount of the US Term Loan B shall be due and payable in one principal installment on the Commitment Termination Date.

(iii) On the Closing Date, a \$31,000,000 note constituted a portion of the Credit Bid and Acquisition Consideration provided by US Borrower and (x) the obligations under such note evidence a loan hereunder (the "US Term Loan C") and shall hereafter be governed hereby and (y) on the Closing Date, each Lender shall hold US Term Loan C in an amount equal to its US Term Loan C Initial Amount (if any). The entire principal amount of the US Term Loan C shall be due and payable in one principal installment on the Commitment Termination Date.

Amounts borrowed under this Section 2.1(a) and repaid may not be reborrowed.

At the request of the applicable Lender, the US Term Loan A, US Term Loan B or US Term Loan C, as applicable, shall be evidenced by promissory notes substantially in the form of Exhibit 2.1(a) (as amended, modified, extended, substituted or replaced from time to time, each a "US Term Note" and, collectively, the "US Term Notes"), and US Borrower shall execute and deliver an applicable US Term Note to each such applicable US Term Lender. Each US Term Note shall represent the obligation of US

Borrower to pay the amount of the applicable US Term Lender's US Term Loan Amount, together with interest thereon.

(b) Canadian Term Loan C.

On the Closing Date, a \$4,000,000 note constituted a portion of the Credit Bid and Acquisition Consideration provided by Canadian Borrower and (i) the obligations under such note evidence a loan hereunder (the "Canadian Term Loan C") and shall hereafter be governed hereby and (ii) on the Closing Date, each Lender shall hold the Canadian Term Loan C in an amount equal to its Canadian Term Loan C Initial Amount (if any). The entire principal amount of the Canadian Term Loan C shall be due and payable in one principal installment on the Commitment Termination Date.

Amounts borrowed under this Section 2.1(b) and repaid may not be reborrowed.

At the request of any applicable Lender, the Canadian Term Loan C shall be evidenced by promissory notes substantially in the form of Exhibit 2.1(b) (as amended, modified, extended, substituted or replaced from time to time, each a "Canadian Term Note" and, collectively, the "Canadian Term Notes"), and Canadian Borrower shall execute and deliver a Canadian Term Note to each such Canadian Term Lender. Each Canadian Term Note shall represent the obligation of Canadian Borrower to pay the amount of the applicable Canadian Term Lender's Canadian Term Loan C Amount, together with interest thereon.

(c) Revolving Loans.

(i) Each Revolving Lender agrees, severally and not jointly, to make available to US Borrower from time to time until the Commitment Termination Date its Pro Rata Share of advances (each a "Revolving Credit Advance") requested by Borrower Representative hereunder. The Pro Rata Share of the Revolving Loan of any Revolving Lender (including, without duplication, Swing Line Loans) shall not at any time exceed its separate Revolving Loan Commitment. Revolving Credit Advances may be repaid and reborrowed; provided, that the amount of any Revolving Credit Advance to be made at any time shall not exceed Borrowing Availability. The Revolving Loans shall be repaid in full on the Commitment Termination Date. If requested by a Revolving Lender, US Borrower shall execute and deliver to such Revolving Lender a note to evidence the Revolving Loan Commitment of that Revolving Lender. Each such note shall be in the maximum principal amount of the Revolving Loan Commitment of the applicable Revolving Lender, dated the Closing Date and substantially in the form of Exhibit 2.1(c)(i) (as amended, modified, extended, substituted or replaced from time to time, each a "Revolving Note" and, collectively, the "Revolving Notes"). Other than pursuant to Section 2.1(c)(ii), if at any time the aggregate outstanding Revolving Loan exceeds the amount permitted by clause (B)(ii) of the definition of Borrowing Availability ("Overadvance"), Lenders shall not be obligated to make Revolving Credit Advances, no additional Letters of Credit shall be issued and, except as provided in Section 2.1(c)(ii) below, the Revolving Loan must be repaid immediately and Letters of Credit cash collateralized in an amount sufficient to eliminate such Overadvance. All Overadvances shall constitute Index Rate Loans and at the written request of Agent shall bear interest at the Index Rate plus the Applicable Revolver Index Margin and shall bear interest at the Default Rate only if not repaid within three (3) Business Days. For funding requests for Revolving Credit Advances to be funded as Index Rate Loans of \$1,000,000 or less, written notice must be provided by noon (Chicago time) on the Business Day on which the Revolving Credit Advance is to be made; for funding requests for Revolving Credit Advances to

be funded as Index Rate Loans of more than \$1,000,000, written notice must be provided by noon (Chicago time) on the Business Day before which the Revolving Credit Advance is to be made. All Revolving Credit Advances to be funded as LIBOR Loans require three (3) Business Days prior written notice. Written notices for all funding requests shall be in the form attached as Exhibit 2.1(c)(ii) ("Notice of Revolving Credit Advance").

(ii) If Borrower Representative requests that Revolving Lenders make, or permit to remain outstanding an Overadvance, Agent may, in its sole discretion, elect to make, or permit to remain outstanding, such Overadvances; provided, however, that Agent may not cause Revolving Lenders to make, or permit to remain outstanding, (a) a Revolving Loan balance in excess of the Maximum Amount, (b) an Overadvance in an aggregate amount in excess of \$2,000,000 or (c) an Overadvance for more than five (5) days without the consent of the Requisite Revolving Lenders. If an Overadvance is made, or permitted to remain outstanding, pursuant to the preceding sentence, then all Revolving Lenders shall be bound to make, or permit to remain outstanding such Overadvance based upon their Pro Rata Shares of the Revolving Loan Commitment in accordance with the terms of this Agreement. If an Overadvance remains outstanding for more than ninety (90) days during any one hundred eighty (180) day period, the Revolving Loans must be repaid immediately in an amount sufficient to eliminate all of such Overadvances. Furthermore, Requisite Revolving Lenders may prospectively revoke Agent's ability to make or permit Overadvances by written notice to Agent. Any Overadvance may be made as a Swing Line Advance.

(iii) On the Closing Date, pursuant to the applicable Credit Bid Documentation and as a portion of the Credit Bid Consideration provided by US Borrower, US Borrower hereby assumes the obligations under the DIP Revolving Facility outstanding as of the Closing Date in an aggregate amount of \$11,420,970.67, which shall be considered an aggregate principal amount of Revolving Loans outstanding on the Closing Date held by Revolving Lender in an amount of its Pro Rata Share thereof.

(d) Swing Line Facility.

(i) Agent shall notify the Swing Line Lender upon Agent's receipt of any Notice of Revolving Credit Advance. Subject to the terms and conditions hereof, the Swing Line Lender may, in its discretion, make available from time to time until the Commitment Termination Date advances (each, a "Swing Line Advance") in accordance with any such notice. The provisions of this Section 2.1(d) shall not relieve Revolving Lenders of their obligations to make Revolving Credit Advances under Section 2.1(c); provided that if the Swing Line Lender makes a Swing Line Advance pursuant to any such notice, such Swing Line Advance shall be in lieu of any Revolving Credit Advance that otherwise may be made by Revolving Lenders pursuant to such notice. Except as provided in Section 2.1(c)(ii) above, the aggregate amount of Swing Line Advances outstanding shall not exceed at any time the lesser of (A) the Swing Line Commitment and (B) Borrowing Availability ("Swing Line Availability"). Until the Commitment Termination Date, US Borrower may from time to time borrow, repay and reborrow under this Section 2.1(d). Each Swing Line Advance shall be made pursuant to a Notice of Revolving Credit Advance delivered by Borrower Representative to Agent in accordance with Section 2.1(c). Unless the Swing Line Lender has received at least one (1) Business Day's prior written notice from Requisite Revolving Lenders instructing it not to make a Swing Line Advance, the Swing Line Lender shall, notwithstanding the failure of any condition precedent set forth in Section 3.2, be entitled to fund that Swing Line Advance, and to have each Revolving Lender make Revolving Credit Advances in accordance with Section 2.1(d)(iii) or purchase participating interests in

accordance with Section 2.1(d)(iv). Notwithstanding any other provision of this Agreement or the other Loan Documents, the Swing Line Loan shall constitute an Index Rate Loan. Unless refunded as a Revolving Loan as provided in Section 2.1(d)(iii) below, US Borrower shall repay the aggregate outstanding principal amount of the Swing Line Loan upon demand therefor by Agent. The entire unpaid balance of the Swing Line Loan and all other noncontingent Obligations shall be immediately due and payable in full in immediately available funds on the Commitment Termination Date if not sooner paid in full.

(ii) US Borrower shall execute and deliver to the Swing Line Lender a promissory note to evidence the Swing Line Commitment. Such note shall be in the principal amount of the Swing Line Commitment of the Swing Line Lender, dated the Closing Date and substantially in the form of Exhibit 2.1(d) (as amended, modified, extended, substituted or replaced from time to time, the “Swing Line Note”). The Swing Line Note shall represent the obligation of US Borrower to pay the amount of the Swing Line Commitment or, if less, the aggregate unpaid principal amount of all Swing Line Advances made to US Borrower together with interest thereon as prescribed in Section 2.2.

(iii) The Swing Line Lender, at any time and from time to time in its sole and absolute discretion but no less frequently than once each week shall on behalf of US Borrower (and US Borrower hereby irrevocably authorizes the Swing Line Lender to so act on its behalf) request each Revolving Lender (including the Swing Line Lender) to make a Revolving Credit Advance to US Borrower (which shall be an Index Rate Loan) in an amount equal to that Revolving Lender’s Pro Rata Share of the principal amount of the Swing Line Loan (the “Refunded Swing Line Loan”) outstanding on the date such notice is given. Unless any of the events described in Sections 8.1(f) and 8.1(g) has occurred and is continuing (in which event the procedures of Section 2.1(d)(iv) shall apply) and regardless of whether the conditions precedent set forth in this Agreement to the making of a Revolving Credit Advance are then satisfied, each Revolving Lender shall disburse directly to Agent, its Pro Rata Share of a Revolving Credit Advance on behalf of the Swing Line Lender, prior to 2:00 p.m. (Chicago time), in immediately available funds on the Business Day next succeeding the date that notice is given. The proceeds of those Revolving Credit Advances shall be immediately paid to the Swing Line Lender and applied to repay the Refunded Swing Line Loan.

(iv) If, prior to refunding a Swing Line Loan with a Revolving Credit Advance pursuant to Section 2.1(d)(iii), one of the events described in Sections 8.1(f) or 8.1(g) has occurred and is continuing, then, subject to the provisions of Section 2.1(d)(v) below, each Revolving Lender shall, on the date such Revolving Credit Advance was to have been made for the benefit of US Borrower, purchase from the Swing Line Lender an undivided participation interest in the Swing Line Loan in an amount equal to its Pro Rata Share (determined with respect to Revolving Loans) of such Swing Line Loan. Upon request, each Revolving Lender shall promptly transfer to the Swing Line Lender, in immediately available funds, the amount of its participation interest.

(v) Each Revolving Lender’s obligation to make Revolving Credit Advances in accordance with Section 2.1(d)(iii) and to purchase participation interests in accordance with Section 2.1(d)(iv) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender may have against the Swing Line Lender, US Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of any Default or Event of Default; (C) any inability of US Borrower to satisfy the conditions precedent to borrowing set forth in this

Agreement at any time or (D) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. The Swing Line Lender shall be entitled to recover, on demand, from each Revolving Lender the amounts required pursuant to Sections 2.1.(d)(iii) or 2.1(d)(iv), as the case may be. If any Revolving Lender does not make available such amounts to Agent or the Swing Line Lender, as applicable, the Swing Line Lender shall be entitled to recover, on demand, such amount on demand from such Revolving Lender, together with interest thereon for each day from the date of non-payment until such amount is paid in full at the Federal Funds Rate for the first two Business Days and at the Index Rate thereafter.

(e) [reserved].

(f) Letters of Credit. The Revolving Loan Commitment may, in addition to advances under the Revolving Loan, be utilized (subject to the limitations imposed by Section 2.1(c)), upon the request of Borrower Representative on behalf of the US Borrower, for the issuance of Letters of Credit. Immediately upon the issuance by an L/C Issuer of a Letter of Credit, and without further action on the part of Agent or any of the Lenders, each Revolving Lender shall be deemed to have purchased from such L/C Issuer a participation in such Letter of Credit (or in its obligation under a risk participation agreement with respect thereto) equal to such Revolving Lender's Pro Rata Share of the aggregate amount available to be drawn under such Letter of Credit.

(i) Maximum Amount. The aggregate amount of Letter of Credit Obligations with respect to all Letters of Credit outstanding or unreimbursed at any time shall not exceed \$1,000,000 ("L/C Sublimit").

(ii) Reimbursement. US Borrower shall be irrevocably and unconditionally obligated forthwith without presentment, demand, protest or other formalities of any kind, to reimburse any L/C Issuer on demand in immediately available funds for any amounts paid by such L/C Issuer with respect to a Letter of Credit, including all reimbursement payments, Fees, charges and reasonable costs and expenses paid by such L/C Issuer, without duplication of fees otherwise paid by US Borrower. US Borrower hereby authorizes and directs Agent, at Agent's option (which option Agent shall exercise if directed to by the Requisite Revolving Lenders), to debit US Borrower's account (by increasing the outstanding principal balance of the Revolving Credit Advances or Swing Line Advances made to US Borrower) in the amount of any payment made by an L/C Issuer with respect to any Letter of Credit, and a notice of Revolving Credit Advance requesting an Index Rate Loan in such amount shall be deemed to have been timely given on such date. All amounts paid by an L/C Issuer with respect to any Letter of Credit that are not immediately repaid by US Borrower with the proceeds of a Revolving Credit Advance, Swing Line Advance or otherwise shall bear interest payable on demand at the interest rate applicable to Revolving Credit Advances which are Index Rate Loans plus, at the election of Agent or Requisite Revolving Lenders, an additional two percent (2.00%) per annum. Each Revolving Lender agrees to fund its Pro Rata Share of any Revolving Loan made pursuant to this Section 2.1(f)(ii). In the event Agent elects not to debit US Borrower's account and US Borrower fails to reimburse the L/C Issuer in full on the date of any payment in respect of a Letter of Credit, Agent shall promptly notify each Revolving Lender of the amount of such unreimbursed payment and the accrued interest thereon and each Revolving Lender, on the next Business Day prior to 2:00 p.m. (Chicago time), shall deliver to Agent an amount equal to its Pro Rata Share thereof in same day funds. Each Revolving Lender hereby absolutely and unconditionally agrees to pay to the L/C Issuer upon demand by the L/C Issuer such Revolving Lender's Pro Rata Share of each payment made by the L/C Issuer in respect of a Letter of Credit and not reimbursed within one (1) Business Day by US Borrower or satisfied through a debit of US Borrower's

account. Each Revolving Lender acknowledges and agrees that its obligations pursuant to this subsection in respect of Letters of Credit are absolute and unconditional and shall not be affected by any circumstance whatsoever, including setoff, counterclaim, the occurrence and continuance of a Default or an Event of Default or any failure by US Borrower to satisfy any of the conditions set forth in Section 3.2. If any Revolving Lender fails to make available to the L/C Issuer the amount of such Revolving Lender's Pro Rata Share of any payments made by the L/C Issuer in respect of a Letter of Credit as provided in this Section 2.1(f)(ii), the L/C Issuer shall be entitled to recover such amount on demand from such Revolving Lender together with interest at the Index Rate.

(iii) Request for Letters of Credit. Borrower Representative shall give Agent at least three (3) Business Days prior written notice specifying the date a Letter of Credit is requested to be issued, the amount and the name and address of the beneficiary and a description of the transactions proposed to be supported thereby, and the expiry date (or extended expiry date) of the Letter of Credit. Each request by Borrower Representative for the issuance of a Letter of Credit shall be in the form of Exhibit 2.1(f) (a "Request for a Letter of Credit Issuance"). If Agent informs Borrower Representative that the L/C Issuer cannot issue the requested Letter of Credit directly, Borrower Representative may request that L/C Issuer arrange for the issuance of the requested Letter of Credit under a risk participation agreement with another financial institution reasonably acceptable to Agent, L/C Issuer and Borrower Representative. The issuance of any Letter of Credit under this Agreement shall be subject to satisfaction of the conditions set forth in Section 3.2 and the conditions that the Letter of Credit (i) supports a transaction benefiting US Borrower or its wholly-owned Subsidiaries and (ii) is in a form, is for an amount and contains such terms and conditions as are reasonably satisfactory to the L/C Issuer and, in the case of standby letters of credit, Agent. The initial notice requesting the issuance of Letter of Credit shall be accompanied by the form of the Letter of Credit and an application and reimbursement agreement for a Letter of Credit, if any, then required by the L/C Issuer completed in a manner reasonably satisfactory to such L/C Issuer. If any provision of any application or reimbursement agreement is inconsistent with the terms of this Agreement, then the provisions of this Agreement, to the extent of such inconsistency, shall control.

(iv) Expiration Dates of Letters of Credit. The expiration date of each Letter of Credit shall be on a date which is not later than the earlier of (a) one year from its date of issuance or (b) the seventh (7th) day prior to the date set forth in clause (a) of the definition of the term Commitment Termination Date. Notwithstanding the foregoing, a Letter of Credit may provide for automatic extensions of its expiration date for one (1) or more successive one (1) year periods provided that upon not less than 30 days written notice to Borrower Representative, the L/C Issuer has the right to terminate such Letter of Credit on each such annual expiration date and no renewal term may extend the term of the Letter of Credit to a date that is later than the seventh (7th) day prior to the date set forth in clause (a) of the definition of the term Commitment Termination Date. The L/C Issuer may elect not to renew any such Letter of Credit and, upon direction by Agent or Requisite Revolving Lenders, shall not renew any such Letter of Credit at any time during the continuance of an Event of Default, provided that, in the case of a direction by Agent or Requisite Revolving Lenders, the L/C Issuer receives such directions prior to the date notice of non-renewal is required to be given by the L/C Issuer and the L/C Issuer has had a reasonable period of time to act on such notice.

(v) Obligations Absolute. The obligation of US Borrower to reimburse the L/C Issuer, Agent and Lenders for payments made in respect of Letters of Credit issued by the L/C Issuer shall be unconditional and irrevocable and shall be paid under all circumstances strictly in

accordance with the terms of this Agreement, including the following circumstances: (a) any lack of validity or enforceability of any Letter of Credit; (b) any amendment or waiver of or any consent or departure from all or any of the provisions of any Letter of Credit or any Loan Document; (c) the existence of any claim, set-off, defense or other right which US Borrower, any of its Subsidiaries or Affiliates or any other Person may at any time have against any beneficiary of any Letter of Credit, Agent, any L/C Issuer, any Lender or any other Person, whether in connection with this Agreement, any other Loan Document or any other related or unrelated agreements or transactions; (d) any draft or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (e) payment under any Letter of Credit against presentation of a draft or other document that does not substantially comply with the terms of such Letter of Credit; or (f) any other act or omission to act or delay of any kind of any L/C Issuer, Agent, any Lender or any other Person or any other event or circumstance whatsoever that might, but for the provisions of this Section 2.1(d)(v), constitute a legal or equitable discharge of US Borrower's obligations hereunder. Without limiting the generality of the foregoing, it is expressly understood and agreed by US Borrower that the absolute and unconditional obligation of US Borrower to Agent and Lenders hereunder to reimburse payments made under a Letter of Credit will not be excused by the gross negligence or willful misconduct of the L/C Issuer. However, the foregoing shall not be construed to excuse an L/C Issuer from liability to US Borrower and from claims which US Borrower may assert against the L/C Issuer subject to the terms of the reimbursement agreement with the L/C Issuer.

(vi) Obligations of L/C Issuers. Each L/C Issuer (other than Freeport and Freeport Loan) hereby agrees that it will not issue a Letter of Credit hereunder until it has provided Agent with written notice specifying the amount and intended issuance date of such Letter of Credit and Agent has returned a written acknowledgment of such notice to L/C Issuer (such notices and acknowledgments to be given promptly). Each L/C Issuer (other than Freeport and Freeport Loan) further agrees to provide to Agent: (a) a copy of each Letter of Credit issued by such L/C Issuer promptly after its issuance; (b) a weekly report summarizing available amounts under Letters of Credit issued by such L/C Issuer, the dates and amounts of any draws under such Letters of Credit, the effective date of any increase or decrease in the face amount of any Letters of Credit during such week and the amount of any unreimbursed draws under such Letters of Credit; and (c) such additional information reasonably requested by Agent from time to time with respect to the Letters of Credit issued by such L/C Issuer.

(vii) Defaulting Lenders. Notwithstanding anything else to the contrary herein, if any Revolving Lender is a Defaulting Lender, no L/C Issuer shall be obligated to issue, extend, renew or amend any Letter of Credit unless (w) the Defaulting Lender has been replaced in accordance with Section 9.1 or 10.19, (x) the Letter of Credit Obligations of such Defaulting Lender have been cash collateralized, (y) the Revolving Loan Commitments of the other Lenders have been increased by an amount sufficient to satisfy Agent that all future Letter of Credit Obligations will be covered by all Revolving Lenders that are not Defaulting Lenders, or (z) the Letter of Credit Obligations of such Defaulting Lender have been reallocated to other Revolving Lenders in a manner consistent with Section 9.6(b).

(g) Funding Authorization. The proceeds of all US Loans made pursuant to this Agreement subsequent to the Closing Date are to be funded by Agent by wire transfer to the account designated by Borrower Representative in the relevant Notice of Revolving Credit Advance (the “Disbursement Account”).

2.2 Interest and Applicable Margins.

(a) The applicable Borrower shall pay interest to Agent, for the ratable benefit of the Canadian Term Lenders and US Lenders, as applicable, with respect to the various Loans made by each Lender (or in the case of the Swing Line Advance, for benefit of the Swing Line Lender, in arrears on each applicable Interest Payment Date, at the following rates: (i) with respect to the Revolving Credit Advances which are designated as Index Rate Loans (and for all other Obligations not otherwise set forth below), the Index Rate plus the Applicable Revolver Index Margin per annum or, with respect to Revolving Credit Advances which are designated as LIBOR Loans, at the election of Borrower Representative, the applicable LIBOR Rate plus the Applicable Revolver LIBOR Margin per annum; (ii) with respect to such portion of the US Term Loan A designated as an Index Rate Loan, the Index Rate plus the Applicable Term Loan A Index Margin per annum or, with respect to such portion of the US Term Loan A designated as a LIBOR Loan, the applicable LIBOR Rate plus the Applicable Term Loan A LIBOR Margin per annum; (iii) with respect to such portion of the US Term Loan B designated as an Index Rate Loan, the Index Rate plus the Applicable Term Loan B Index Margin per annum or, with respect to such portion of the US Term Loan B designated as a LIBOR Loan, the applicable LIBOR Rate plus the Applicable Term Loan B LIBOR Margin per annum; (iv) with respect to such portion of the US Term Loan C or Canadian Term Loan C designated as an Index Rate Loan, the Index Rate plus the Applicable Term Loan C Index Margin per annum or, with respect to such portion of the US Term Loan C or Canadian Term Loan C designated as a LIBOR Loan, the applicable LIBOR Rate plus the Applicable Term Loan C LIBOR Margin per annum; and (v) with respect to the Swing Line Loan, the Index Rate plus the Applicable Revolver Index Margin per annum.

The Applicable Margins are as follows:

Applicable Revolver Index Margin	5.00%
Applicable Revolver LIBOR Margin	6.00%
Applicable Term Loan A Index Margin	5.00%
Applicable Term Loan A LIBOR Margin	6.00%
Applicable Term Loan B Index Margin	5.00%
Applicable Term Loan B LIBOR Margin	6.00%
Applicable Term Loan C Index Margin	5.00%
Applicable Term Loan C LIBOR Margin	6.00%
Applicable Revolver Unused Line Fee Margin	0.50%

(b) If any payment on any Loan becomes due and payable on a day other than a Business Day, the maturity thereof will be extended to the next succeeding Business Day (except as set forth in the definition of LIBOR Period) and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

(c) All computations of Fees calculated on a per annum basis and interest shall be made by Agent on the basis of a 360-day year, in each case for the actual number of days occurring in the period for which such Fees and interest are payable. The Index Rate is a floating rate determined for each day.

Each determination by Agent of an interest rate and Fees hereunder shall be presumptive evidence of the correctness of such rates and Fees, absent manifest error.

(d) So long as an Event of Default has occurred and is continuing under Section 8.1(a), (f) or (g) and without notice of any kind, or so long as any other Event of Default has occurred and is continuing and at the election of Agent or the Requisite Lenders confirmed by written notice from Agent or the Requisite Lenders to Borrower Representative, the interest rates applicable to the Loans and the Letter of Credit Fee shall, subject to the *Interest Act* (Canada), be increased by two percentage points (2%) per annum above the rates of interest or the rate of such Fee otherwise applicable hereunder ("Default Rate"), and the outstanding principal balance of the Loans shall bear interest at the Default Rate applicable to such Obligations. Interest and Letter of Credit Fees at the Default Rate shall accrue from the initial date of such Event of Default until that Event of Default is cured or waived and shall be payable upon demand, but in any event, shall be payable on the next regularly scheduled payment date set forth herein for such Obligation.

(e) Borrower Representative, on behalf of US Borrower (or Canadian Borrower with respect to the Canadian Term Loan C), shall have the option to (i) request that any Revolving Credit Advance (other than the Swing Line Loan) be made as a LIBOR Loan, (ii) convert at any time all or any part of outstanding US Loans (other than the Swing Line Loan) or Canadian Term Loan C from Index Rate Loans to LIBOR Loans, (iii) convert any LIBOR Loan to an Index Rate Loan in Dollars, subject to payment of the LIBOR Breakage Costs in accordance with Section 2.3(d) if such conversion is made prior to the expiration of the LIBOR Period applicable thereto, or (iv) continue all or any portion of any US Loan (other than the Swing Line Loan) or Canadian Term Loan C as a LIBOR Loan upon the expiration of the applicable LIBOR Period and the succeeding LIBOR Period of that continued Loan shall commence on the first day after the last day of the LIBOR Period of the US Loan or Canadian Term Loan C to be continued. Any US Loan, Canadian Term Loan C or group of Loans having the same proposed LIBOR Period to be made or continued as, or converted into, a LIBOR Loan must be in a minimum amount of \$1,000,000 and integral multiples of \$100,000 in excess of such amount. Any such election must be made by noon (Chicago time) on the 3rd Business Day prior to (1) the date of any proposed Revolving Credit Advance which is to bear interest at the LIBOR Rate, (2) the end of each LIBOR Period with respect to any LIBOR Loans to be continued as such, or (3) the date on which Borrower Representative, on behalf of the US Borrower (or Canadian Borrower with respect to the Canadian Term Loan C), wishes to convert any Index Rate Loan in Dollars to a LIBOR Loan for a LIBOR Period designated by Borrower Representative in such election. If no election is received with respect to a LIBOR Loan by noon (Chicago time) on the 3rd Business Day prior to the end of the LIBOR Period with respect thereto, that LIBOR Loan shall be converted to an Index Rate Loan at the end of its LIBOR Period. Borrower Representative, on behalf of the US Borrower (or Canadian Borrower with respect to the Canadian Term Loan C), must make such election by notice to Agent in writing, by fax or overnight courier (or by telephone, to be promptly confirmed in writing). In the case of any conversion or continuation, such election must be made pursuant to a written notice (a "Notice of Conversion/Continuation") in the form of Exhibit 2.2(e). No US Loan or Canadian Term Loan C shall be made, converted into or continued as a LIBOR Loan, if an Event of Default has occurred and is continuing and Agent or the Appropriate Category of Lenders have determined not to make or continue any Loan as a LIBOR Loan as a result thereof.

(f) Notwithstanding anything to the contrary set forth in this Section 2.2, if a court of competent jurisdiction determines in a final order that the rate of interest payable hereunder exceeds the highest rate of interest permissible under law (the "Maximum Lawful Rate"), then so long as the Maximum Lawful Rate would be so exceeded, the rate of interest payable hereunder shall be equal to the Maximum Lawful Rate (with such reduction to be effected, in the case of payments subject to the

application of section 347 of the *Criminal Code* (Canada) and to the extent necessary, as follows: (i) first, by reducing the amount or rate of interest required to be paid to any affected Lender under this Section 2.2, and (ii) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to such Lender which would constitute "interest" for purposes of Section 347 of the *Criminal Code* (Canada)); provided, however, that if at any time thereafter the rate of interest payable hereunder is less than the Maximum Lawful Rate, each Borrower shall continue to pay interest hereunder at the Maximum Lawful Rate until such time as the total interest received by Agent, on behalf of applicable Lenders, is equal to the total interest that would have been received had the interest rate payable hereunder been (but for the operation of this paragraph) the interest rate payable since the Closing Date as otherwise provided in this Agreement. Thereafter, interest hereunder shall be paid at the rate(s) of interest and in the manner provided in Sections 2.2(a) through (e), unless and until the rate of interest again exceeds the Maximum Lawful Rate, and at that time this paragraph shall again apply. In no event shall the total interest received by any Lender pursuant to the terms hereof exceed the amount that such Lender could lawfully have received had the interest due hereunder been calculated for the full term hereof at the Maximum Lawful Rate. If the Maximum Lawful Rate is calculated pursuant to this paragraph, such interest shall be calculated at a daily rate equal to the Maximum Lawful Rate divided by the number of days in the year in which such calculation is made. If, notwithstanding the provisions of this Section 2.2(f), a court of competent jurisdiction shall determine by a final, non-appealable order that a Lender has received interest hereunder in excess of the Maximum Lawful Rate, Agent shall, to the extent permitted by applicable law, promptly apply such excess as specified in Section 2.5(g) and thereafter shall refund any excess to the applicable Borrower or as such court of competent jurisdiction may otherwise order.

(g) For purposes of disclosure pursuant to the *Interest Act* (Canada), the annual rates of interest or fees to which the rates of interest or fees provided herein and in the other Loan Documents (and stated herein or therein, as applicable, to be computed on the basis of a 360 day year or any other period of time less than a calendar year) are equivalent are the rates so determined multiplied by the actual number of days in the applicable calendar year and divided by 360 or such other period of time, respectively.

2.3 Fees.

(a) Fee Letter. US Borrower shall pay to Freeport, individually, the Fees specified in that certain fee letter of even date herewith among US Borrower and Freeport (the "Fee Letter"), at the times specified for payment therein.

(b) Unused Line Fees. As additional compensation for the Revolving Lenders, US Borrower shall pay to Agent, for the ratable benefit of such Lenders, in arrears, on the first Business Day of each calendar quarter prior to the Commitment Termination Date and on the Commitment Termination Date, a fee for US Borrower's non-use of available funds in an amount equal to the Applicable Revolver Unused Line Fee Margin per annum multiplied by the difference between (x) the Maximum Amount (as it may be reduced from time to time) and (y) the average for the period of the daily closing balances of the Revolving Loans (including, without duplication, Swing Line Loans) outstanding during the period for which such Fee is due.

(c) Letter of Credit Fee. US Borrower agrees to pay to Agent for the benefit of Revolving Lenders, as compensation to such Revolving Lenders for Letter of Credit Obligations incurred hereunder, (i) without duplication of costs and expenses otherwise payable to Agent or US Lenders hereunder, all reasonable costs and expenses, without duplication of fees otherwise paid by US Borrower, incurred by Agent or any US Lender on account of such Letter of Credit Obligations, and (ii) for each quarter during which any Letter of Credit Obligation shall remain outstanding, a fee (the "Letter of Credit Fee") in an

amount equal to the product of the average daily undrawn face amount of all Letters of Credit issued, guaranteed or supported by risk participation agreements multiplied by a per annum rate equal to the Applicable Revolver LIBOR Margin from time to time in effect. Such fee shall be paid to Agent for the benefit of the Revolving Lenders in arrears, on the first Business Day of each calendar quarter, upon termination or expiration of the applicable Letter of Credit, and on the Commitment Termination Date. In addition, US Borrower shall pay to any L/C Issuer, on demand, reasonable and customary fees, without duplication of fees otherwise payable hereunder (including all per annum fees), charges and expenses of such L/C Issuer in respect of the issuance, negotiation, acceptance, amendment, transfer and payment of such Letter of Credit or otherwise payable pursuant to the application and related documentation under which such Letter of Credit is issued.

(d) LIBOR Breakage Costs. Upon (i) any default by either Borrower in making any borrowing of, conversion into or continuation of, any LIBOR Loan following Borrower Representative's delivery to Agent of any LIBOR Loan request in respect thereof or (ii) any payment of a LIBOR Loan on any day that is not the last day of the LIBOR Period applicable thereto (regardless of the source of such prepayment and whether voluntary, by acceleration or otherwise), such Borrower shall pay Agent, for the benefit of all Lenders that funded or were prepared to fund any such LIBOR Loan, LIBOR Breakage Costs, if applicable.

(e) Expenses and Attorneys' Fees. Each Borrower agrees to pay all reasonable, out-of-pocket fees, charges, costs and expenses (including reasonable attorneys' fees and expenses) incurred by Agent (and by Freeport in all its other capacities under the Related Transactions Documents and the pre- and post-petition documents referred to in the Sale Support Agreement) in connection with any matters contemplated by or arising out of the Loan Documents, in connection with the examination, review, due diligence investigation, documentation, negotiation, closing and syndication of the transactions contemplated herein and in connection with the continued administration of the Loan Documents including any amendments, modifications, consents and waivers. Each Borrower agrees to promptly pay all reasonable, out-of-pocket fees, charges, costs and expenses (including reasonable fees, charges, costs and expenses of attorneys, auditors, appraisers, consultants and advisors) incurred by Agent in connection with any amendment, waiver, consent with respect to the Loan Documents, Event of Default, work-out or action to enforce any Loan Document or to collect any payments due from such Borrower or any other Loan Party. In addition, in connection with any work-out or action to enforce any Loan Document or to collect any payments due from either Borrower or any other Loan Party, each Borrower agrees to promptly pay all reasonable, out-of-pocket fees, charges, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Lenders. All fees, charges, costs and expenses for which each Borrower is responsible under this Section 2.3(e) shall be deemed part of the Obligations when incurred, payable in accordance with the penultimate and final sentence of Section 2.4 and secured by the Collateral.

2.4 Payments. All payments by each Borrower of the Obligations shall be without deduction, defense, setoff or counterclaim (except as provided in Section 2.9) and shall be made in same day funds and delivered to Agent, for the benefit of Agent and applicable Lenders, as applicable, by wire transfer to the account of Agent identified on Annex D or such other place as Agent may from time to time designate in writing.

Each Borrower shall receive credit on the day of receipt for funds received by Agent by 1:00 p.m. (Chicago time). In the absence of timely receipt, such funds shall be deemed to have been paid on the next Business Day. Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the payment may be made on the next succeeding Business Day and such extension of time shall be included in the computation of the amount of interest and Fees due hereunder.

All Loans made hereunder shall be made, and all Obligations hereunder shall be paid, in Dollars to the Agent. If Agent receives any payment from or on behalf of any Loan Party in a currency other than the currency in which an Obligation payable is denominated, Agent may convert the payment (including the monetary proceeds of realization upon any Collateral and any funds then held in a cash collateral account) into the currency of the relevant Obligation at the exchange rate that Agent would be prepared to sell the currency received in Chicago, Illinois on the Business Day immediately preceding the date of actual payment. The Obligations shall be satisfied only to the extent of the amount actually received by Agent upon such conversion.

US Borrower hereby authorizes Revolving Lenders to make Revolving Credit Advances or Swing Line Advances for the payment of US Scheduled Installments, interest, Fees and expenses, Letter of Credit reimbursement obligations and any amounts required to be deposited with respect to outstanding Letter of Credit Obligations pursuant to Sections 2.5(h) or 8.3; provided, that so long as no Event of Default has occurred and is continuing, expense reimbursements pursuant to Section 2.3(e) shall be payable 10 days after notice thereof to Borrower Representative (and otherwise such expense reimbursements shall be payable upon demand); provided, further, that Revolving Lenders shall have no duty to make such Revolving Credit Advances.

2.5 Prepayments.

(a) Voluntary Prepayments of Loans. At any time, each Borrower may prepay its Loans, in whole or in part, without premium or penalty subject to the payment of LIBOR Breakage Costs, if applicable; provided, however, that (i) no prepayments of the US Term Loan C or the Canadian Term Loan C may be made pursuant to this Section unless and until the US Term Loan A and the US Term Loan B shall have been prepaid in full and (ii) no prepayments of the US Term Loan B may be made pursuant to this Section unless and until the US Term Loan A shall have been prepaid in full. Prepayments of Term Loans shall be applied in accordance with Section 2.5(g).

(b) Prepayments from Excess Cash Flow. Within ten (10) days after the date on which audited Financial Statements for each Fiscal Year are required to be delivered pursuant to Section 7.2(b), commencing with the Fiscal Year ended December 31, 2013, US Borrower shall prepay its Loans in an amount equal to seventy-five percent (75%) of the Excess Cash Flow attributable to US Borrower or US Subsidiaries for such Fiscal Year and Canadian Borrower shall prepay its Loans in an amount equal to seventy-five percent (75%) of the Excess Cash Flow attributable to Canadian Borrower or Canadian Subsidiaries for such Fiscal Year. The calculation shall be based on the audited Financial Statements for US Borrower and its Subsidiaries and the portion attributable to US Borrower or US Subsidiaries, on the one hand, and Canadian Borrower and Canadian Subsidiaries, on the other, shall be as reasonably agreed to between Borrower Representative and Agent. Any prepayments from Excess Cash Flow paid pursuant to this Section 2.5(b) shall be applied in accordance with Section 2.5(g).

(c) Prepayments from Asset Dispositions.

(i) Immediately upon receipt of any Net Proceeds (other than Net Proceeds of Asset Dispositions permitted by Section 6.7(f)) in excess of \$500,000 in the aggregate during any Fiscal Year, US Borrower shall prepay the Loans in an amount equal to such Net Proceeds attributable to US Borrower or US Subsidiaries, and Canadian Borrower shall prepay its Loans in an amount equal to such Net Proceeds attributable to Canadian Borrower or Canadian Subsidiaries, in each case unless US Borrower or its Subsidiaries intend to reinvest all Net Proceeds of any such Asset Disposition, within one hundred eighty (180) days, in fixed assets. If Borrowers or their Subsidiaries do not intend to so reinvest such Net Proceeds or if the period set forth in the

immediately preceding sentence expires without US Borrower or their Subsidiaries having reinvested the Net Proceeds of any such Asset Disposition, US Borrower shall prepay the Loans in an amount equal to the applicable Net Proceeds in accordance with Section 2.5(g)(i) and Canadian Borrower shall prepay its Loans in an amount equal to the applicable Net Proceeds in accordance with Section 2.5(g)(ii).

(ii) Immediately upon receipt of any Net Proceeds of Asset Dispositions permitted by Section 6.7(f), US Borrower shall prepay the Loans in an amount equal to such Net Proceeds attributable to US Borrower or US Subsidiaries, and Canadian Borrower shall prepay its Loans in an amount equal to such Net Proceeds attributable to Canadian Borrower or Canadian Subsidiaries. US Borrower shall prepay the Loans in an amount equal to the applicable Net Proceeds in accordance with Section 2.5(g)(iii) and Canadian Borrower shall prepay its Loans in an amount equal to the applicable Net Proceeds in accordance with Section 2.5(g)(ii).

(d) Prepayments from Issuance of Securities. Immediately upon the receipt by either Borrower, or any of their Subsidiaries of the proceeds of the issuance of Stock, US Borrower shall prepay the Loans in an amount equal to such proceeds attributable to US Borrower or US Subsidiaries, and Canadian Borrower shall prepay its Loans in an amount equal to such proceeds attributable to Canadian Borrower or Canadian Subsidiaries, in each case net of underwriting discounts and commissions and other reasonable out-of-pocket costs associated therewith. The payments shall be applied in accordance with Section 2.5(g)(i) with respect to such prepayments made by US Borrower, and in accordance with Section 2.5(ii) with respect to such prepayments made by Canadian Borrower. Notwithstanding the foregoing, the following proceeds of stock issuance shall be excluded from any mandatory prepayment: (i) proceeds of issuances of Stock by either Borrower on or prior to the Closing Date, (ii) proceeds of issuances of Stock of US Borrower to employees of US Borrower or any of its Subsidiaries, (iii) proceeds of issuances of Stock by any Subsidiary of a Loan Party to a Loan Party which constitutes an Investment permitted hereunder; and (iv) up to \$1,000,000 in the aggregate in proceeds of issuances of Stock by US Borrower to the stockholders of US Borrower so long as no Event of Default has occurred and is continuing at the time of any such issuance.

(e) Remaining Funds after the Wind-Down Period. To the extent Agent receives any funds pursuant to the last sentence of Section 7.1(b) of the DIP Credit Agreement upon the conclusion of the Wind-Down Period (as defined in the DIP Credit Agreement), Agent shall apply such funds to the prepayment of the Loans in accordance with Section 2.5(g)(iii).

(f) Receivables Collections. To the extent Agent receives any collections in respect of accounts receivable pursuant to Paragraph 35 of the Sale Order, Agent shall apply such funds to the prepayment of the Loans in accordance with Section 2.5(g)(iii).

(g) Application of Proceeds.

(i) Subject to Section 8.5, with respect to any (A) excess interest described in the last sentence of Section 2.2(f), and (B) prepayments made by US Borrower pursuant to Sections 2.5(b), 2.5(c)(i) and 2.5(d) (in each case in the required amount to be prepaid by US Borrower) and any payments of the US Term Loan A, US Term Loan B or US Term Loan C pursuant to Section 2.5(a), such excess interest and prepayments shall be applied as follows: *first*, in payment of the US Term Loan A pro rata against all remaining US Scheduled Installments thereof until the US Term Loan A shall have been prepaid in full; *second*, in payment of the US Term Loan B until the US Term Loan B shall have been prepaid in full; *third*, in payment of the US Term Loan C until the US Term Loan C shall have been prepaid in full; *fourth*, to reduce the

outstanding principal balance of the Swing Line Loan outstanding to US Borrower until the same has been repaid in full; *fifth*, to the Revolving Credit Advances outstanding to US Borrower until the same has been repaid in full but not as a permanent reduction of the Revolving Loan Commitment; and *sixth*, upon payment in full of all US Loans (including the cash collateralization of outstanding Letters of Credit), to the Canadian Term Loan C in accordance with Section 2.5(g)(ii) below.

(ii) With respect to any prepayments made by Canadian Borrower pursuant to Sections 2.5(b), 2.5(c) and 2.5(d) (in each case in the required amount to be prepaid by Canadian Borrower) and any payments of Canadian Term Loan C pursuant to Section 2.5(a), such prepayments shall be applied in payment of the Canadian Term Loan C until the Canadian Term Loan C shall have been prepaid in full.

(iii) Subject to Section 8.5, with respect to any (A) any prepayments to be made pursuant to Sections 2.5(e) and 2.5(f) and (B) prepayments by US Borrower pursuant to Section 2.5(c)(ii), such prepayments shall be applied as follows: *first*, to reduce the outstanding principal balance of the Swing Line Loan outstanding to US Borrower until the same has been repaid in full; *second*, in repayment of the Revolving Credit Advances outstanding to US Borrower until the same has been repaid in full but not as a permanent reduction of the Revolving Loan Commitment; *third*, in payment of the US Term Loan A pro rata against all remaining US Scheduled Installments thereof until the US Term Loan A shall have been prepaid in full; *fourth*, in payment of the US Term Loan B until the US Term Loan B shall have been prepaid in full; *fifth*, in payment of the US Term Loan C until the US Term Loan C shall have been prepaid in full and *sixth*, upon payment in full of all US Loans (including the cash collateralization of outstanding Letters of Credit), to the Canadian Term Loan C in accordance with Section 2.5(g)(ii) above.

In each case of the clauses (i), (ii) and (iii) above, considering each type of Loan being prepaid separately, any such prepayment shall be applied first to Index Rate Loans of the type required to be prepaid before application to LIBOR Loans of the type required to be prepaid, in each case in a manner which minimizes any resulting LIBOR Breakage Costs.

(h) Letter of Credit Obligations. In the event any Letters of Credit are outstanding at the time that the Revolving Loan Commitment is terminated, US Borrower shall deposit with Agent for the benefit of all Revolving Lenders cash in an amount equal to 105% of the face amount of such Letters of Credit or an Acceptable Standby Letter of Credit to be available to Agent to reimburse payments of drafts drawn under such Letters of Credit and pay any Fees and expenses related thereto.

2.6 Maturity. All of the Obligations shall become due and payable as otherwise set forth herein, but in any event all of the remaining Obligations shall become due and payable upon the Commitment Termination Date or pursuant to Section 8.3. Until the Termination Date, Agent shall be entitled to retain the Liens on the Collateral granted under the Collateral Documents and the ability to exercise all rights and remedies available to them under the Loan Documents and applicable laws. Notwithstanding anything contained in this Agreement to the contrary, upon any termination of the Revolving Loan Commitment, all of the Obligations (other than contingent indemnification obligations as to which no claim has been asserted) shall be due and payable.

2.7 Loan Accounts. Agent shall maintain a separate loan account (each, a "Loan Account") on its books. Agent shall record the name and federal employer identification number of each Revolving Lender, all Revolving Credit Advances, Fees, interest, payments and all other debits and credits as

provided in this Agreement with respect to the Obligations. All entries in each Loan Account shall be made in accordance with Agent's customary accounting practices as in effect from time to time. The balance in each Loan Account, as recorded on Agent's most recent printout or other written statement, shall, absent manifest error, be presumptive evidence of the amounts due and owing to Agent and Lenders by Borrowers; provided that any failure to so record or any error in so recording shall not limit or otherwise affect (other than to the extent of such error) Borrowers' duty to pay the Obligations. Agent shall render to Borrower Representative a monthly accounting of transactions with respect to the Loans setting forth the balance of the applicable Loan Account for the immediately preceding month. Unless Borrower Representative notifies Agent in writing of any objection to any such accounting (specifically describing the basis for such objection), within forty-five (45) days after the date thereof, each and every such accounting shall, absent manifest error, be deemed presumptive evidence of all matters reflected therein. Only those items expressly objected to in such notice shall be deemed to be disputed by Borrowers, as the case may be. Notwithstanding any provision herein contained to the contrary, any Lender may elect (which election may be revoked) to dispense with the issuance of Notes to that Lender and may rely on the applicable Loan Account as evidence of the amount of Obligations from time to time owing to it.

2.8 Yield Protection.

(a) Capital Adequacy and Other Adjustments. In the event that any Lender shall have determined that the adoption after the date hereof of any law, treaty, governmental (or quasi-governmental) rule, regulation, guideline or order regarding capital adequacy, reserve requirements or similar requirements or compliance by any Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy, reserve requirements or similar requirements (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) from any central bank or governmental agency or body having jurisdiction does or shall have the effect of increasing the amount of capital, reserves or other funds required to be maintained by such Lender or any corporation controlling such Lender and thereby reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder, then (i) if such Lender is a US Lender, the US Borrower or (ii) if such Lender is a Canadian Term Lender, the Canadian Borrower, shall in either case, from time to time within fifteen (15) days after notice and demand from such Lender (together with the certificate referred to in the next sentence and with a copy to Agent) pay to Agent, for the account of such Lender, additional amounts sufficient to compensate such Lender for such reduction; provided that if the respective Lender has unreasonably delayed or withheld such notice and demand, the respective Lender shall not be entitled to receive additional payments pursuant to this Section 2.8(a) for periods occurring prior to the 180th day before the receipt of such notice and demand (provided that this limitation shall not apply to reductions arising out of the retroactive application of any law, treaty, rule, regulation, guideline or order which arises during such 180 day period); and provided further, that such Lender shall not be entitled to any such additional amounts, unless such Lender is imposing similar types of assessments on other similarly situated borrowers. A certificate as to the amount of such cost and showing the basis of the computation of such cost submitted by such Lender to Borrower Representative and Agent shall, save for manifest error, be presumptive evidence of the matters set forth therein. Each Lender agrees that, as promptly as practicable after it becomes aware of any circumstances referred to above which would result in any such cost or reduction, the affected Lender shall, to the extent not inconsistent with such Lender's internal policies of general application, use reasonable commercial efforts to minimize the redirect rate of return, costs and expenses incurred by it and payable to it by Borrowers pursuant to this Section 2.8(a).

(b) Increased LIBOR Funding Costs; Illegality. Notwithstanding anything to the contrary contained herein, if the introduction of or any change in any law, rule, regulation, treaty or directive (or

any change in the interpretation thereof) after the date hereof shall make it unlawful, or any central bank or other Governmental Authority shall assert that it is unlawful, for any Lender to agree to make or to continue to fund or maintain any LIBOR Loan, then, unless that Lender is able to make or to continue to fund or to maintain such LIBOR Loan at another branch or office of that Lender without, in that Lender's opinion, adversely affecting it or its Loans or the income obtained therefrom, on notice thereof and demand therefor by such Lender to Borrower Representative through Agent, (i) the obligation of such Lender to make or to continue to fund or maintain LIBOR Loans shall terminate and (ii) applicable Borrower shall, at the end of each respective LIBOR Period, in the case of any outstanding portion of the Canadian Term Loan C of such Lender designated as a LIBOR Loan convert such portion of the Canadian Term Loan C into an Index Rate Loan, and in any other case repay each outstanding LIBOR Loan of such Lender or convert such LIBOR Loans into Index Rate Loans; provided that if the continued existence of any such LIBOR Loan through the end of its respective LIBOR Period is illegal, then the applicable Borrower shall in the case of any outstanding portion of the Canadian Term Loan C designated as a LIBOR Loan, within five (5) Business Days after the delivery of such notice or demand, on behalf of such Lender convert such LIBOR Loan into an Index Rate Loan, and in any other case forthwith prepay in full each such outstanding LIBOR Loan owing by applicable Borrower to such Lender, together with interest accrued thereon, unless applicable Borrower, on behalf of Lender, within five (5) Business Days after the delivery of such notice and demand, converts all LIBOR Loans into Index Rate Loans. If, after the date hereof, the introduction of, change in or interpretation of any law, rule, regulation, treaty or directive would impose or increase reserve requirements (other than as taken into account in the definition of LIBOR) or otherwise increase the cost to any such Lender of making or maintaining a LIBOR Loan, then applicable Borrower shall from time to time within fifteen (15) days after notice and demand from Agent to Borrower Representative (together with the certificate referred to in the next sentence) pay to Agent, for the account of all such affected Lenders, additional amounts sufficient to compensate such Lenders for such increased cost; provided that applicable Borrower shall not be liable to pay for any such amounts incurred or accrued more than one hundred eighty (180) days prior to the date on which notice of the event giving rise to the obligation to make such payment is given to applicable Borrower (provided that this limitation shall not apply to increased costs arising out of the retroactive application of any law, treaty, rule, regulation or directive (or any change in interpretation thereof) which arises during such 180 day period), and provided further, that such Lender shall not be entitled to any such additional amounts unless such Lender is imposing similar types of assessments on other similarly situated borrowers. A certificate as to the amount of such cost and showing the basis of the computation of such cost submitted by Agent on behalf of all such affected Lenders to applicable Borrower shall, save for manifest error, be presumptive evidence of the matters set forth therein. Each Lender agrees that, as promptly as is practicable after it becomes aware of any circumstances referred to above which would result in any such increased cost, the affected Lender shall, to the extent not inconsistent with such Lender's internal policies of general application, use reasonable commercial efforts to minimize costs and expenses incurred by it and payable to it by applicable Borrower pursuant to this Section 2.8(b).

2.9 Taxes.

(a) No Deductions; Other Taxes. Except as required by applicable law, any and all payments or reimbursements made hereunder or under any other Loan Documents shall be made free and clear of and without deduction for any and all Charges, present or future, taxes, levies, imposts, deductions or withholdings, and all liabilities with respect thereto (including any interest, additions to tax or penalties applicable thereto) of any nature whatsoever imposed by any Governmental Authority ("Taxes"). If any Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any other Loan Document to any Lender or Agent, then (i) such Borrower shall withhold and timely pay over to the relevant Governmental Authority all such required deductions in accordance with applicable law, and (ii) except with respect to (a) such Taxes to the extent imposed on or measured by

Agent's or a Lender's net income, capital or gross receipts (and franchise taxes, branch profits taxes, taxes on doing business or, in each case, other taxes imposed in lieu thereof) as a result of a connection between Agent or such Lender and the jurisdiction of the Governmental Authority imposing such Tax or any political subdivision or taxing authority thereof or therein (other than any such connection that would not have arisen but for Agent or such Lender having executed, delivered, registered, or received or perfected a security interest, performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document), (b) any United States federal withholding tax that is imposed on amounts payable to a Foreign Lender at the time such Foreign Lender becomes a party to this Agreement or is attributable to such Foreign Lender's failure (other than as a result of a change in law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority) to comply with Section 2.9(c), except to the extent that such Foreign Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Borrowers with respect to such withholding tax pursuant to this Section 2.9(a), and (c) any Tax imposed under FATCA (collectively, "Excluded Taxes," and all such non-Excluded Taxes being referred to herein as "Non-Excluded Taxes"), the sum payable hereunder shall be increased as may be necessary so that, after making all required deductions (including deductions applicable to additional sums payable pursuant to this Section 2.9), such Lender or Agent receives an amount equal to the sum it would have received had no such deductions been made. For greater certainty, notwithstanding anything to the contrary herein, Non-Excluded Taxes shall include any Taxes imposed under paragraph 212(1)(b) or subsection 212(2) of the ITA (or any successor or replacement provisions thereto). If any amounts are payable in respect of Non-Excluded Taxes or Other Taxes pursuant to the preceding sentence, Borrowers agree to reimburse each Lender or Agent upon the written request of such Lender or Agent and reasonable documentation of such amounts (which documentation shall, absent manifest error, be presumptive evidence of such amount due) for any net additional Non-Excluded Taxes as such Lender or Agent shall determine are payable in respect of such amounts so paid to or on behalf of such Lender or Agent pursuant to the preceding sentence and in respect of any amounts paid to or on behalf of such Lender or Agent pursuant to this sentence. In addition, Borrowers agree to timely pay to the relevant Governmental Authority in accordance with applicable law any present or future stamp, court or documentary, intangible or recording taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or under any other Loan Document or from the execution, delivery, enforcement or registration of, or otherwise with respect to, this Agreement or any other Loan Document ("Other Taxes").

(b) Changes in Tax Laws. In the event that, after the date hereof (or in the case of a Qualified Assignee, the date of the relevant assignment or sale of a participation), (1) any changes in any existing law, regulation, treaty or directive or in the administration, interpretation or application thereof, (2) any new law, regulation, treaty or directive enacted or any administration, interpretation or application thereof, or (3) compliance with any request, guideline or directive (whether or not having the force of law) from any Governmental Authority:

(i) does or shall subject Agent or any Lender to any tax of any kind whatsoever with respect to this Agreement, or any other Loan Documents or any Loans made or Letters of Credit issued hereunder, or change the basis of taxation of payments to Agent or such Lender in respect thereof (except for the imposition of, or any change in the rate of, (A) any Excluded Tax described in clauses (b) or (c) of the definition of "Excluded Taxes", (B) any Connection Income Taxes and (C) without duplication of any increased amounts payable in respect of Non-Excluded Taxes and Other Taxes pursuant to Section 2.9(a)); or

(ii) does or shall impose on Agent or any Lender any other condition, cost or expense in connection with the transactions contemplated hereby or participations herein; and the result of

any of the foregoing is to increase the cost to Agent or any such Lender of making or continuing any Loan or issuing or maintaining any Letter of Credit hereunder, as the case may be, or to reduce any amount receivable hereunder or under any other Loan Document,

then, in any such case, Borrowers shall promptly pay to Agent or such Lender, upon its demand with reasonable documentation thereof, any additional amounts necessary to compensate Agent or such Lender, on an after-tax basis, for such additional cost or reduced amount receivable, as reasonably determined by Agent or such Lender; provided that Agent or such Lender shall not be entitled to any such amounts to the extent that the event giving rise to such additional cost or reduced amount receivable occurred more than six (6) months prior to the date such notice and demand is given to the Borrower Representative; provided, however, that if the event giving rise to such additional cost or reduced amount receivable has a retroactive effect, then such 6-month period shall be extended to include the period of such retroactive effect. If Agent or such Lender becomes aware that it is entitled to claim any additional amounts pursuant to this Section 2.9(b), it shall promptly notify Borrower Representative of the event by reason of which Agent or such Lender has become so entitled. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Agent or such Lender to Borrower Representative (with a copy to Agent if applicable) shall be presumptive evidence of the amount due. Borrowers shall pay Agent or such Lender, as the case may be, the amount shown as due on any such certificate within ten (10) days after the receipt thereof.

(c) Status of Lenders.

(i) A Canadian Term Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which Canadian Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to Borrower Representative (with a copy to Agent), as reasonably requested by Borrower Representative, such properly completed and executed documentation as will permit such payments to be made without withholding or at a reduced rate; provided, that such Canadian Term Lender is legally entitled to complete, execute and deliver such documentation.

(ii) Prior to becoming a US Lender under this Agreement and within fifteen (15) days after a reasonable written request of Borrower Representative or Agent from time to time thereafter, each such Person or Lender that is in each case (x) a "United States person" (as such term is defined in IRC Section 7701(a)(30)) for U.S. federal income tax purposes shall deliver to the Borrower Representative and the Agent, executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax, or (y) a Person other than a "United States person" (a "Foreign Lender") shall provide to Borrower and Agent, if it is legally entitled to, a properly completed and executed (A) IRS Form W-8BEN, (B) Form W-8ECI, (C) to the extent such Person is not the beneficial owner of payments made hereunder or under a relevant Loan Document, Form W-8IMY, accompanied by the applicable form and other certification documents from the beneficial owners, (D) in the case of a beneficial owner claiming the benefits of the exemption for portfolio interest, a certificate to the effect that such Person is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code, or (E) other applicable form, certificate or document prescribed by the IRS, certifying as to such Foreign Lender's entitlement to an exemption from, or reduction in, United States withholding tax with respect to payments to be made to such Foreign Lender under this Agreement and under the Notes (a "Certificate of Exemption").

(iii) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iv) Notwithstanding anything to the contrary in this Section 2.9(c), the completion, execution and submission of such documentation shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender. Each Lender agrees that prior to the time any form or certification it previously delivered would expire or become obsolete or inaccurate in any respect, it shall update (and deliver to Borrower Representative with a copy to Agent) such form or certification or promptly notify the Borrower Representative and the Agent in writing of its legal inability to do so.

(d) Indemnification.

(i) Subject to such Lender's or Agent's compliance with the provisions of this Section 2.9, if a Borrower fails to pay any Non-Excluded or Other Taxes when due to the appropriate Governmental Authority, such Borrower shall indemnify each Lender and Agent for the full amount of Non-Excluded Taxes and Other Taxes (including any Non-Excluded Taxes and Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.9) paid by such Lender or Agent, as the case may be, and any liability (including penalties, interest and expenses including reasonable attorney's fees and expenses) arising therefrom or with respect thereto, whether or not such Non-Excluded Taxes or Other Taxes were correctly or legally asserted by the relevant Governmental Authority. A certificate as to the amount of such payments or liabilities submitted by such Lender or Agent to Borrower Representative (with a copy to Agent if applicable) shall be presumptive evidence of the amount due. Borrowers shall pay Agent or such Lender, as the case may be, the amount shown as due on any such certificate within ten (10) days after the receipt thereof.

(ii) Each Lender shall severally indemnify Agent, within 10 days after demand therefor, for (i) any Non-Excluded Taxes or Other Taxes attributable to such Lender (but only to the extent that Borrowers have not already indemnified the Agent for such Non-Excluded Taxes or Other Taxes and without limiting the obligation of Borrowers to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.1(b) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent

shall absent manifest error be presumptive evidence of such amount. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this paragraph (d).

(e) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrowers to a Governmental Authority, the Borrower Representative shall deliver to Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.

(f) Refunds. If an Agent or a Lender determines, in its reasonable discretion, that it has received a refund of any Taxes as to which it has been indemnified by a Borrower or with respect to which a Borrower has paid additional amounts pursuant to this Section 2.9, it shall pay over such refund to such Borrower (but only to the extent of payments made, or additional amounts paid, by such Borrower under this Section 2.9 with respect to Taxes giving rise to such a refund), net of all reasonable out-of-pocket expenses of Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such a refund); provided, that such Borrower, upon the request of Agent or such Lender, agrees to repay the amount paid over to such Borrower (plus any penalties, interest or other charges, imposed by the relevant Governmental Authority, other than such penalties, interest or other charges imposed as a result of the willful misconduct or gross negligence of the Agent hereunder) to Agent or such Lender in the event Agent or such Lender is required to repay such refund to such Government Authority. Except as expressly provided for in this Section 2.9, this Section shall not be construed to require the Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to a Borrower or any other Person.

2.10 Borrower Representative. Each Borrower hereby designates US Borrower as its representative and agent on its behalf for the purposes of receiving service of copies of any summons and complaints and any other process that may be served on it or any of its agents in any action or proceeding in Illinois (and agrees that service of process to US Borrower or any of its agents or representatives shall constitute effective service of process on each Borrower), issuing Notices of Revolving Credit Advances, Request for Letter of Credit Issuance and Notices of Conversion/Continuation, giving instructions with respect to the disbursement of the proceeds of the Loans, selecting interest rate options, requesting Letters of Credit, giving and receiving all other notices and consents hereunder or under any of the other Loan Documents and taking all other actions (including in respect of compliance with covenants) on behalf of each Borrower under the Loan Documents. Borrower Representative hereby accepts such appointment. Agent and each Lender may regard any notice or other communication pursuant to any Loan Document from Borrower Representative as a notice or communication from the applicable Borrower. To the extent that there is any conflict or inconsistency between any notice or other communication received by Agent from either Borrower and the Borrower Representative, Agent shall be entitled to rely on directions given by the Borrower Representative. Each warranty, covenant, agreement and undertaking made on its behalf by Borrower Representative shall be deemed for all purposes to have been made by the applicable Borrower and shall be binding upon and enforceable against such Borrower to the same extent as it if the same had been made directly by such Borrower.

SECTION 3. CONDITIONS TO LOANS

The obligations of Lenders and L/C Issuers to make Loans and to issue or cause to be issued Letters of Credit are subject to satisfaction of all of the applicable conditions set forth below.

3.1 Conditions to Initial Loans. The obligations of Lenders and L/C Issuers to make the initial Loans and to issue or cause to be issued Letters of Credit on the Closing Date are, in addition to the conditions precedent specified in Section 3.2, subject to:

(a) Agent shall have received and be satisfied with a pro forma balance sheet of US Borrower and its Subsidiaries at the Closing Date after giving effect to the Acquisition and the other Related Transactions contemplated hereby;

(b) Agent shall have received evidence reasonably satisfactory to Agent that, immediately after giving effect to the initial Loans, no Indebtedness shall remain outstanding under the DIP Revolving Facility, and neither US Borrower nor any of its Subsidiaries shall have any Indebtedness or preferred equity other than (a) the Loans and extensions of credit hereunder and (b) such other Indebtedness reasonably acceptable to Agent, and no default shall exist under any material indebtedness of US Borrower or any of its Subsidiaries. Agent shall have received reasonably satisfactory evidence of the discharge of all liens other than Liens permitted to remain outstanding hereunder;

(c) Borrowers shall have complied with all of their obligations under, and the terms of, the Fee Letter. All costs, fees, expenses (including, without limitation, legal fees and expenses and the fees and expenses of appraisers, consultants and other advisors) and other compensation payable pursuant to the Loan Documents shall have been paid to the extent due;

(d) the Related Transactions shall have been consummated in accordance with the respective terms of the Related Transactions Documents, except as may have been consented to in writing by Agent;

(e) the Sale Order shall have been entered on a final, non-appealable basis and shall not be subject to any stay, review or appeal (and the time to appeal such order or seek rehearing or any other type of review shall have expired), which order shall (i) contain a finding that Borrowers are good faith purchasers entitled to the protections and benefits of Section 363(m) of the Bankruptcy Code, (ii) be in full force and effect and (iii) be in form and substance satisfactory to Agent; and

(f) Borrowers shall deliver all documents listed on, take all actions set forth on and satisfy all other conditions precedent listed in the Closing Checklist attached hereto as Annex B, all in form and substance, or in a manner, reasonably satisfactory to Agent and Lenders.

3.2 Conditions to All Loans. Except as otherwise expressly provided herein, no Lender or L/C Issuer shall be obligated to fund any Advance or incur any Letter of Credit Obligation, if, as of the date thereof (the "Funding Date"):

(a) any representation or warranty by any Loan Party contained herein or in any other Loan Document is untrue or incorrect in any material respect (without duplication of any materiality qualifier contained therein) as of such date, except to the extent that such representation or warranty expressly relates to an earlier date and, in the case of Revolving Credit Advances or Letter of Credit Obligations, Agent or Requisite Revolving Lenders have determined not to make such Advance or incur such Letter of Credit Obligations;

(b) any Default or Event of Default has occurred and is continuing or would result after giving effect to any Advance (or the incurrence of any Letter of Credit Obligation) and, in the case of Revolving Credit Advances or Letter of Credit Obligations, Agent or Requisite Revolving Lenders have determined not to make such Advance or incur such Letter of Credit Obligations;

(c) after giving effect to any Advance (or the incurrence of any Letter of Credit Obligations), Borrowing Availability would be less than zero (except as provided in Section 2.1(c)(ii)); or

(d) Agent has not received in the case of a Revolving Credit Advance, a Notice of Revolving Credit Advance, or, in the case of a Letter of Credit issuance, a Request for Letter of Credit Issuance.

The request and acceptance by US Borrower or Canadian Borrower of the proceeds of any Advance, the incurrence of any Letter of Credit Obligations or the conversion or continuation of any Loan into, or as, a LIBOR Loan, shall be deemed to constitute, as of the date thereof, (i) a representation and warranty by such Borrower that the conditions in this Section 3.2 have been satisfied and (ii) a reaffirmation by such Borrower of the granting and continuance of Agent's Liens, on behalf of Agent and applicable Lenders, pursuant to the Collateral Documents.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce Agent and Lenders to enter into the Loan Documents, to make Loans and to issue or cause to be issued Letters of Credit, each Borrower and the other Loan Parties executing this Agreement, jointly and severally, represent, warrant and covenant (except in the case of each Canadian Subsidiary which is a Loan Party, which severally, and not jointly, represents, warrants and covenants as to all Loan Parties) to Agent and each Lender that the following statements are and, after giving effect to the Related Transactions will (with respect to Sections 4.1 through 4.9) remain true, correct and complete until the Termination Date with respect to all Loan Parties.

4.1 Organization, Powers, Capitalization and Good Standing.

(a) Organization and Powers. Each of the Loan Parties and each of their Subsidiaries is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and qualified to do business in all states and provinces where such qualification is required except where failure to be so qualified or be in good standing would not reasonably be expected to have a Material Adverse Effect. The jurisdiction of organization, chief executive office, registered office and all jurisdictions in which each Loan Party and any issuer of Stock constituting Canadian PPSL Collateral is qualified to do business as of the Closing Date are set forth on Schedule 4.1(a). Each of the Loan Parties and each of their Subsidiaries has all requisite organizational power and authority to own and operate its properties, to carry on its business as now conducted and proposed to be conducted, to enter into each Loan Document and Related Transactions Document to which it is a party and to incur the Obligations, grant liens and security interests in the Collateral and carry out the Related Transactions.

(b) Capitalization. As of the Closing Date: (i) the authorized Stock of each of the Loan Parties and each of their Subsidiaries is as set forth on Schedule 4.1(b); (ii) all issued and outstanding Stock of each of the Loan Parties and each of their Subsidiaries is duly authorized and validly issued, fully paid, nonassessable (as applicable), with respect to the Loan Parties other than US Borrower, free and clear of all Liens other than those in favor of Agent for the benefit of Agent and applicable Lenders, and with respect to US Borrower such Stock was issued in compliance with all applicable state, federal and foreign laws concerning the issuance of securities; (iii) the identity of the holders of the Stock of each of the Loan Parties and the percentage of their fully-diluted ownership of the Stock of each of the Loan Parties is set forth on Schedule 4.1(b); and (iv) no Stock of any Loan Party or any of their Subsidiaries, other than those described above, is issued and outstanding. Except as provided in Schedule 4.1(b), as of the Closing Date, there are no preemptive or other outstanding rights, options, warrants, conversion rights

or similar agreements or understandings for the purchase or acquisition from any Loan Party or any of their Subsidiaries of any Stock of any such entity.

(c) Binding Obligation. This Agreement is, and the other Loan Documents and Related Transactions Documents when executed and delivered will be, the legally valid and binding obligations of the Loan Parties party thereto, each enforceable against each such Loan Party, as applicable, in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting, creditors' rights generally and the effects of general principles of equity.

4.2 Disclosure. No representation or warranty of any Loan Party contained in this Agreement, the Financial Statements referred to in Section 4.5, the other Related Transactions (other than Projections, as to which the only representation and warranty made is as set forth in Section 4.5 hereof), the other Loan Documents or any other document, certificate or written statement furnished to Agent or any Lender by or on behalf of any such Person for use in connection with the Loan Documents or the Related Transactions Documents contains any untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements contained herein or therein not misleading in any material respect in light of the circumstances in which the same were made.

4.3 No Material Adverse Effect. Since the Closing Date, there have been no events or changes in facts or circumstances affecting any Loan Party or any of its Subsidiaries which individually or in the aggregate have had or would reasonably be expected to have a Material Adverse Effect.

4.4 No Conflict. The consummation of the Related Transactions does not and will not violate or contravene any laws, rules, regulations or orders of any Governmental Authority or violate, contravene, result in a breach of, or constitute a default (with due notice or lapse of time or both) under any Contractual Obligation or organizational documents of any Loan Party or any of its Subsidiaries, except if such violations, contraventions, breaches or defaults have not had and would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

4.5 Financial Statements and Projections. All Financial Statements concerning Borrowers and their respective Subsidiaries which have been or will hereafter be furnished to Agent pursuant to this Agreement have been or will be prepared in accordance with GAAP consistently applied (except as disclosed therein) and do or will present fairly in all material respects the financial condition of the entities covered thereby as at the dates thereof and the results of their operations for the periods then ended, subject to, in the case of unaudited financial statements, the absence of footnotes and normal year-end adjustments.

The Projections delivered on or prior to the Closing Date were prepared on the basis of the assumptions stated therein and such assumptions were believed by the Loan Parties to be reasonable at the time prepared. It is understood by all parties hereto that uncertainty is inherent in any forecasts or projections and that no assurance can be given that the results set forth in the Projections will actually be obtained.

4.6 Solvency. The Loan Parties taken as a whole are Solvent.

4.7 Use of Proceeds: Margin Regulations.

(a) No part of the proceeds of any Loan will be used for "buying" or "carrying" "margin stock" within the respective meanings of such terms under Regulations T or U of the Board of Governors

of the Federal Reserve System as now and from time to time hereafter in effect or for any other purpose that violates the provisions of the regulations of the Board of Governors of the Federal Reserve System. If requested by Agent, each Loan Party will furnish to Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form 0-1, as applicable, referred to in Regulation U.

(b) On the Closing Date, US Borrower shall assume the obligations under the DIP Revolving Facility outstanding as of the Closing Date which shall be considered an aggregate principal amount of Revolving Loans outstanding on the Closing Date and may utilize the proceeds of Revolving Loans to pay costs and expenses of the Related Transactions. Thereafter US Borrower shall utilize the proceeds of Revolving Loans for working capital and general corporate purposes.

(c) On the Closing Date, US Borrower shall assume the Roll-Up Obligations outstanding on the Closing Date, which shall become US Term Loan A .

(d) Obligations under notes issued by the Borrowers as a portion of the Credit Bid and Acquisition Consideration evidence on the Closing Date the US Term Loan B, the US Term Loan C and the Canadian Term Loan C.

(e) Schedule 4.7 contains a description of each Borrowers' sources and uses of funds as of the Closing Date, including Loans and Letter of Credit Obligations to be made or incurred on that date, and a funds flow memorandum detailing how funds from each source are to be transferred for particular uses.

(f) None of US Borrower or any of its Subsidiaries is subject to regulation as an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

4.8 Brokers. Except as set forth on Schedule 4.8, no broker or finder acting on behalf of any Loan Party or Affiliate thereof brought about the obtaining, making or closing of the Loans or the Related Transactions, and no Loan Party or Affiliate thereof has any obligation to any Person in respect of any finder's or brokerage fees in connection therewith.

4.9 Compliance with Laws. (a) Each Loan Party represents and warrants that, except for the FDA Letter Matters, it (i) is in compliance and each of its Subsidiaries is in compliance with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority (including, without limitation, Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, the Canadian Personal Information Protection and Electronic Documents Act (Canada), the Personal Health Information Protection Act, 2004 (Ontario) and other personal health information privacy laws) and the obligations, covenants and conditions contained in all Contractual Obligations other than those laws, rules, regulations, orders and provisions of such Contractual Obligations the noncompliance with which would not be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, and (ii) maintains and each of its Subsidiaries maintains all licenses, qualifications and permits referred to above other than any failure to maintain which would not reasonably be expected to have a Material Adverse Effect.

(b) Without limiting the generality of clause (a) above and except for the FDA Letter Matters:

(i) Each Loan Party is, and at all times has been, in material compliance with all applicable Health Care Laws. For purposes of this Agreement, "Health Care Laws" means (i) the U.S. Federal Food, Drug and Cosmetic Act and implementing regulations ("FFDCA") and the U.S. Controlled Substances Act and regulations promulgated thereunder ("CSA"), the Canadian Food and Drugs Act ("CFDA"), and the Canadian Controlled Drugs and Substances Act ("CDSA") and implementing regulations, (ii) all U.S. federal and state fraud and abuse laws, including, but not limited to the federal Anti-Kickback Statute (42 U.S.C. §1320a-7b(b)), the Stark Law (42 U.S.C. §1395nn), the civil False Claims Act (31 U.S.C. §3729 et seq.), TRICARE (10 U.S.C. Section 1071 et seq.), Sections 1320a-7 and 1320a-7a of Title 42 of the U.S. Code and the regulations promulgated pursuant to such statutes, the Canada Health Act, R.S. 1985, c.C-6, (iii) U.S. and Canada state and federal, and provincial legislation and regulations regulating the professional conduct of health care professionals and the operations and licensing of laboratory and specimen collection centres; (iv) the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d et seq.), the regulations promulgated thereunder and comparable state data privacy and security laws, together with provincial health insurance legislation in Canada, as well as federal or provincial legislation, as may be applicable, with respect to the collection, use or disclosure of personal health information, including, without limitation, the Canadian Personal Information Protection and Electronic Documents Act (Canada) and the Personal Health Information Protection Act, 2004 (Ontario); (v) Medicare (Title XVIII of the Social Security Act) and the regulations promulgated thereunder; (vi) Medicaid (Title XIX of the Social Security Act) and the regulations promulgated thereunder; (vii) quality, safety and accreditation standards and requirements of all applicable state, federal or provincial laws or regulatory bodies; (viii) licensure laws and regulations; and (ix) any and all other applicable health care laws, regulations, manual provisions, policies and administrative guidance, each of (i) through (ix) as may be amended from time to time and, with respect to any Loan Party or Subsidiary, to the extent applicable to such Loan Party or Subsidiary.

(ii) None of the Loan Parties, or, to their knowledge, their respective officers, directors, employees, agents and contractors, has been or is currently excluded from participation in government health care programs.

(iii) None of the Loan Parties, or, to their knowledge, their respective officers, directors, employees, agents and contractors, is currently subject to any action, suit, investigation, audit, inquiry, or proceeding at law or in equity by or before any Governmental Authority now pending or, to the knowledge of any Loan Party, threatened against or affecting any Loan Party or any business, property or rights of any Loan Party, or its officers, directors, employees, agents or contractors.

(iv) None of the Loan Parties (1) is a party to a corporate integrity agreement, (2) has any outstanding obligations pursuant to a settlement agreement, plan of correction, or other remedial measure entered into with any Governmental Authority, or (3) has been served with or received any search warrant, subpoena, civil investigative demand or any letter, notice, or communication possibly indicating violation of, or non-compliance with applicable law from any Governmental Agency related to its business operations.

(v) Each Loan Party has (A) all licenses, consents, certificates (including any required Controlled Substance Registration Certificates issued by the U.S. Department of Justice, Drug Enforcement Administration Registration), permits, authorizations, approvals, registrations and qualifications from, and has made all declarations and filings with, all applicable Governmental Authorities (each, an "Authorization") necessary to engage in the business conducted by it, except for such Authorizations with respect to which the failure to obtain would not have a Material Adverse Effect and (B) not received notice and has no knowledge that any Governmental Authority is considering limiting, suspending, adversely amending or revoking any such Authorization. All such Authorizations

are valid and in full force and effect and each Loan Party and its Subsidiaries is in compliance with the terms and conditions of all such Authorizations and with the rules and regulations of the regulatory authorities having jurisdiction with respect to such Authorizations, except where failure to be in such compliance or for an Authorization to be valid and in full force and effect would not have a Material Adverse Effect.

(vi) None of the Loan Parties receives payments from any Third Party Payor Program. For purposes of this Agreement, "Third Party Payor Program" means any state, provincial or federal government health care program, including, without limitation, Medicare, Medicaid, and TRICARE, managed care plans, private insurance, or any other public or private third party payor program.

(vii) Each Loan Party has received and maintains accreditation in good standing and without limitation or impairment by all applicable accrediting organizations, to the extent required by law (including any foreign law or equivalent regulation), except where the failure to have or maintain such accreditation would not have a Material Adverse Effect.

4.10 Intellectual Property. As of the Closing Date, each of the Loan Parties and its Subsidiaries owns, is licensed to use or otherwise has the right to use, all material Intellectual Property used in or necessary for the conduct of its business as currently conducted that is material to the financial condition, business or operations of such Loan Party and its Subsidiaries and all such Intellectual Property that is federally registered in any country as of the Closing Date is identified on Schedule 4.10. As of the Closing Date, except as disclosed in Schedule 4.10, to each Loan Party's knowledge, the use of such Intellectual Property by the Loan Parties and their Subsidiaries and the conduct of their businesses does not and has not been alleged by any Person to infringe on the rights of any Person.

4.11 Investigations, Audits, Etc. As of the Closing Date, except as set forth on Schedule 4.11, no Loan Party or any of their respective Subsidiaries is the subject of an audit by the IRS or the Canada Revenue Agency or, to each Loan Party's knowledge, any review by the IRS or the Canada Revenue Agency or any governmental investigation concerning the violation or possible violation of any law.

4.12 Employee Matters. As of the Closing Date, except as set forth on Schedule 4.12, (a) no Loan Party or Subsidiary of a Loan Party nor any of their respective employees is subject to any collective bargaining agreement, (b) no petition or application for certification or union election is pending with respect to the employees of any Loan Party or any of their Subsidiaries and no union or collective bargaining unit has sought such certification or recognition with respect to the employees of any Loan Party or any of their Subsidiaries, (c) there are no strikes, slowdowns, work stoppages or controversies pending or, to the best knowledge of any Loan Party after due inquiry, threatened between any Loan Party or any of their Subsidiaries and its respective employees, other than employee grievances arising in the ordinary course of business which would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect and (d) hours worked by and payment made to employees of each Loan Party and each of their Subsidiaries comply in all material respects with the Fair Labor Standards Act and each other federal, state, provincial, local or foreign law applicable to such matters. Except as set forth on Schedule 4.12, neither US Borrower nor any of its Subsidiaries is party to an employment contract.

4.13 Litigation; Adverse Facts. Except as set forth on Schedule 4.13, there are no judgments outstanding against any Loan Party or any of its Subsidiaries or affecting any property of any Loan Party or any of its Subsidiaries as of the Closing Date, nor is there any Litigation pending, or to the best knowledge of any Loan Party threatened, against any Loan Party or any of its Subsidiaries, in each case which would reasonably be expected to result in any Material Adverse Effect.

4.14 Ownership of Property; Liens. As of the Closing Date, the real estate (together with any future acquired real estate, “Real Estate”) listed in Schedule 4.14 constitutes all of the real property owned, leased or subleased by any Loan Party or any of its Subsidiaries. As of the Closing Date, each of the Loan Parties and each of its Subsidiaries owns good and marketable (and, in the case of Real Estate located outside the province of Quebec, fee simple) title to all of its owned Real Estate, and valid leasehold interests in all of its leased Real Estate, all as described on Schedule 4.14, and copies of all such leases and material amendments thereto have been delivered to Agent. Schedule 4.14 further describes any Real Estate with respect to which any Loan Party or any of its Subsidiaries is a lessor, sublessor or assignor as of the Closing Date. As of the Closing Date, each of the Loan Parties and each of its Subsidiaries also has good and marketable title to, or valid leasehold interests in, all of its personal property and assets subject to applicable Permitted Encumbrances. As of the Closing Date, none of the properties and assets of any Loan Party or any of its Subsidiaries are subject to any Liens other than Permitted Encumbrances, and there are no facts, circumstances or conditions known to Borrowers that are reasonably likely to result in any Liens (including Liens arising under Environmental Laws) other than Permitted Encumbrances against the properties or assets of any Loan Party or any of its Subsidiaries. As of the Closing Date, Schedule 4.14 also describes any purchase options, rights of first refusal or other similar contractual rights pertaining to any Loan Party’s interest in any Real Estate. Except as set forth on Schedule 4.14, as of the Closing Date, all material permits required to have been issued or appropriate to enable the Real Estate to be lawfully occupied and used for all of the purposes for which it is currently occupied and used have been lawfully issued and are in full force and effect.

4.15 Environmental Matters. Except as set forth in Schedule 4.15, as of the Closing Date: (i) the Loan Parties and their Subsidiaries are and have been in compliance with all Environmental Laws, except for such noncompliance that would not reasonably be expected to result in Environmental Liabilities of the Loan Parties or their Subsidiaries in excess of \$250,000 in the aggregate; (ii) the Loan Parties and their Subsidiaries have obtained, and are in compliance with, all material Environmental Permits required by Environmental Laws for the operations of their respective businesses as presently conducted or as proposed to be conducted; (iii) no Loan Party and no Subsidiary of a Loan Party is involved in operations or knows of any facts, circumstances or conditions, including any Releases of Hazardous Materials, that are likely to result in any Environmental Liabilities of such Loan Party or Subsidiary which would reasonably be expected to be in excess of \$250,000 in the aggregate, and no Loan Party or Subsidiary of a Loan Party has permitted any current or former tenant or occupant of the Real Estate to engage in any such operations; (iv) there is no Litigation arising under or related to any Environmental Laws, Environmental Permits or Hazardous Material that seeks damages, penalties, fines, costs or expenses in excess of \$250,000 in the aggregate or injunctive relief against, or that alleges criminal misconduct by any Loan Party or any Subsidiary of a Loan Party; and (v) no notice has been received by any Loan Party or any Subsidiary of a Loan Party identifying any of them as a “potentially responsible party” or requesting information under CERCLA or analogous state statutes, and to the knowledge of the Loan Parties, there are no facts, circumstances or conditions that would be reasonably likely to result in any of the Loan Parties or their Subsidiaries being identified as a “potentially responsible party” under CERCLA or analogous federal, state or provincial statutes.

4.16 ERISA; Canadian Pension Plans, Canadian Benefit Plans.

(a) Except with respect to Multiemployer Plans, each Qualified Plan received a favorable determination or opinion letter from the IRS or is within the applicable remedial amendment period. Except as would not reasonably be expected to have a Material Adverse Effect, each Plan is in compliance with the applicable provisions of ERISA and the IRC. Except as would not reasonably be expected to have a Material Adverse Effect, neither any Loan Party nor ERISA Affiliate has failed to make any contribution or pay any amount due as required by either Section 412 of the IRC or Section 302

of ERISA or the terms of any such Title IV Plan. No Loan Party has engaged in a “prohibited transaction,” as defined in Section 406 of ERISA and Section 4975 of the IRC, in connection with any Plan, that would subject any Loan Party to a material tax on prohibited transactions imposed by Section 502(i) of ERISA or Section 4975 of the IRC in an amount that would reasonably be expected to have a Material Adverse Effect.

(b) As of the Closing Date, except as set forth in Schedule 4.16: (i) no ERISA Event or event described in Section 4062(e) of ERISA with respect to any Title IV Plan has occurred or is reasonably expected to occur; (ii) except as would not reasonably be expected to have a Material Adverse Effect, no Loan Party or ERISA Affiliate has incurred or reasonably expects to incur any liability as a result of a complete or partial withdrawal from a Multiemployer Plan; and (iii) except as would not reasonably be expected to have a Material Adverse Effect, within the last five years no Title IV Plan of any Loan Party or ERISA Affiliate has been terminated, whether or not in a “standard termination” as that term is used in Section 404(b)(1) of ERISA.

(c) As of the Closing Date, the Canadian Pension Plans are duly registered under the ITA and all other applicable laws which require registration and no event has occurred which is reasonably likely to cause the loss of such registered status. As of the Closing Date, all obligations of each Loan Party (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Canadian Pension Plans and the Canadian Benefit Plans and the funding agreements therefor have been performed in a timely fashion, except where the failure to do so would not have a Material Adverse Effect. As of the Closing Date, there have been no improper withdrawals or applications of the assets of the Canadian Pension Plans or the Canadian Benefit Plans. As of the Closing Date, there are no outstanding disputes concerning the assets of the Canadian Pension Plans or the Canadian Benefit Plans, which disputes would reasonably be expected to have a Material Adverse Effect. As of the Closing Date, each of the Canadian Pension Plans is funded to the extent required by applicable Canadian federal or provincial pension laws and regulations on both a solvency basis and an ongoing basis (using actuarial methods and assumptions which are consistent with the valuations last filed with the applicable Governmental Authorities and which are consistent with generally accepted actuarial principles). As of the Closing Date, no promises of benefit improvements under the Canadian Pension Plans or the Canadian Benefit Plans have been made and there are no taxes, penalties or interest owing in respect of any Canadian Pension Plan, except as would not reasonably be expected to have a Material Adverse Effect. Schedule 4.16 lists all Canadian Benefit Plans (other than, for greater certainty, universal plans created by, and to which any Loan Party is obligated to contribute, by statute) and Canadian Pension Plans adopted by any Loan Party.

4.17 Deposit and Disbursement Accounts. Schedule 4.17 lists all banks and other financial institutions at which any Loan Party maintains deposit or other accounts as of the Closing Date, including any Disbursement Accounts, and such Schedule correctly identifies the name and address of each depository, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

4.18 Agreements and Other Documents. As of the Closing Date, each Loan Party has provided to Agent or its counsel, on behalf of Lenders, accurate and complete copies (or summaries) of all of the following agreements or documents to which it is subject and each of which is listed in Schedule 4.18: supply agreements and purchase agreements not terminable by such Loan Party within sixty (60) days following written notice issued by such Loan Party and involving transactions in excess of \$200,000 per annum (other than customer contracts or purchase orders entered into in the ordinary course of business); leases of Equipment having a remaining term of one year or longer and requiring aggregate rental and other payments in excess of \$200,000 per annum (other than purchase orders entered into in the ordinary

course of business); licenses and permits held by the Loan Parties, the absence of which would reasonably be expected to have a Material Adverse Effect; and instruments and documents evidencing any Indebtedness or Guaranteed Indebtedness exceeding \$200,000 of such Loan Party and any Lien granted by such Loan Party with respect thereto.

4.19 Insurance. Each Loan Party currently maintains in good operating condition (normal wear and tear excepted) all of its material properties and maintains all insurance described in Schedule 4.19. Schedule 4.19 lists all insurance policies of any nature maintained, as of the Closing Date, for current occurrences by each Loan Party, as well as a summary of the key business terms of each such policy such as deductibles, coverage limits and term of policy.

4.20 Taxes and Tax Returns.

(a) Except where the failure to file Tax Returns or to pay Taxes which would not reasonably be expected to have a Material Adverse Effect, as of the Closing Date, (i) all Tax Returns required to be filed by the Loan Parties have been timely and properly filed taking into account extensions and (ii) all taxes that are due (other than taxes being contested in good faith by appropriate proceedings and for which adequate reserves or liabilities have been provided for in accordance with GAAP) have been paid. No Governmental Authority has asserted any claim for taxes, or to any Loan Party's knowledge, has threatened to assert any claim for taxes that would, if not paid by a Loan Party, have a Material Adverse Effect. All taxes required by law to be withheld or collected and remitted (including, without limitation, income tax, unemployment insurance and workmen's compensation premiums) with respect to the Loan Parties have been withheld or collected and paid to the appropriate Governmental Authorities (or are properly being held for such payment), except for amounts the nonpayment of which would not be reasonably likely to have a Material Adverse Effect.

(b) None of the Loan Parties has been notified that either the IRS, the Canada Revenue Agency or any other Governmental Authority, has raised or intends to raise, any adjustments with respect to Taxes of the Loan Parties, which adjustments would be reasonably likely to have a Material Adverse Effect.

4.21 Acquisition Agreement. As of the Closing Date, Borrowers have delivered to Agent a complete and correct copy of the Acquisition Agreement (including all schedules, exhibits, amendments, supplements, modifications, assignments and all other documents delivered pursuant thereto or in connection therewith). No Loan Party, and to the knowledge of any Loan Party, no other Person party thereto is in material default in the performance or compliance with any provisions thereof. The Acquisition Agreement complies with, and the Acquisition has been consummated in accordance with, in all material respects, all applicable laws. To each Borrower's knowledge, all covenants and conditions to be performed by the parties to the Acquisition Agreement (including all schedules, exhibits, supplements, modifications, assignments and all other documents delivered pursuant thereto or in connection therewith) have been performed or satisfied in all material respects. The Acquisition Agreement is in full force and effect as of the Closing Date and has not been terminated, rescinded or withdrawn. All material approvals by Governmental Authorities having jurisdiction over any Loan Party and other Persons referenced therein, with respect to the transactions contemplated by the Acquisition Agreement, have been obtained, and no such approvals impose any conditions to the consummation of the transactions contemplated by the Acquisition Agreement or to the conduct by any Loan Party of its business thereafter.

4.22 [Reserved].

4.23 FDA Compliance.

(a) Except for the FDA Letter Matters, each of the Loan Parties and its Subsidiaries and to their knowledge all entities and individuals acting on their behalf possess and are in compliance with all material certificates, licenses, approvals, exemptions, notices, registrations, waivers, consents, authorizations and permits issued by, and have made all declarations and filings with, the appropriate federal, state, provincial, local or foreign regulatory authorities reasonably necessary to conduct its business, including without limitation all those that may be required by the U.S. Food and Drug Administration (the "FDA"), the U.S. Drug Enforcement Administration, the Canadian Department of Health ("Health Canada") or any other federal, state, provincial, local or foreign agencies or bodies engaged in the regulation of pharmaceuticals, medical devices, biologics, cosmetics or biohazardous materials ("Regulatory Permits"). Except for the FDA Letter Matters, each of the Loan Parties and its Subsidiaries and to their knowledge all entities and individuals acting on their behalf are and at all times have been in all material respects in compliance with all Health Care Laws, as defined in Section 4.9(b)(i), federal, state, local, provincial, or foreign statutes, rules, regulations, ordinances, orders, decrees, policies, directives and guidances applicable to the ownership, testing, development, manufacture, packaging, processing, recordkeeping, reporting, use, distribution, marketing, labeling, promotion, sale, offer for sale, storage, import, export or disposal of any product or product candidate, including, without limitation, the FFDCA and implementing regulations, the CSA and implementing regulations, the CFDA and implementing regulations and the CDSA and implementing regulations ("Regulatory Laws").

(b) Except for the FDA Letter Matters or as provided on Schedule 4.23, all analyses, studies, tests and preclinical and clinical trials conducted by or on behalf of each of the Loan Parties and their Subsidiaries are being and were, if completed, terminated, or halted, conducted in compliance with experimental protocols, procedures and controls pursuant to accepted professional scientific standards and applicable local, state, provincial and federal laws, rules, regulations, policies, directives and guidances, including, but not limited to, the FFDCA and its implementing regulations at 21 C.F.R. Parts 11, 50, 54, 56, 58, 312 and 314, 812 and 814, the CFDA and its implementing regulations at Division 5 and Division 8 of Part C of the Food and Drug Regulations, the CSA and its implementing regulations and the CDSA and its implementing regulations. Except for the FDA Letter Matters, each of the Loan Parties and their Subsidiaries and to their knowledge all entities and individuals acting on their behalf have not received any material order, warning letter, untitled letter, Form 483, inspection report, clinical hold order, or any other formal or informal notice from any Governmental Authority or clinical trial sponsor that has not been closed by the issuing authority and remains outstanding any Governmental Authority is considering any claim, notice, charge, complaint, investigation, enforcement action, proceeding, seizure, injunction, prosecution, civil fine, suspension, hearing or other action (each an "Enforcement Action"), nor do they have any knowledge of any reasonable basis for such Enforcement Action: (A) to limit, revoke, suspend, or materially modify any Regulatory Permit; (B) to terminate, suspend or materially modify any study, test or clinical or preclinical trial currently being conducted by, or on behalf of, the Loan Parties and its Subsidiaries; (C) alleging or asserting material noncompliance with any applicable laws (D) initiating or threatening to initiate any regulatory action relating to the truthfulness of data generated by any of the Loan Parties and their Subsidiaries, or (E) requesting that any of the Loan Parties and their Subsidiaries redo any work previously submitted in connection with any approval, exemption, notice, license, filing, registration, or other submission.

SECTION 5.
AFFIRMATIVE COVENANTS

Each Loan Party executing this Agreement jointly and severally agrees as to all Loan Parties (except in the case of each Canadian Subsidiary which is a Loan Party, which severally, and not jointly, agrees as to all Loan Parties) that from and after the date hereof and until the Termination Date:

5.1 Compliance With Laws and Contractual Obligations. Each Loan Party will (a) comply with and shall cause each of its Subsidiaries to comply with (i) the requirements of all applicable material laws, rules, regulations and orders of any Governmental Authority (including, without limitation, laws, rules, regulations and orders relating to taxes, employer and employee contributions, securities, employee retirement and welfare benefits, environmental protection matters and employee health and safety) as now in effect and which may be imposed in the future in all jurisdictions in which any Loan Party or any of its Subsidiaries is now doing business or may hereafter be doing business and (ii) the obligations, covenants and conditions contained in all Contractual Obligations of such Loan Party or any of its Subsidiaries other than the noncompliance with which would not be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, and (b) maintain or obtain and shall cause each of its Subsidiaries to maintain or obtain all licenses, qualifications and permits now held or hereafter required to be held by such Loan Party or any of its Subsidiaries, for which the loss, suspension, revocation or failure to obtain or renew, would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. This Section 5.1 shall not preclude any Loan Party or its Subsidiaries from contesting any taxes or other payments, if they are being diligently contested in good faith in a manner which stays enforcement thereof and if appropriate expense provisions have been recorded in conformity with GAAP, and no Lien (other than a Permitted Encumbrance) in respect thereof has arisen or been created.

5.2 Insurance. Each Loan Party will maintain or cause to be maintained, with insurers reasonably acceptable to Agent, public liability and property damage insurance with respect to its business and properties and the business and properties of its Subsidiaries against loss or damage of the kinds customarily carried or maintained by corporations of established reputation engaged in substantially similar businesses and in amounts reasonably acceptable to Agent and will deliver evidence thereof to Agent. Agent confirms that the insurance in effect on the Closing Date is reasonably acceptable to it. The Loan Parties shall maintain business interruption insurance providing coverage for a period of at least six (6) months and in an amount not less than \$20,000,000 in the aggregate. Each Loan Party shall, pursuant to endorsements and/or assignments in form and substance reasonably satisfactory to Agent, (i) cause Agent to be named as lender's loss payee in the case of casualty insurance, and assignee in the case of all business interruption insurance and key man life insurance policies, in each case for the benefit of Agent and applicable Lenders and (ii) cause Agent and each applicable Lender to be named as additional insureds in the case of all liability insurance. So long as no Event of Default has occurred and is continuing, proceeds of business interruption insurance will be released to the Loan Parties. In the event any Loan Party fails to provide Agent with evidence of the insurance coverage required by this Agreement, Agent may purchase insurance at such Loan Party's expense to protect Agent's interests in the Collateral. This insurance may, but need not, protect such Loan Party's interests. The coverage purchased by Agent may not pay any claim made by such Loan Party or any claim that is made against such Loan Party in connection with the Collateral. If Agent purchases insurance for the Collateral, such Loan Party will be responsible for the costs of that insurance (which may exceed the cost of insurance that such Loan Party could obtain on its own), including interest and other charges imposed by Agent in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Obligations.

5.3 Inspection; Lender Meeting. Upon five (5) Business Days' prior written notice to the Loan Parties and the Lenders, each Loan Party shall permit any authorized representatives of Agent to visit, audit and inspect any of the properties of such Loan Party and its Subsidiaries, including its and their financial and accounting records, and to make copies and take extracts therefrom, and to discuss its and their affairs, finances and business with its respective Chief Executive Officer and Chief Financial Officer and certified public accountants, at such reasonable times during normal business hours and as often as may be reasonably requested (collectively a "Field Review"); provided, that, upon the occurrence and continuance of an Event of Default, Agent shall not be required to provide any notice to the Loan Parties prior to the performance of a Field Review; provided further, that, so long as no Event of Default has occurred and is continuing, Agent shall be limited to two (2) Field Reviews during any calendar year. Representatives of each Lender will be permitted to accompany representatives of Agent during each Field Review at such Lender's expense. In addition to the foregoing, each Loan Party will participate (by telephone or otherwise) and will cause its Chief Executive Officer and Chief Financial Officer to participate (by telephone or otherwise) in a meeting with Agent and Lenders at least twice during each year, which meeting shall be held at such time and such place as may be reasonably requested by Agent.

5.4 Organizational Existence. Except as otherwise permitted by Section 6.6, each Loan Party will and will cause its material Subsidiaries to at all times preserve and keep in full force and effect its organizational existence and all rights and franchises material to its business.

5.5 Environmental Matters. Each Loan Party shall and shall cause each Person within its control to: (a) conduct its operations and keep and maintain its Real Estate in compliance with all Environmental Laws and Environmental Permits other than noncompliance that would not reasonably be expected to have a Material Adverse Effect; (b) notify Agent promptly after such Loan Party or any Person within its control becomes aware of any violation of Environmental Laws or Environmental Permits or any Release on, at, in, under, above, to, from or about any Real Estate that is reasonably likely to result in Environmental Liabilities to a Loan Party or its Subsidiaries in excess of \$500,000; and (c) promptly forward to Agent a copy of any order, notice of actual or alleged violation or liability, request for information or any communication or report received by such Loan Party or any Person within its control in connection with any such violation or Release or any other matter relating to any Environmental Laws or Environmental Permits that would reasonably be expected to result in Environmental Liabilities in excess of \$500,000.

5.6 Landlords' Agreements, Mortgagee Agreements, Bailee Letters and Real Estate Purchases. Each Loan Party shall use reasonable efforts to obtain a landlord's agreement, mortgagee agreement or bailee letter, as applicable, from the lessor of each leased property, mortgagee of owned property or bailee with respect to any warehouse, processor or converter facility or other location where Collateral with a book value greater than \$200,000 is stored or located, which agreement or letter shall contain a waiver or subordination of all Liens or claims that the landlord, mortgagee or bailee may assert against the Collateral at that location, and shall otherwise be reasonably satisfactory in form and substance to Agent. Each Loan Party shall and shall cause its Subsidiaries to timely and fully pay and perform their obligations under all leases and other agreements with respect to each leased location or public warehouse where any Collateral is or may be located (other than leased locations where Collateral in an aggregate amount for all such locations does not exceed \$200,000 in the aggregate).

5.7 Further Assurances.

(a) Each Loan Party shall, from time to time, execute such guaranties, financing statements, documents, security agreements, Control Agreements, and reports and take such other actions and enter into such other agreements as Agent at any time may reasonably request to evidence, perfect or maintain

the perfection or priority of the guaranties and security for repayment of the Obligations contemplated by the Loan Documents.

(b) In the event any Loan Party acquires (or acquired) an ownership interest (or fee simple interest in the case of real property located outside the Province of Quebec) in real property or leasehold interest in real property which has environmental exposure chambers after the Closing Date, such Loan Party shall (or with respect to leasehold interests, use its commercially reasonable efforts to) deliver to Agent a fully executed mortgage, deed of trust, debenture or other security device of similar purpose and effect over such real property in form and substance satisfactory to Agent, together with such title insurance policies, surveys, appraisals, evidence of insurance, legal opinions, environmental assessments and other documents and certificates as shall be reasonably required by Agent.

(c) Each Loan Party shall (i) cause each Person, upon its becoming a Subsidiary of such Loan Party (provided that this shall not be construed to constitute consent by any of the Lenders to any transaction not expressly permitted by the terms of this Agreement), promptly to execute or join this Agreement as a Loan Party, to guaranty the Obligations and to cause each such Subsidiary to grant to Agent, for the benefit of Agent and applicable Lenders, a security interest in the real, personal and mixed property of such Subsidiary to secure the Obligations and (ii) pledge, or cause to be pledged, to Agent, for the benefit of Agent and applicable Lenders, all of the Stock of such Subsidiary to secure the Obligations. To the extent that the requirement in the immediately preceding sentence as applied to any Foreign Subsidiaries would result in material adverse tax liabilities under Section 956 of the IRC for US Borrower or the other US Loan Parties, (i) such Foreign Subsidiary (if a Canadian Subsidiary) shall guaranty only the Canadian Obligations and grant security only for its own Obligations, and (ii) the relevant Loan Party shall only be required to pledge, or cause to be pledged, to Agent, for the benefit of Agent and applicable Lenders, 65% of the outstanding voting Stock and 100% of the outstanding nonvoting Stock of only the related first tier Foreign Subsidiary. The documentation for such guaranty, security and pledge shall be substantially similar to the Loan Documents executed concurrently herewith with such modifications as are reasonably requested by Agent.

5.8 Payment of Taxes. Each Loan Party shall timely pay and discharge (or cause to be paid and discharged) all material taxes, assessments and governmental and other charges or levies imposed upon it or upon its income or profits, or upon property belonging to it; provided that, to the extent permitted by applicable law, such Loan Party shall not be required to pay any such tax, assessment, charge or levy that is being contested in good faith by appropriate proceedings and for which the affected Loan Party shall have set aside on its books adequate reserves with respect thereto in conformance with GAAP and no Lien (other than a Permitted Encumbrance) in respect thereof has arisen or been created.

5.9 Cash Management Systems. US Borrower shall, and shall cause each other US Loan Party to, enter into Control Agreements with respect to each deposit account maintained by any US Loan Party, and use commercially reasonable efforts to cause each Canadian Loan Party to enter into Control Agreements with respect to each deposit account maintained by a Canadian Loan Party (other than any petty cash accounts with an aggregate balance not to exceed \$100,000 and payroll account so long as such payroll account is a zero balance account and is used solely for payroll purposes) as of or after the Closing Date. Each such deposit account control agreement shall be in form and substance reasonably satisfactory to Agent.

5.10 Interest Rate Protection. Upon the request of Agent (which may be made by Agent at any time the offered rate for deposits in United States Dollars for any LIBOR Period that appears on Reuters Screen LIBOR01 Page as of 11:00 a.m. (London time) exceeds 2.00% per annum), Borrowers shall, within 60 days of such request, enter into, and thereafter maintain, Interest Rate Agreements that result in

at least 50% of the aggregate principal amount of the Borrowers' consolidated long-term Indebtedness (other than the Revolving Loan Commitments) being effectively subject to a fixed or maximum interest rate, which agreements shall contain such terms as are reasonably satisfactory to Agent.

5.11 Intentionally Omitted.

5.12 Compliance with Health Care Laws; Third Party Payor Program.

(a) Without limiting or qualifying any other provision of this Agreement, each Loan Party will comply in all material respects, and will cause each of its Subsidiaries to comply in all material respects, with all applicable Health Care Laws relating to the operation of such Person's business.

(b) Each Loan Party will maintain and will cause each of its Subsidiaries to maintain (i) all material Authorizations which are necessary to engage in its business, and (ii) all records required to be maintained by any Governmental Authority or otherwise under the Health Care Laws, except where the failure to so maintain such records could not reasonably be expected to cause a Material Adverse Effect.

(c) No Loan Party receives payments from or enters into any contract to receive payments from any Third Party Payor Program.

5.13 FDA and Health Canada Compliance. Each Loan Party shall and shall cause its Subsidiaries and all employees and entities acting on their behalf to (a) maintain all material Regulatory Permits in material compliance with all Health Care and Regulatory Laws and shall conduct all studies, tests and preclinical and clinical trials in compliance with all applicable protocols, procedures and controls pursuant to professional and scientific standards and Health Care and Regulatory Laws; (b) notify Agent promptly after such Loan Party or its Subsidiaries becomes aware of any violation of Health Care and Regulatory Laws, Regulatory Permits, or study protocols, procedures or controls which could reasonably be expected to cause a Material Adverse Effect (including, without limitation, providing copies to Agent of all FDA Form 483s, Health Canada inspection reports where a potential material non-compliance or risk has been identified, warning letters and untitled letters received by such Loan Party or any of its Subsidiaries); and (c) promptly forward to Agent a copy of any formal or informal notice or other information from a Governmental Authority or clinical trial sponsor that any Governmental Authority is considering an Enforcement Action to limit, revoke, suspend or modify any Regulatory Permit or to terminate, suspend, or materially modify any study, test, or clinical or pre-clinical trials currently being conducted by, or on behalf of the Loan Parties and its Subsidiaries (including, without limitation, providing copies to Agent of all FDA Form 483 inspection reports where a potential material non-compliance or risk has been identified, and FDA warning letters and untitled letters received by such Loan Party or any of its Subsidiaries). Lenders agree that the Loan Parties may redact from any formal or informal communication received or sent relating to a clinical trial sponsor which must be kept confidential under a confidentiality agreement between any Loan Party and such clinical trial sponsor.

5.14 Canadian Pension Plans. For each existing Canadian Pension Plan, each Loan Party shall ensure that such plan retains its registered status under and is administered in a timely manner in accordance with the applicable pension plan text, funding agreement, the ITA and all other applicable laws, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect. For each plan hereafter adopted by any Loan Party which would constitute a Canadian Pension Plan were it in existence on the Closing Date (for purposes of this Section 5.14, also a "Canadian Pension Plan") which is required to be registered under the ITA or any other applicable laws, that Loan Party shall use its best efforts to seek and receive confirmation in writing from the applicable Governmental Authorities to the effect that such plan is unconditionally registered under the ITA and such other applicable laws. For each existing

and hereafter adopted Canadian Pension Plan and each existing Canadian Benefit Plan and plan hereafter adopted by any Loan Party which would constitute a Canadian Benefit Plan were it in existence on the Closing Date (for purposes of this Section 5.14, also a “Canadian Benefit Plan”), each Loan Party shall perform in a timely manner all obligations (including fiduciary, funding, investment and administration obligations) required to be performed in connection with such plan and the funding media therefor, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect. Each Loan Party shall deliver to Agent: (i) with respect to each Canadian Pension Plan, if requested by Agent, promptly after the filing thereof by any Loan Party with any applicable Governmental Authority, copies of each annual and other return, report or valuation, and promptly after its preparation and transmittal to the funding agent, copies of the annual summary of contributions; (ii) promptly after receipt thereof, a copy of any direction, order, notice, ruling or opinion that any Loan Party may receive from any applicable Governmental Authority with respect to any Canadian Pension Plan; and (iii) notification within 30 days of (A) any increases having a cost to such Loan Party in excess of \$250,000, per annum, in the benefits of any Canadian Pension Plan or Canadian Benefit Plan, or (B) the establishment of any new Canadian Pension Plan or Canadian Benefit Plan, along with details thereof including cost information or (C) the commencement of contributions to any Canadian Pension Plan or Canadian Benefit Plan to which any Loan Party was not previously contributing, along with information reflecting the amount of such contributions.

5.15 Invention Agreements. Loan Parties shall maintain all existing invention agreements to which one or more Loan Parties are a party on the Closing Date and use commercially reasonable efforts to obtain invention agreements from all employees hired on or after the Closing Date who work for the Loan Parties in a bioanalytical scientific capacity.

5.16 Business Plan. On or prior to August 6, 2012, Borrowers shall deliver to Agent and Lenders Borrowers’ business plan which shall include a financial forecast on a monthly basis for the first twelve months after the Closing Date and on a quarterly basis thereafter through December 31, 2015 prepared by US Borrower’s management. If any Lender provides any comments or questions to the Borrower Representative on the proposed business plan on or prior to August 13, 2012, Borrowers shall deliver a revised business plan to Agent and Lenders on or prior to August 20, 2012 with such changes as are reasonably satisfactory to Agent and Requisite Lenders (such business plan as so revised, the “Acceptable Business Plan”).

SECTION 6. NEGATIVE COVENANTS

Each Loan Party executing this Agreement jointly and severally agrees as to all Loan Parties (except in the case of each Canadian Subsidiary which is a Loan Party, which severally, and not jointly, agrees as to all Loan Parties) that from and after the date hereof until the Termination Date:

6.1 Indebtedness. The Loan Parties shall not and shall not cause or permit their Subsidiaries directly or indirectly to create, incur, assume, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness (other than pursuant to a Contingent Obligation permitted under Section 6.4) except:

- (a) Indebtedness described on Schedule 6.1;
- (b) the Obligations;

(c) intercompany Indebtedness arising from loans made by (i) any Loan Party to any US Loan Party, (ii) any Canadian Loan Party to any other Canadian Loan Party, or (iii) any US Loan Party to any Canadian Loan Party in an amount not to exceed \$5,000,000 in the aggregate at any time outstanding; provided, however, that any Indebtedness incurred under this clause (c) shall be evidenced by the Intercompany Note dated as of the Closing Date (as may be amended at the request of Agent to reflect the addition of additional Loan Parties in accordance with this Agreement) which shall be pledged and delivered to the Agent pursuant to the terms thereof;

(d) [reserved];

(e) Indebtedness not to exceed \$5,000,000 (less the aggregate amount of all Indebtedness permitted pursuant to Section 6.1(f) hereof that refinanced Indebtedness previously permitted pursuant to this Section 6.1(e)) in an aggregate principal amount at any time outstanding secured by purchase money Liens or incurred with respect to Capital Leases and purchase money Indebtedness for the purchase of fixed assets;

(f) refinancings of Indebtedness permitted under clauses (a), (d) and (e) that do not accelerate the scheduled dates for payment thereof, increase the principal amounts thereof, materially increase any interest rate or fees applicable thereto, add additional obligors therefor, or enhance the collateral therefor or the priority thereof;

(g) Indebtedness under (i) interest rate agreements (including Interest Rate Agreements) entered into to protect US Borrower or any Subsidiary thereof against fluctuations in interest rates in respect of Indebtedness otherwise permitted under this Agreement or (ii) other hedging agreements providing protection against fluctuations in currency values or commodity prices in connection with US Borrower's or any of its Subsidiaries' operations, so long as the purpose of any such agreement is a bona fide hedging activity (and is not for speculative purposes); and

(h) Contingent Obligations permitted by Section 6.4

6.2 Liens and Related Matters.

(a) No Liens. The Loan Parties shall not and shall not cause or permit their Subsidiaries to directly or indirectly create, incur, assume or permit to exist any Lien on or with respect to any property or asset of such Loan Party or any such Subsidiary, whether now owned or hereafter acquired, or any income or profits therefrom, except Permitted Encumbrances (including, without limitation, those Liens constituting Permitted Encumbrances existing on the date hereof and renewals and extensions thereof, as set forth on Schedule 6.2).

(b) No Negative Pledges. The Loan Parties shall not and shall not cause or permit their Subsidiaries to directly or indirectly enter into or assume any agreement (other than the Loan Documents) prohibiting the creation or assumption of any Lien upon its properties or assets, whether now owned or hereafter acquired and other than agreements containing (i) provisions restricting subletting or assignment under any lease governing a leasehold interest or lease of personal property; (ii) restrictions with respect to a Subsidiary imposed pursuant to any agreement which has been entered into for the sale of disposition of all or substantially all of the equity interests or assets of such Subsidiary, so long as such sale or disposition of all or substantially all of the equity interests or assets of such Subsidiary is permitted under this Agreement; and (iii) restrictions on assignments or sublicensing of licensed Intellectual Property.

(c) No Restrictions on Subsidiary Distributions to Borrowers. Except as provided herein, the Loan Parties shall not and shall not cause or permit their Subsidiaries to directly or indirectly create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any such Subsidiary to: (1) pay dividends or make any other distribution on any of such Subsidiary's Stock owned by either Borrower or any other Subsidiary; (2) pay any Indebtedness owed to either Borrower or any other Subsidiary; (3) make loans or advances to either Borrower or any other Subsidiary; or (4) transfer any of its property or assets to either Borrower or any other Subsidiary.

6.3 Investments. The Loan Parties shall not and shall not cause or permit their Subsidiaries to directly or indirectly make or own any Investment in any Person except:

(a) US Borrower and its Subsidiaries may make and own Investments in Cash Equivalents subject to Control Agreements in favor of Agent; provided that such Cash Equivalents are not subject to setoff rights;

(b) intercompany loans to other Loan Parties to the extent permitted under Section 6.1;

(c) US Borrower and its Subsidiaries may make loans and advances to employees or other Persons (other than the Loan Parties) in the ordinary course of business not to exceed \$500,000 in the aggregate at any time outstanding;

(d) (i) Loan Parties (other than US Borrower) and their Subsidiaries may make capital contributions to their wholly-owned Subsidiaries that are Loan Parties and (ii) US Borrower may make capital contributions to its wholly-owned Subsidiaries that are Loan Parties (other than Canadian Loan Parties);

(e) non-cash consideration received in accordance with Section 6.7;

(f) Investments existing on the Closing Date, as set forth on Schedule 6.3 and any renewals, amendments and replacements thereof that do not increase the amount thereof;

(g) each Loan Party may hold investments comprised of notes payable, or stock or other securities issued by financially troubled Account Debtors (excluding Affiliates) to such Loan Party pursuant to agreements with respect to settlement of such Account Debtor's Accounts with such Loan Party negotiated in the ordinary course of business;

(h) [reserved];

(i) Interest Rate Agreements and other hedging agreements subject to Section 6.1;

(j) US Borrower and its Subsidiaries may make advances in the form of a prepayment of expenses, so long as such expenses were incurred in the ordinary course of business and are being paid in accordance with customary trade terms of US Borrower or such Subsidiary; not to exceed \$500,000 in the aggregate to the extent that such funds have not been received from a customer pursuant to the applicable clinical services contract.

6.4 Contingent Obligations. The Loan Parties shall not and shall not cause or permit their Subsidiaries to directly or indirectly create or become or be liable with respect to any Contingent Obligation except:

- (a) Letter of Credit Obligations;
- (b) those arising under Interest Rate Agreements or other hedging agreements entered into in compliance with Section 6.1;
- (c) those resulting from endorsement of negotiable instruments for collection in the ordinary course of business;
- (d) those existing on the Closing Date and described in Schedule 6.4;
- (e) those arising under indemnity agreements to title insurers to cause such title insurers to issue to Agent mortgagee title insurance policies;
- (f) those arising with respect to customary indemnification obligations incurred in connection with Asset Dispositions permitted hereunder;
- (g) those incurred in the ordinary course of business with respect to surety and appeal bonds, performance and return-of-money bonds and other similar obligations not exceeding at any time outstanding \$500,000 in aggregate liability;
- (h) those incurred with respect to Indebtedness permitted by Section 6.1; provided that (i) any such Contingent Obligation is subordinated to the Obligations to the same extent as the Indebtedness to which it relates is subordinated to the Obligations and (ii) no Loan Party may incur Contingent Obligations in respect of Indebtedness incurred by any Person that is not a Loan Party under this clause (h);
 - (i) [reserved];
 - (j) [reserved];
- (k) any other Contingent Obligation not expressly permitted by clauses (a) through (h) above, so long as any such other Contingent Obligations, in the aggregate at any time outstanding, do not exceed \$2,000,000 and no Loan Party may incur Contingent Obligations in respect of Indebtedness incurred by any Person that is not a Loan Party under this clause (k); and
- (l) those incurred with respect to the Guaranty and Suretyship Agreement dated as of the Closing Date, made by US Borrower in favor of Gate (MO) QRS 16-95, Inc., a Delaware corporation ("QRS").

6.5 Restricted Payments. The Loan Parties shall not and shall not cause or permit their Subsidiaries to directly or indirectly declare, order, pay, make or set apart any sum for any Restricted Payment, except that:

- (a) [reserved];
- (b) [reserved];
- (c) direct or indirect wholly-owned Subsidiaries of US Borrower may make Restricted Payments to the entity which is the direct owner of the equity of such wholly-owned Subsidiary;

(d) US Borrower may repurchase Stock of US Borrower owned by employees of US Borrower and its Subsidiaries whose employment with US Borrower and its Subsidiaries has been terminated, provided that such Restricted Payments shall not exceed \$1,000,000 in any Fiscal Year or \$3,000,000 during the term of this Agreement (calculated from the Closing Date) in the aggregate and provided that no Event of Default exists at the time of such Restricted Payment or would occur as a result thereof;

- (e) [reserved];
- (f) [reserved];
- (h) [reserved];
- (i) [reserved];
- (j) [reserved];
- (k) [reserved]; and

(l) US Borrower may repurchase Stock of US Borrower owned by employees of US Borrower and its Subsidiaries, provided that such Restricted Payments shall not exceed \$50,000 in any Fiscal Year in the aggregate.

6.6 Restriction on Fundamental Changes. The Loan Parties shall not and shall not cause or permit their Subsidiaries to directly or indirectly: (a) amend, modify or waive any term or provision of its organizational documents in a manner adverse to the Agent or Lenders, including its articles of incorporation, articles or memorandum of association, unanimous shareholder declarations, certificates of designations pertaining to preferred stock, by-laws, partnership agreement or operating agreement in any manner adverse to the Agent or Lenders unless required by law; (b) enter into any transaction of merger, amalgamation or consolidation except, upon not less than five (5) Business Days prior written notice to Agent, any wholly-owned Subsidiary of US Borrower may be merged or amalgamated with or into either Borrower (provided that such Borrower is the surviving entity) or any other wholly-owned Subsidiary of US Borrower (provided that, in the case of any such merger or amalgamation of any US Subsidiary with or into a Foreign Subsidiary, the US Subsidiary is the surviving entity); (c) liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution); (d) subject to Section 6.3, acquire by purchase or otherwise all or any substantial part of the Stock, business or assets of any other Person; or (e) in the case of any Canadian Loan Party, change the location of any of its personal property, or its chief executive office, registered office or domicile (within the meaning of the Civil Code of Quebec), in each case to a new location unless Borrower Representative provides at least ten (10) Business Days prior written notice to Agent in order to allow Agent an opportunity to perfect its liens with respect to such new location.

6.7 Disposal of Assets or Subsidiary Stock. The Loan Parties shall not and shall not cause or permit their Subsidiaries to directly or indirectly convey, sell, license, lease, sublease, transfer or otherwise dispose of, or grant any Person an option to acquire, in one transaction or a series of related transactions, any of its property (including Intellectual Property), business or assets, whether now owned or hereafter acquired, except for (a) sales of inventory to customers in the ordinary course of business and dispositions of obsolete equipment not used or useful in the business; (b) any disposition of assets as a consequence of any loss, damage, destruction or other casualty or any condemnation or taking of such assets by eminent domain proceedings; (c) sales or dispositions of Cash Equivalents for not less than fair market value thereof and in return for cash or Cash Equivalents; (d) sales or discounts of overdue Accounts in the

ordinary course of business; (e) sales or other dispositions of assets by any US Loan Party to any other US Loan Party or by and Canadian Loan Party to any other Loan Party; (f) (A) one or more Asset Dispositions of Stock in or assets of PRACS Institute Miami, LLC, a Delaware limited liability company, (B) one or more Asset Dispositions of Stock in or assets of PRACS Institute San Antonio, LLC, a Delaware limited liability company, and (C) other Asset Dispositions by US Borrower and its Subsidiaries the aggregate fair market value of assets sold or otherwise disposed of do not exceed \$6,000,000 for all such Asset Dispositions under this clause (C) and, in the case of each of the foregoing clauses (A), (B) and (C), the terms of which are disclosed in a written notice by US Borrower to Agent and Lenders setting forth such terms of such Asset Disposition in detail reasonably acceptable to Agent if all of the following conditions are met: (i) the Requisite Lenders approve such Asset Disposition in writing (it being understood and agreed that any Lender that does not expressly object to such Asset Disposition in a written notice delivered to US Borrower and Agent within ten (10) days upon delivery of such notice by US Borrower shall have been deemed to have approved such Asset Disposition) and (ii) the Net Proceeds of such Asset Disposition are applied as required by Section 2.5(c)(ii) and (g) any other Asset Dispositions by US Borrower and its Subsidiaries (excluding sales of Accounts and Stock of any of US Borrower's Subsidiaries) if all of the following conditions are met: (i) the aggregate fair market value of assets sold or otherwise disposed of in any Fiscal Year does not exceed \$1,000,000; (ii) the consideration received is at least equal to the fair market value of such assets (as determined by the board of directors of the applicable Loan Party in good faith); (iii) at least 85% of the consideration received is cash; (iv) the Net Proceeds of such Asset Disposition are applied as required by Section 2.5(c)(i); and (v) no Event of Default has occurred and is continuing or would result from such Asset Disposition.

6.8 Transactions with Affiliates. The Loan Parties shall not and shall not cause or permit their Subsidiaries to directly or indirectly enter into or permit to exist any transaction (including the purchase, sale, license, lease or exchange of any property (including Intellectual Property or the rendering of any management, consulting, investment banking, advisory or other similar services) with any Affiliate or with any director, officer or employee of any Loan Party, except (a) as set forth on Schedule 6.8, (b) transactions in the ordinary course of and pursuant to the reasonable requirements of the business of any such Loan Party or any of its Subsidiaries and upon fair and reasonable terms which (except in the case of transactions among Domestic Loan Parties) are no less favorable to any such Loan Party or any of its Subsidiaries than would be obtained in a comparable arm's length transaction with a Person that is not an Affiliate, and which are disclosed to Agent in advance if they involve payments, receipts or transfers in excess of \$200,000 in value in a single transaction or series of related transactions, (c) payment of reasonable compensation to officers and employees for services actually rendered to any such Loan Party or any of its Subsidiaries; (d) payment of director's fees not to exceed \$200,000 in the aggregate for any Fiscal Year of US Borrower; (e) loans to employees permitted in Section 6.3, (f) reimbursement of employee travel and lodging costs incurred in the ordinary course of business, (g) the guaranty of the Obligations by Loan Parties, (h) employment agreements, equity incentive agreements and other employee and management arrangements in the ordinary course of business which are fully disclosed to the Agent, and (i) payments permitted by Section 6.5; provided that no Event of Default has occurred and is continuing at the time of any such Restricted Payment or would result after giving effect thereto; provided further that it is expressly agreed that any such management fees not permitted to be so paid shall be accrued and paid when such Event of Default has been cured or waived.

6.9 Conduct of Business. The Loan Parties shall not and shall not cause or permit their Subsidiaries to directly or indirectly engage in any business other than businesses of the type described on Schedule 6.9 and other businesses commonly engaged in by Contract Research Organizations, study sites, monitors, investigational review boards, or investigators.

6.10 [Reserved].

6.11 Fiscal Year. The Loan Parties shall not and shall not cause or permit their Subsidiaries to change their Fiscal Year, except with prior notice to and approval of Agent.

6.12 Press Release; Public Offering Materials. No Loan Party shall cause or permit the issuance of any press releases or other similar public disclosure, using the name of Freeport or its affiliates or referring to this Agreement, without giving Freeport a reasonable opportunity to review and comment thereon prior to issuance.

6.13 Subsidiaries. Except as provided in Section 6.6, the Loan Parties shall not and shall not cause or permit their Subsidiaries to directly or indirectly establish, create or acquire any new Subsidiary.

6.14 Deposit Accounts. The Loan Parties shall not and shall not cause or permit their Subsidiaries to establish any new deposit accounts (other than petty cash (not to exceed \$100,000 in the aggregate), payroll accounts which are zero balance accounts used solely for payroll purpose, employee benefits and other similar trust accounts) without prior written notice to Agent and unless Agent and the bank at which the account is to be opened enter into a Control Agreement in form and substance reasonably acceptable to Agent.

6.15 ERISA. The Loan Parties shall not and shall not cause or permit any ERISA Affiliate to, cause or permit to occur an ERISA Event to the extent such ERISA Event would reasonably be expected to have a Material Adverse Effect.

6.16 Sale-Leasebacks. The Loan Parties shall not and shall not cause or permit their Subsidiaries to engage in any sale-leaseback, synthetic lease or similar transaction.

6.17 Prepayments of Other Indebtedness. The Loan Parties shall not, directly or indirectly, make any payment with respect to any Subordinated Debt, except intercompany Indebtedness reflecting amounts owing to either Borrower or payments with respect to other Subordinated Debt permitted pursuant to the terms of the applicable subordination agreements or provisions or Section 6.1(k) of this Agreement.

6.18 [Reserved].

6.19 [Reserved].

6.20 Leases. No Loan Party shall: (a) do or omit to do any act having the effect of terminating or cancelling any of the Mortgaged Leases or of waiving, releasing, reducing or abating any material rights or remedies of any Loan Parties or obligations of any other party in connection therewith; or (b) (i) materially alter, vary or amend, or (ii) assign or encumber any of the Mortgaged Leases.

SECTION 7. FINANCIAL COVENANTS/REPORTING

Each Borrower covenants and agrees that from and after the date hereof until the Termination Date, such Borrower shall perform and comply with, and shall cause each of the other Loan Parties to perform and comply with, all covenants in this Section 7 applicable to each such Person.

7.1 Financial Covenants.

(a) Capital Expenditure Limits. Borrowers and their Subsidiaries on a consolidated basis shall not make Capital Expenditures during the following periods that exceed in the aggregate the amounts set forth opposite each of such periods (the "Capex Limit"):

<u>Period</u>	<u>Maximum Capital Expenditures per Period</u>
From the Closing Date through and including December 31, 2012	\$4,000,000
Fiscal Year 2013 and each Fiscal Year thereafter	\$7,000,000

provided, however, that commencing with Fiscal Year 2013, the Capex Limit referenced above will be increased in any period by the positive amount equal to the lesser of (i) 50% of the Capex Limit for the immediately prior period, and (ii) the amount (if any), equal to the difference obtained by taking the Capex Limit minus the actual amount of any Capital Expenditures expended during such prior period (the "Carry Over Amount"), and for purposes of measuring compliance herewith, the Carry Over Amount shall be deemed to be the last amount spent on Capital Expenditures in that succeeding period.

(b) Minimum EBITDA. US Borrower and its Subsidiaries on a consolidated basis shall have, at the end of each Fiscal Quarter set forth below, EBITDA for the 12-Fiscal Month period then ended of not less than the following:

<u>Period</u>	<u>EBITDA</u>		
	Determined	Minimum	
	EBITDA Level		
December 31, 2012			
March 31, 2013	Determined	Minimum	
June 30, 2013			
September 30, 2013	\$10,000,000		
December 31, 2013	\$10,250,000		
March 31, 2014	\$10,500,000		
June 30, 2014	\$10,750,000		
September 30, 2014	\$11,000,000		
December 31, 2014	\$11,250,000		
March 31, 2015	\$11,500,000		
June 30, 2015	\$11,750,000		
	\$12,000,000		

(c) Minimum Fixed Charge Coverage Ratio. Borrowers and their Subsidiaries shall have on a consolidated basis at the end of each Fiscal Quarter, commencing with the Fiscal Quarter ending June 30, 2013, a Fixed Charge Coverage Ratio for the 12-Fiscal Month period then ended of not less than 1.00 to 1.00.

(d) Intentionally Omitted.

(e) Maximum Leverage Ratio. US Borrower and its Subsidiaries on a consolidated basis shall have, at the end of each Fiscal Quarter set forth below, a Leverage Ratio as of the last day of such Fiscal Quarter and for the 12-Fiscal Month period then ended, of not more than the following:

7.00 to 1.00 for the Fiscal Quarter ending June 30, 2013;
6.75 to 1.00 for the Fiscal Quarter ending September 30, 2013;
6.50 to 1.00 for the Fiscal Quarter ending December 31, 2013;
6.25 to 1.00 for the Fiscal Quarter ending March 31, 2014;
6.00 to 1.00 for the Fiscal Quarter ending June 30, 2014;
5.75 to 1.00 for the Fiscal Quarter ending September 30, 2014;
5.50 to 1.00 for the Fiscal Quarter ending December 31, 2014;
5.25 to 1.00 for the Fiscal Quarter ending March 31, 2015;
5.00 to 1.00 for the Fiscal Quarter ending June 30, 2015;

(f) Minimum Liquidity. At all times during the period from and including the Closing Date through and including June 30, 2013, US Borrower and its Subsidiaries shall have Liquidity of not less than \$2,500,000.

7.2 Financial Statements and Other Reports. Each Borrower will maintain, and cause each of its Subsidiaries to maintain, a system of accounting established and administered in accordance with sound business practices to permit preparation of Financial Statements in conformity with GAAP (it being understood that monthly Financial Statements are not required to have footnote disclosures). Each Borrower will deliver each of the Financial Statements and other reports described below to Agent (and each Lender in the case of the Financial Statements and other reports described in Sections (7.2)(a), (b), (d), (e), (f), (h), (i), (j), (m) and (o)).

(a) Monthly Financials. As soon as available and in any event within thirty (30) days after the end of each Fiscal Month (including the last Fiscal Month of US Borrower's Fiscal Year), commencing with the Fiscal Month ending July 31, 2012, Borrower Representative will deliver (1) the consolidated and consolidating balance sheets of US Borrower and its Subsidiaries, as at the end of such month, the related consolidated and consolidating statements of income and cash flow and the related consolidated statement of stockholders' equity for such Fiscal Month and for the period from the beginning of the then current Fiscal Year of US Borrower to the end of such Fiscal Month, (2) a report setting forth in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year and the corresponding figures from the most recent Projections for the current Fiscal Year delivered pursuant to Section 7.2(h) and (3) a schedule of the outstanding Indebtedness for borrowed money of US Borrower and its Subsidiaries describing in reasonable detail each such debt issue or loan outstanding and the principal amount and amount of accrued and unpaid interest with respect to each such debt issue or loan.

(b) Year-End Financials. As soon as available and in any event within one hundred and twenty (120) days (or one hundred and fifty (150) days after the Fiscal Year ending on December 31, 2012) after the end of each Fiscal Year of US Borrower, Borrower Representative will deliver (1) the consolidated balance sheets of US Borrower and its Subsidiaries, as at the end of such year, and the related consolidated statements of income, stockholders' equity and cash flow for such Fiscal Year, (2) a schedule of the outstanding Indebtedness for borrowed money of US Borrower and its Subsidiaries describing in reasonable detail each such debt issue or loan outstanding and the principal amount and amount of accrued and unpaid interest with respect to each such debt issue or loan and (3) a report with respect to the consolidated Financial Statements from a firm of Certified Public Accountants selected by such Borrower and reasonably acceptable to Agent, which report shall be prepared in accordance with Statement of Auditing Standards No. 58 (the "Statement") "Reports on Audited Financial Statements" and such report shall be "Unqualified" (as such term is defined in such Statement).

(c) Accountants' Reports. Promptly upon receipt thereof, Borrower Representative will deliver copies of all significant reports submitted by US Borrower's firm of certified public accountants in connection with each annual, interim or special audit or review of any type of the Financial Statements or related internal control systems of US Borrower or its Subsidiaries made by such accountants, including any comment letter submitted by such accountants to management in connection with their services.

(d) Borrowing Base Certificates. As soon as available and in any event within fifteen (15) Business Days after the end of each Fiscal Month beginning with the Fiscal Month ending June 30, 2013, and from time to time upon the request of Agent, Borrower Representative will deliver a Borrowing Base Certificate (in substantially the same form as Exhibit 7.2(d), the "Borrowing Base Certificate") as at the last day of such period.

(e) Management Report. Together with each delivery of Financial Statements of Borrowers pursuant to Sections 7.2(a) and (b), Borrower Representative will deliver a management report (1) describing the operations and financial condition of US Borrower and its Subsidiaries for the Fiscal Month then ended and the portion of the current Fiscal Year then elapsed (or for the Fiscal Year then ended in the case of year-end financials) and (2) discussing the reasons for any significant variations. The information above shall be presented in reasonable detail and shall be certified by the chief financial officer of US Borrower to the effect that such information fairly presents in all material respects the results of operations and financial condition of US Borrower and its Subsidiaries as at the dates and for the periods indicated.

(f) Intentionally Omitted.

(g) Intentionally Omitted.

(h) Projections. As soon as available and approved by US Borrower's Board of Managers and in any event no later than thirty (30) days after the last day of each of US Borrower's Fiscal Years, Borrower Representative will deliver Projections of US Borrower and its Subsidiaries for the forthcoming Fiscal Year month by month.

(i) SEC Filings and Press Releases. Promptly upon their becoming available, Borrower Representative will deliver copies of (1) all Financial Statements, reports, notices and proxy statements, material reports and material notices sent or made available by either Borrower, or any of their Subsidiaries to their Stockholders in general, (2) all regular and periodic reports and all registration statements and prospectuses, if any, filed by either Borrower, or any of their Subsidiaries with any securities exchange or with the Securities and Exchange Commission, the Ontario Securities Commission, any other Governmental Authority or any private regulatory authority, and (3) all material press releases and other statements made available by either Borrower, or any of their respective Subsidiaries to the public concerning developments in the business of any such Person.

(j) Events of Default, Etc. Promptly upon any officer of any Loan Party obtaining knowledge of any of the following events or conditions, Borrower Representative shall deliver copies of all notices given or received by either Borrower or any of their Subsidiaries with respect to any such event or condition and a certificate of Borrower Representative's chief executive officer specifying the nature and period of existence of such event or condition and what action either Borrower or any of their Subsidiaries has taken, is taking and proposes to take with respect thereto: (1) any condition or event that constitutes, or which could reasonably be expected to result in the occurrence of, an Event of Default or Default; (2) any notice that any Person has given to US Borrower or any of its Subsidiaries or any other

action taken with respect to a claimed default or event or condition of the type referred to in Section 8.1(b); or (3) any event or condition that could reasonably be expected to result in any Material Adverse Effect.

(k) Litigation. Promptly upon any officer of any Loan Party obtaining knowledge of (1) the institution of any action, charge, claim, demand, suit, proceeding, petition, governmental investigation (excluding any routine FDA inspection of any property or facility of any Loan Party), tax audit or arbitration now pending or, to the best knowledge of such Loan Party, threatened against or affecting any Loan Party or any of its Subsidiaries or any property of any Loan Party or any of its Subsidiaries ("Litigation") not previously disclosed by Borrowers to Agent or (2) any material development in any action, suit, proceeding, governmental investigation or arbitration at any time pending against or affecting any Loan Party or any property of any Loan Party which, in each case, would reasonably be expected to have a Material Adverse Effect, Borrowers will promptly give notice thereof to Agent and provide such other information as may be reasonably available to it to enable Agent and their counsel to evaluate such matter.

(l) Notice of Corporate and other Changes. Borrower Representative on behalf of each Borrower shall provide prompt written notice of (1) all jurisdictions in which a Loan Party becomes qualified after the Closing Date to transact business, (2) any change after the Closing Date in the authorized and issued Stock of any Loan Party (other than the issuance of Stock by US Borrower to any officers, directors or employees of any Loan Party) or any material amendment to their articles or certificate of incorporation, articles or memorandum of association, by-laws, partnership agreement or other organizational documents, (3) any Subsidiary created or acquired by any Loan Party or any of its Subsidiaries after the Closing Date, such notice, in each case, to identify the applicable jurisdictions, capital structures or Subsidiaries, as applicable, (4) any other event that occurs after the Closing Date which would cause any of the representations and warranties in Section 4 of this Agreement or in any other Loan Document to be untrue or misleading in any material respect and (5) any Asset Disposition that may result in a mandatory prepayment pursuant to Section 2.5(c). The Loan Parties shall not cause or permit any issuer of Stock constituting Canadian PPSL Collateral to change the jurisdiction in which its registered or head office is located or any location where material Canadian PPSL Collateral is located without at least fifteen (15) Business Days prior written notice to Agent. The foregoing notice requirement shall not be construed to constitute consent by any of the Lenders to any transaction referred to above which is not expressly permitted by the terms of this Agreement.

(m) Revenue by Customer. Together with each delivery of Financial Statements pursuant to Section 7.2(a) for the last month of each Fiscal Quarter, Borrower Representative will deliver a report prepared by management showing revenue by customer for the top ten customers of US Borrower and its Subsidiaries on a consolidated basis.

(n) Other Information. With reasonable promptness, Borrower Representative will deliver such other information and data with respect to any Loan Party or any Subsidiary of any Loan Party as from time to time may be reasonably requested by Agent.

(o) Compliance Excess Cash Flow Certificate. Together with each delivery of Financial Statements pursuant to Section 7.2(a) for the last month of each Fiscal Quarter and Section 7.2(b), Borrower Representative will deliver a fully and properly completed Compliance and Excess Cash Flow Certificate (in substantially the same form as Annex F (the "Compliance and Excess Cash Flow Certificate") signed by US Borrower's chief executive officer or chief financial officer; provided that the Excess Cash Flow portion of such certificate is only required to be delivered annually; provided that

Schedule 2 of the Compliance and Excess Cash Flow Certificate shall be delivered only in connection with the Financial Statements of US Borrower and its Subsidiaries delivered pursuant to Section 7.2(b).

(p) Taxes. Borrower Representative shall provide prompt written notice of (i) the execution or filing with the IRS, the Canada Revenue Agency, or any other Governmental Authority of any agreement or other document extending, or having the effect of extending, the period for assessment or collection of any taxes or other Charges by any Loan Party or any of its Subsidiaries and (ii) any agreement by any Loan Party or any of its Subsidiaries or request directed to any Loan Party or any of its Subsidiaries to make any adjustment under IRC Section 481(a), by reason of a change in accounting method or otherwise, in each case which could reasonably be expected to have a Material Adverse Effect.

(q) Governmental Authority Communications. Borrower Representative shall promptly forward to Agent a copy of each formal or informal notice or other written information or communication from a Governmental Authority (including, without limitation, copies of all FDA Form 483 inspection reports, and FDA warning letters and untitled letters received by such Loan Party or any of its Subsidiaries) relating to any of the Loan Parties bioanalytical or other laboratories or facilities.

7.3 Accounting Terms; Utilization of GAAP for Purposes of Calculations Under Agreement. For purposes of this Agreement, all accounting terms not otherwise defined herein shall have the meanings assigned to such terms in conformity with GAAP. Financial statements and other information furnished to Agent pursuant to Section 7.2 or any other section (unless specifically indicated otherwise) shall be prepared in accordance with GAAP as in effect at the time of such preparation, and shall present fairly in all material respects the financial condition and results of operation of the Loan Parties; provided that no Accounting Change shall affect financial covenants, standards or terms in this Agreement; provided further that Borrower Representative shall prepare footnotes to the Financial Statements required to be delivered hereunder that show the differences between the Financial Statements delivered (which reflect such Accounting Changes) and the basis for calculating financial covenant compliance (without reflecting such Accounting Changes). All such adjustments described in clause (c) of the definition of the term Accounting Changes resulting from expenditures made subsequent to the Closing Date (including capitalization of costs and expenses or payment of pre-Closing Date liabilities) shall be treated as expenses in the period the expenditures are made. Notwithstanding the foregoing, in the event that any Accounting Change shall occur and such change results in a change in the method of calculation of the financial covenants, standards or terms in this Agreement, then Borrower Representative and Agent agree to negotiate in good faith in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating the financial condition of the Loan Parties shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by each Borrower, Agent and the Requisite Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

SECTION 8. **DEFAULT, RIGHTS AND REMEDIES**

8.1 Event of Default. “Event of Default” shall mean the occurrence or existence of any one or more of the following:

(a) Payment. (1) Failure to pay any installment or other payment of principal of any Loan when due, or to timely repay Revolving Loans to reduce their balance to the maximum amount of Revolving Loans then permitted to be outstanding in accordance with Section 2.1(c)(i) or to reimburse any L/C Issuer for any payment made by such L/C Issuer under or in respect of any Letter of Credit when

due or (2) failure to pay, within three (3) days after the due date, any interest or Fees on any Loan or within ten (10) days after request for payment thereof, any other amount due under this Agreement or any of the other Loan Documents; or

(b) Default in Other Agreements. (1) Any Loan Party or any of its Subsidiaries fails to pay when due or within any applicable grace period any principal or interest on Indebtedness (other than the Loans) or any Contingent Obligations or (2) breach or default of any Loan Party or any of its Subsidiaries, or the occurrence of any condition or event, with respect to any Indebtedness (other than the Loans) or any Contingent Obligations, if the effect of such breach, default or occurrence is to cause or to permit the holder or holders then to cause, Indebtedness and/or Contingent Obligations having an individual principal amount in excess of \$1,750,000 or having an aggregate principal amount in excess of \$1,750,000 to become or be declared due prior to their stated maturity; or

(c) Breach of Certain Provisions. Failure of any Loan Party to perform or comply with any term or condition contained in (1) the Fee Letter, (2) Section 7.2 which failure continues for more than five (5) Business Days after the date specified for performance or compliance with such term or condition, (3) that portion of Section 5.2 relating to the Loan Parties' obligation to maintain insurance, or (4) Section 5.3, Section 5.4, Section 5.12, Section 6 or Section 7.1; or

(d) Breach of Warranty. Any representation, warranty, certification or other statement made by any Loan Party in any Loan Document or in any statement or certificate at any time given by such Person in writing pursuant or in connection with any Loan Document is false in any material respect (without duplication of materiality qualifiers contained therein) on the date made; or

(e) Other Defaults Under Loan Documents. Any Loan Party defaults in the performance of or compliance with any term contained in this Agreement or the other Loan Documents (other than occurrences described in other provisions of this Section 8.1 for which a different grace or cure period is specified, or for which no cure period is specified and which constitute immediate Events of Default) and such default is not remedied or waived within thirty (30) days after the earlier of (1) receipt by either Borrower of notice from Agent or Requisite Lenders of such default or (2) knowledge of either Borrower or any other Loan Party of such default; or

(f) Involuntary Bankruptcy; Appointment of Receiver, Etc. (1) A court enters a decree or order for relief with respect to any Loan Party in an involuntary case or proceeding under any Insolvency Law, which decree or order is not stayed or other similar relief is not granted under such Insolvency Law; or (2) the continuance of any of the following events for sixty (60) days unless dismissed, bonded or discharged: (a) an involuntary case or proceeding (including, without limitation, the filing of a notice of intention in respect thereof) is commenced against any Loan Party, under any applicable Insolvency Law now or hereafter in effect; or (b) a decree or order of a court for the appointment of a receiver, interim receiver, receiver and manager, liquidator, administrator, sequestrator, trustee, custodian or other officer having similar powers over any Loan Party, or over all or a substantial part of its property, is entered; or (c) a receiver, interim receiver, receiver and manager, trustee or other custodian is appointed without the consent of a Loan Party, for all or a substantial part of the property of the Loan Party; or

(g) Voluntary Bankruptcy; Appointment of Receiver, Etc. (1) any Loan Party commences a voluntary case or proceeding under any Insolvency Law, or consents to the entry of an order for relief in an involuntary case or proceeding or to the conversion of an involuntary case or proceeding to a voluntary case or proceeding under any such law or consents to the appointment of or taking possession by a receiver, interim receiver, receiver and manager, trustee or other custodian for all or a substantial part of its property; or (2) any Loan Party makes any assignment for the benefit of creditors; or (3) the Board of

Directors of any Loan Party or the Stockholders of any Loan Party adopts any resolution or otherwise authorizes action to approve any of the actions referred to in this Section 8.1(g); or

(h) Judgment and Attachments. Any money judgment, writ or warrant of attachment, or similar process (other than those described elsewhere in this Section 8.1) involving an amount in the aggregate at any time in excess of \$1,000,000 (in either case to the extent not adequately covered by insurance in Agent's sole discretion as to which the insurance company has not denied coverage) is entered or filed against one or more of the Loan Parties or any of their respective assets and remains undischarged, unvacated, unbonded or unstayed for a period of thirty (30) days or in any event later than five (5) Business Days prior to the date of any proposed sale thereunder; or

(i) Dissolution. Any order, judgment or decree is entered against any Loan Party decreeing the dissolution of such Loan Party and such order remains undischarged or unstayed for a period in excess of fifteen (15) days; or

(j) Solvency. The Loan Parties taken as a whole cease to be Solvent; any Loan Party fails generally to pay its debts as they become due or admits in writing its present or prospective inability to pay its debts as they become due; or

(k) Invalidity of Loan Documents. Any of the Loan Documents for any reason, other than a partial or full release in accordance with the terms thereof, ceases to be in full force and effect or is declared to be null and void, or any Loan Party denies that it has any further liability under any Loan Documents to which it is party, or gives notice to such effect; or

(l) Change of Control. A Change of Control occurs; or

(m) Subordinated Indebtedness. The failure of any Loan Party or any creditor of either Borrower or any of its Subsidiaries to comply with the terms of any subordination or intercreditor agreement applicable to any Subordinated Debt.

8.2 Suspension or Termination of Commitments. Upon the occurrence and continuance of any Default or Event of Default, Agent may, and at the request of Requisite Revolving Lenders Agent shall, without notice or demand, immediately suspend or terminate all or any portion of Revolving Lenders' obligations to make additional Revolving Credit Advances or issue or cause to be issued Letters of Credit under the Revolving Loan Commitment; provided that, in the case of a Default, if the subject condition or event is waived by Requisite Revolving Lenders or cured within any applicable grace or cure period, the Revolving Loan Commitment shall be reinstated.

8.3 Acceleration and other Remedies.

(a) Upon the occurrence of any Event of Default described in Sections 8.1(f) or 8.1(g), the Revolving Loan Commitments shall be immediately terminated and all of the Obligations, including the Revolving Loans, shall automatically become immediately due and payable, without presentment, demand, protest, notice of intent to accelerate, notice of acceleration or other requirements of any kind, all of which are hereby expressly waived by each Borrower.

(b) Upon the occurrence and during the continuance of any other Event of Default, Agent may, and at the request of the Requisite US Lenders, Agent shall, by written notice to Borrower Representative (i) reduce the aggregate amount of the Revolving Loan Commitments from time to time, (ii) declare all or any portion of the US Loans and all or any portion of the other US Obligations to be,

and the same shall forthwith become, immediately due and payable together with accrued interest thereon, (iii) terminate all or any portion of the obligations of Agent, L/C Issuers and Revolving Lenders to make Revolving Credit Advances and issue Letters of Credit, (iv) demand that US Borrower immediately deliver to Agent either (A) cash for the benefit of L/C Issuers (and US Borrower shall then immediately so deliver) in an amount equal to 105% of the aggregate outstanding Letter of Credit Obligations or (B) an Acceptable Standby Letter of Credit for the benefit of the L/C Issuers (and US Borrower shall then immediately so deliver), and (v) exercise any other remedies or take any other actions which may be available under the Loan Documents or applicable law. US Borrower hereby grants to Agent, for the benefit of L/C Issuers and each Lender with a participation in any Letters of Credit then outstanding, a security interest in such cash collateral or Acceptable Standby Letter of Credit to secure all of the Letter of Credit Obligations. Any such cash collateral or Acceptable Standby Letter of Credit shall be made available by Agent to L/C Issuers to reimburse L/C Issuers for payments of drafts drawn under such Letters of Credit and any Fees, Charges and expenses of L/C Issuers with respect to such Letters of Credit and the unused portion thereof, after all such Letters of Credit shall have expired or been fully drawn upon, shall be applied to pay any other Obligations. After all such Letters of Credit shall have expired or been fully drawn upon and the Termination Date shall have occurred, the balance, if any, of such cash collateral or Acceptable Standby Letter of Credit shall be (subject to any rights of third parties and except as otherwise directed by a court of competent jurisdiction) returned to US Borrower. US Borrower shall from time to time execute and deliver to Agent such further documents and instruments as Agent may reasonably request with respect to such cash collateral.

(c) Upon the occurrence and during the continuance of any Event of Default (other than any Event of Default described in Section 8.1(f) or 8.1(g)), Agent may, and at the request of Agent or the Requisite Canadian Term Lenders, Agent shall, by written notice to Borrower Representative (i) reduce the aggregate amount of the Canadian Commitments from time to time, (ii) declare all or any portion of the Canadian Term Loan C and all or any portion of the other Canadian Obligations to be, and the same shall forthwith become, immediately due and payable together with accrued interest thereon, and (iii) exercise any other remedies which may be available under the Loan Documents or applicable law.

8.4 Performance by Agent. If any Loan Party shall fail to perform any covenant, duty or agreement contained in any of the Loan Documents which failure constitutes an Event of Default, Agent may perform or attempt to perform such covenant, duty or agreement on behalf of such Loan Party after the expiration of any cure or grace periods set forth herein. In such event, such Loan Party shall, at the request of Agent, promptly pay any amount reasonably expended by Agent in such performance or attempted performance to Agent, together with interest thereon, subject to the *Interest Act* (Canada), at the highest rate of interest in effect upon the occurrence of an Event of Default as specified in Section 2.2(d) from the date of such expenditure until paid. Notwithstanding the foregoing, it is expressly agreed that Agent shall have no liability or responsibility for the performance of any obligation of any Loan Party under this Agreement or any other Loan Document.

8.5 Application of Proceeds.

(a) Notwithstanding anything to the contrary contained in this Agreement, upon the occurrence and during the continuance of an Event of Default, each Borrower irrevocably waives the right to direct the application of any and all payments at any time or times thereafter received by Agent from or on behalf of such Borrower, and Agent shall have the continuing and exclusive right to apply and to reapply any and all payments received at any time or times after the occurrence and during the continuance of an Event of Default. Notwithstanding anything to the contrary contained in this Agreement (including, without limitation, Section 2.1 and Section 2.5 hereof), all payments (including the proceeds of any Asset Disposition or other sale of, or other realization upon, all or any part of the

Collateral) received after acceleration (or after an Event of Default, at the direction of the Requisite Revolving Lenders and the Requisite Lenders until the Requisite Revolving Lenders and the Requisite Lenders rescind such direction) of the Obligations shall be applied as follows (subject to clauses (b) and (c) of this Section 8.5): *first*, to all costs and expenses incurred by or owing to Agent and any Lender with respect to this Agreement, the other Loan Documents or the Collateral on a pro rata basis of all such outstanding amounts as of the date of such payment; *second*, to accrued and unpaid interest with respect to the Revolving Credit Advances and Fees with respect to the Revolving Credit Advances (including any interest which but for the provisions of any Insolvency Law, would have accrued on such amounts), on a pro rata basis of all such outstanding amounts as of the date of such payment; *third*, to the principal amount of the Revolving Credit Advances outstanding on a pro rata basis of all such outstanding amounts as of the date of such payment; *fourth*, to cash collateralize outstanding Letters of Credit; *fifth*, to accrued and unpaid interest with respect to the US Term Loan A and Fees with respect to the US Term Loan A (including any interest which but for the provisions of any Insolvency Law, would have accrued on such amounts), on a pro rata basis of all such outstanding amounts as of the date of such payment; *sixth*, to the principal amount of the US Term Loan A outstanding pro rata among all remaining US Scheduled Installments thereof; *seventh*, to accrued and unpaid interest with respect to the US Term Loan B and Fees with respect to the US Term Loan B (including any interest which but for the provisions of any Insolvency Law, would have accrued on such amounts), on a pro rata basis of all such outstanding amounts as of the date of such payment; *eighth*, to the principal amount of the US Term Loan B outstanding, on a pro rata basis of all such outstanding amounts as of the date of such payment; *ninth*, to accrued and unpaid interest with respect to the US Term Loan C and Fees with respect to the US Term Loan C (including any interest which but for the provisions of any Insolvency Law, would have accrued on such amounts), on a pro rata basis of all such outstanding amounts as of the date of such payment; *tenth*, to the principal amount of the US Term Loan C outstanding, on a pro rata basis of all such outstanding amounts as of the date of such payment; *eleventh*, to accrued and unpaid interest with respect to the Canadian Term Loan C and Fees with respect to the Canadian Term Loan C (including any interest which but for the provisions of any Insolvency Law, would have accrued on such amounts), on a pro rata basis of all such outstanding amounts as of the date of such payment; *twelfth*, to the principal amount of the Canadian Term Loan C outstanding, on a pro rata basis of all such outstanding amounts as of the date of such payment; *thirteenth*, to any other obligations of Borrowers owing to Agent or any Lender under the Loan Documents (other than obligations owed to any Lender under an Interest Rate Agreement), on a pro rata basis of all such outstanding amounts as of the date of such payment; and *fourteenth*, to obligations owed to any Lender under an Interest Rate Agreement. Any balance remaining shall be delivered to Borrowers or to whomever may be lawfully entitled to receive such balance or as a court of competent jurisdiction may direct.

(b) Notwithstanding anything in Section 8.5(a) to the contrary, to the extent Agent receives proceeds of (x) any assets of the Canadian Borrower, (y) any assets of any other Foreign Subsidiary (for which it has been determined by Borrowers that a 956 Impact exists with respect to such Foreign Subsidiary) or (z) voting equity interest in the Canadian Borrower or any other Foreign Subsidiary (for which it has been determined by Borrowers that a 956 Impact exists with respect to such Foreign Subsidiary) in excess of 65% of the outstanding voting equity interest in such Person, then in each such case such proceeds shall be applied in accordance with Section 8.5(c). A “956 Impact” will be deemed to exist to the extent the issuance of a guaranty by, grant of a Lien by, or pledge of greater than two-thirds of the voting Stock of, a Foreign Subsidiary, would in the reasonable judgment of Borrowers result in incremental income tax liability under Section 956 of the IRC, taking into account actual anticipated repatriation of funds, foreign tax credits and other relevant factors.

(c) Notwithstanding anything to the contrary contained in this Agreement (including, without limitation, Section 2.1 and Section 2.5 hereof), all payments (including the proceeds of any Asset

Disposition or other sale of, or other realization upon, all or any part of the Collateral) received by or for the account of Agent from or on behalf of the Canadian Borrower or a Foreign Subsidiary described in Section 8.5(b)(y) or Collateral described in Section 8.5(b)(z) after and during the continuance of an Event of Default shall be applied as follows: *first*, to all costs and expenses incurred by or owing to Agent and any Canadian Term Lender with respect to this Agreement, the other Loan Documents or the Collateral; *second*, to accrued and unpaid interest and Fees with respect to the Canadian Term Loan C (including any interest which but for the provisions of any Insolvency Law, would have accrued on such amounts); *third*, to the principal amount of the Canadian Term Loan C outstanding; and *fourth*, to payment of any other amounts owing constituting Canadian Obligations. Any balance remaining shall be delivered to Canadian Borrower or to whomever may be lawfully entitled to receive such balance or as a court of competent jurisdiction may direct; provided, that such remainder shall not be applied to US Obligations.

SECTION 9. **ASSIGNMENT AND PARTICIPATION**

9.1 Assignment and Participations.

(a) Subject to the terms of this Section 9.1, any Lender may make an assignment to a Qualified Assignee of, or sale of participations in, at any time or times, the Loan Documents, Loans, Letter of Credit Obligations and any Revolving Loan Commitment or any portion thereof or interest therein, including any Lender's rights, title, interests, remedies, powers or duties thereunder. Any assignment by a Lender shall: (i) require the consent of Agent (which consent shall not be unreasonably withheld or delayed with respect to a Qualified Assignee and which consent is not required, except as provided in clause (vi) below, by an assignment between Lenders or from a Lender to an Affiliate of a Lender or a Related Fund) and the execution of an assignment agreement (an "Assignment Agreement" substantially in the form attached hereto as Exhibit 9.1 and otherwise in form and substance reasonably satisfactory to, and acknowledged by, Agent (which acknowledgment will be promptly delivered by Agent)); (ii) be conditioned on such assignee Lender representing to the assigning Lender and Agent and the Borrowers that it is purchasing the applicable Loans to be assigned to it for its own account, for investment purposes and not with a view to the distribution thereof; (iii) except with respect to any assignment by a Lender to an Affiliate of such Lender or a Related Fund, after giving effect to any such partial assignment, (A) the assignee Lender and its Affiliates shall have Revolving Loan Commitments or Loans in an amount at least equal to \$2,500,000 and the assigning Lender and its Affiliates shall have retained Revolving Loan Commitments or Loans in an amount at least equal to \$2,500,000 and (B) the assignee Lender and its Affiliates and the assigning Lender and its Affiliates shall have the same Pro Rata Share of the US Loans and Canadian Term Loan C (other than with respect to the Revolving Loans); (iv) require a payment to Agent of an assignment fee of \$3,500 (other than with respect to assignments from a Lender to any of its Affiliates or Related Funds); (v) so long as no Event of Default has occurred and is continuing, require the consent of Borrower Representative in respect of any assignment of Revolving Loans and Revolving Loan Commitments (which consent is not required for an assignment between Lenders or from a Lender to an Affiliate or Related Fund of a Lender), which shall not be unreasonably withheld, delayed or conditioned; and (vi) if such an assignment is to a Lender or to an Affiliate or a Related Fund of a Lender who is a Defaulting Lender described in clause (a) or clause (b) or clause (d) of the definition of Defaulting Lender, such assignment shall be subject to Agent's prior written consent in all instances, unless in connection with such sale, such Defaulting Lender cures, or causes the cure of, its Defaulting Lender status as contemplated in Section 9.6(e). Notwithstanding the above, Agent may in its sole and absolute discretion permit any assignment by a Lender to a Person or Persons that are not Qualified Assignees, subject to Borrower Representative's consent rights as set forth above. In the case of an assignment by a Lender that has become effective under this Section 9.1, (i) the assignee shall have, to the extent of such assignment, the same rights, benefits and obligations as all other Lenders hereunder

and (ii) the assigning Lender shall be relieved of its obligations hereunder with respect to its Revolving Loan Commitments or assigned portion thereof and the Loans, Letter of Credit Obligations and other interests assigned by it from and after the effective date of such assignment. Borrowers hereby acknowledge and agree that any assignment shall give rise to a direct obligation of Borrowers to the assignee and that the assignee shall be considered to be a "Lender." In all instances, each Lender's liability to make Loans hereunder shall be several and not joint and shall be limited to such Lender's Pro Rata Share of the Revolving Loan Commitment. In the event Agent or any Lender assigns or otherwise transfers all or any part of the Obligations, Agent or any such Lender shall so notify Borrowers and Borrowers shall, upon the request of Agent or such Lender, execute new Notes in exchange for the Notes, if any, being assigned. Notwithstanding the foregoing provisions of this Section 9.1(a), (a) any Lender may at any time pledge the Obligations held by it and such Lender's rights under this Agreement and the other Loan Documents to a Federal Reserve Bank, (b) any Lender that is an investment fund may assign the Obligations held by it and such Lender's rights under this Agreement and the other Loan Documents to another investment fund managed by the same investment advisor or pledge such Obligations and rights to a trustee for the benefit of its investors and (c) any Lender may assign the Obligations to an Affiliate of such Lender (including, without limitation, any Related Fund) or to a Person that is a Lender prior to the date of such assignment. Notwithstanding any other provision of this Agreement to the contrary, neither the Lenders nor any of their successors or assigns shall assign or transfer any interest herein without obtaining a representation from such successor or assign that any such assignment or transfer would not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the IRC with respect to the Plans.

(b) Any participation by a Lender of all or any part of its Revolving Loan Commitments or Loans shall be made with the understanding that all amounts payable by each Borrower hereunder shall be determined as if that Lender had not sold such participation, and that the holder of any such participation shall not be entitled to require such Lender to take or omit to take any action hereunder except actions directly affecting (i) any reduction in the principal amount of, or interest rate or Fees payable with respect to, any Loan in which such holder participates, (ii) any extension of the scheduled amortization of the principal amount of any Loan in which such holder participates or the final maturity date thereof, and (iii) any release of all or substantially all of the Collateral (other than in accordance with the terms of this Agreement, the Collateral Documents or the other Loan Documents). Solely for purposes of Sections 2.8, 2.9, 9.3 and 10.1, each Borrower acknowledges and agrees that a participation shall give rise to a direct obligation of such Borrower to the participant and the participant shall be considered to be a "Lender." Except as set forth in the preceding sentence no Borrower or any other Loan Party shall have any obligation or duty to any participant. Neither Agent nor any Lender (other than the Lender selling a participation) shall have any duty to any participant and may continue to deal solely with the Lender selling a participation as if no such sale had occurred. Each Lender having sold a participation in any of its obligations, acting solely for this purpose as agent for the applicable Borrower, shall maintain a register for the recordation of the names and addresses of such participants (and each change thereto, whether by assignment or otherwise) and the rights, interests or obligations of such participants and in any right to receive any payments hereunder (the "Participant Register").

(c) Except as expressly provided in this Section 9.1, no Lender shall, as between the applicable Borrower and that Lender, or Agent and that Lender, be relieved of any of its obligations hereunder as a result of any sale, assignment, transfer or negotiation of, or granting of participation in, all or any part of the Loans, the Notes or other Obligations owed to such Lender.

(d) Each Loan Party shall assist each Lender permitted to sell assignments or participations under this Section 9.1 as required to enable the assigning or selling Lender to effect any such assignment or participation, including the execution and delivery of any and all agreements, notes and other

documents and instruments as shall be requested and the prompt preparation of informational materials for, and the participation of management in meetings with, potential assignees or participants, all on a timetable reasonably established by Agent in their sole discretion. Each Loan Party executing this Agreement shall certify the correctness, completeness and accuracy of all descriptions of the Loan Parties and their respective affairs contained in any selling materials provided by it and all other information provided by it and included in such materials, except that any Projections delivered by Borrowers or Borrower Representative shall only be certified by Borrower Representative as having been prepared by Borrowers in compliance with the representations contained in Section 4.5. Agent shall maintain, on behalf of the applicable Borrower, in its offices a "register" for recording the name, address, commitment and Loans owing to each Lender. The entries in such register shall be conclusive evidence of the amounts due and owing to each Lender in the absence of manifest error. Each Borrower, Agent and each Lender may treat each Person whose name is recorded in such register pursuant to the terms hereof as a Lender for all purposes of this Agreement. The register described herein shall be available for inspection by Borrower Representative and any Lender, at any reasonable time upon reasonable prior notice. Notwithstanding any other provision of this Agreement to the contrary, neither the Lenders nor any of their successors or assigns shall assign or transfer any interest herein without obtaining a representation from such successor or assign that any such assignment or transfer would not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the IRC with respect to the Plans.

(e) A Lender may furnish any information concerning Loan Parties in the possession of such Lender from time to time to assignees and participants (including prospective assignees and participants); provided that such Lender shall obtain from assignees or participants confidentiality covenants substantially equivalent to those contained in Section 10.13.

(f) No Lender, without the prior written consent of Borrower Representative and Agent, shall assign or sell participations in any portion of its Loan or Revolving Loan Commitments to a potential Lender or participant, if, as of the date of the proposed assignment or sale, the assignee Lender or participant would be subject to capital adequacy or similar requirements under Section 2.8(a), increased costs or an inability to fund LIBOR Loans under Section 2.8(b), or withholding taxes in accordance with Section 2.9.

9.2 Agent.

(a) Appointment. Each Lender hereby designates and appoints Freeport as Agent under this Agreement and the other Loan Documents, and each Lender hereby irrevocably authorizes Agent to execute and deliver the Collateral Documents and any subordination, intercreditor and post-closing agreements, and to take such action or to refrain from taking such action, in each case on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers as are set forth herein or therein, together with such other powers as are reasonably incidental thereto. Agent is authorized and empowered to amend, modify, or waive any provisions of this Agreement or the other Loan Documents on behalf of Lenders subject to the requirement that certain of Lenders' consent be obtained in certain instances as provided in this Section 9.2 and Section 10.2. The provisions of this Section 9.2 are solely for the benefit of Agent, Lenders and L/C Issuers and neither Borrowers nor any other Loan Party shall have any rights as a third party beneficiary of any of the provisions hereof. In performing its functions and duties under this Agreement, Agent shall act solely as agent of Lenders and does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with or for Borrowers or any other Loan Party. Agent may perform any of its duties hereunder, or under the Loan Documents, by or through its agents or employees. [Without limiting any of the foregoing provisions in favor of Agent, for the purposes of holding any security granted by any Loan Party pursuant to the laws of the Province of Quebec, including any deed of hypothec, debenture, bond or

other title of indebtedness and debenture or bond pledge agreements, Agent is hereby appointed to act as the Person holding the power of attorney (fondé de pouvoir) pursuant to article 2692 of the *Civil Code of Quebec* to act on behalf of each present and future Lender. Each party hereto agrees that, notwithstanding Section 32 of *an Act respecting the Special Powers of Legal Persons (Quebec)*, Agent may, as the Person holding the power of attorney of the applicable Lenders, acquire and or be the pledgee of any debentures, bonds or other titles of indebtedness secured by any hypothec granted by any Loan Party to Agent pursuant to the laws of the Province of Quebec.]

(b) Nature of Duties. The duties of Agent shall be mechanical and administrative in nature. No Agent shall have by reason of this Agreement a fiduciary relationship in respect of any Lender. Nothing in this Agreement or any of the Loan Documents, express or implied, is intended to or shall be construed to impose upon Agent any obligations in respect of this Agreement or any of the Loan Documents except as expressly set forth herein or therein. Each Lender shall make its own independent investigation of the financial condition and affairs of each Loan Party in connection with the extension of credit hereunder and shall make its own appraisal of the creditworthiness of each Loan Party, and no Agent shall have any duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto (other than as expressly required herein). If Agent seeks the consent or approval of any Lenders to the taking or refraining from taking any action hereunder, then Agent shall send notice thereof to each Lender. Agent shall promptly notify each Lender any time that the Appropriate Category of Lenders have instructed Agent to act or refrain from acting pursuant hereto.

(c) Rights, Exculpation, Etc. Neither Agent nor any of its officers, directors, employees or agents shall be liable to any Lender for any action taken or omitted by them hereunder or under any of the Loan Documents, or in connection herewith or therewith, except that an Agent shall be liable to the extent of its own gross negligence or willful misconduct as determined by a final non-appealable order by a court of competent jurisdiction. No Agent shall be liable for any apportionment or distribution of payments made by it in good faith and if any such apportionment or distribution is subsequently determined to have been made in error the sole recourse of any Lender to whom payment was due but not made, shall be to recover from other Lenders any payment in excess of the amount to which they are determined to be entitled (and such other Lenders hereby agree to return to such Lender any such erroneous payments received by them). In no event shall Agent be liable for punitive, special, consequential, incidental, exemplary or other similar damages. In performing its functions and duties hereunder, Agent shall exercise the same care which it would in dealing with loans for its own account, but neither Agent nor any of its agents or representatives shall be responsible to any Lender for any recitals, statements, representations or warranties herein or for the execution, effectiveness, genuineness, validity, enforceability, collectibility, or sufficiency of this Agreement or any of the Loan Documents or the transactions contemplated thereby, or for the financial condition of any Loan Party. No Agent shall be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement or any of the Loan Documents or the financial condition of any Loan Party, or the existence or possible existence of any Default or Event of Default. Agent may at any time request instructions from the Appropriate Category of Lenders or all affected Lenders with respect to any actions or approvals which by the terms of this Agreement or of any of the Loan Documents Agent is permitted or required to take or to grant. If such instructions are promptly requested, Agent shall be absolutely entitled to refrain from taking any action or to withhold any approval and shall not be under any liability whatsoever to any Person for refraining from any action or withholding any approval under any of the Loan Documents until it shall have received such instructions from the Appropriate Category of Lenders as shall be prescribed by this Agreement. Without limiting the foregoing, no Lender shall have any right of action whatsoever against Agent as a result of Agent acting or refraining from acting under this Agreement or any of the other Loan Documents in accordance with

the instructions of the Appropriate Category of Lenders; and, notwithstanding the instructions of the Appropriate Category of Lenders, no Agent shall have obligation to take any action if it believes, in good faith, that such action is deemed to be illegal by Agent or exposes Agent to any liability for which it has not received satisfactory indemnification in accordance with Section 9.2(e).

(d) Reliance. Agent shall be entitled to rely, and shall be fully protected in relying, upon any written or oral notices, statements, certificates, orders or other documents or any telephone message or other communication (including any writing, telex, fax or telegram) believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person, and with respect to all matters pertaining to this Agreement or any of the Loan Documents and its duties hereunder or thereunder. Agent shall be entitled to rely upon the advice of legal counsel, independent accountants, and other experts selected by Agent in its sole discretion.

(e) Indemnification. Lenders will reimburse and indemnify Agent for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including, without limitation, legal fees and expenses), advances or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against Agent in its capacity as such in any way relating to or arising out of this Agreement or any of the Loan Documents or any action taken or omitted by Agent in its capacity as such under this Agreement or any of the Loan Documents, in proportion to each Lender's Pro Rata Share of the Revolving Loan Commitments and Loans, but only to the extent that any of the foregoing is not reimbursed by Borrowers; provided, however, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, advances or disbursements to the extent resulting from Agent's gross negligence or willful misconduct as determined by a final non-appealable order by a court of competent jurisdiction. If any indemnity furnished to Agent for any purpose shall, in the opinion of Agent, be insufficient or become impaired, Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against even if so directed by the Appropriate Category of Lenders as shall be prescribed by this Agreement until such additional indemnity is furnished. The obligations of Lenders under this Section 9.2(e) shall survive the payment in full of the Obligations and the termination of this Agreement.

(f) Freeport (or any successor Agent) Individually. With respect to its Revolving Loan Commitments or Loans hereunder, Freeport (or any successor Agent) shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender. The terms "Lenders," "Requisite Lenders," "Requisite US Lenders," "Requisite Canadian Term Lenders," "Requisite Revolving Lenders," "Requisite US Term Loan Lenders", "Requisite US Term Loan A Lenders", "Requisite US Term Loan B Lenders", "Requisite US Term Loan C Lenders" or any similar terms shall, unless the context clearly otherwise indicates, include Freeport (or any successor Agent) in its individual capacity as a Lender or one of such applicable categories of Lenders. Freeport (or any successor Agent), either directly or through strategic affiliations, may lend money to, acquire equity or other ownership interests in, provide advisory services to and generally engage in any kind of banking, trust or other business with any Loan Party as if it were not acting as an Agent pursuant hereto and without any duty to account therefor to Lenders. Freeport (or any successor Agent), either directly or through strategic affiliations, may accept fees and other consideration from any Loan Party for services in connection with this Agreement or otherwise without having to account for the same to Lenders. Each Lender acknowledges that Freeport (or one of its Affiliates) holds certain equity interests in US Borrower and acknowledges the potential conflict of interest of Freeport (or one of its Affiliates), as Agent and as a Lender and as a holder of an equity interest in US Borrower and consents thereto.

(g) Successor Agent.

(i) Resignation. Agent may resign from the performance of all its agency functions and duties hereunder at any time by giving at least thirty (30) days' prior written notice to Borrower Representative and Lenders. Such resignation shall take effect upon the acceptance by a successor Agent of appointment pursuant to clause (ii) below or as otherwise provided in clause (ii) below.

(ii) Appointment of Successor. Upon any such notice of resignation pursuant to clause (i) above, Requisite Lenders shall appoint a successor Agent, which, unless an Event of Default has occurred and is continuing, shall be subject to Borrower Representative's approval (which shall not be unreasonably withheld or delayed). If a successor Agent shall not have been so appointed within the thirty (30) Business Day period referred to in clause (i) above, the retiring Agent, upon notice to Borrower Representative, shall then appoint a successor Agent from among the Lenders which, unless an Event of Default has occurred and is continuing, shall be reasonably acceptable to Borrower Representative (such consent not to be unreasonably withheld) who shall serve as Agent until such time, if any, as Requisite Lenders appoint a successor Agent as provided above.

(iii) Successor Agent. Upon the acceptance of any appointment as an Agent under the Loan Documents by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under the Loan Documents. After any retiring Agent's resignation as Agent, the provisions of this Section 9.2 shall continue to inure to its benefit as to any actions taken or omitted to be taken by it in its capacity as an Agent.

(h) Collateral Matters.

(i) Release of Collateral. Lenders hereby irrevocably authorize Agent, at its option and in its discretion, to release any Lien granted to or held by Agent upon any Collateral (x) on the Termination Date, (y) constituting property being sold or disposed of if Borrower Representative certifies to Agent that the sale or disposition is made in compliance with the provisions of this Agreement (and Agent may rely in good faith conclusively on any such certificate, without further inquiry) or (z) in accordance with the provisions of the next sentence. In addition, with the consent of Requisite US Lenders and Requisite Canadian Term Lenders, during any Fiscal Year, Agent may release any Lien granted to or held by Agent upon any Collateral having a book value not greater than ten percent (10%) of the total book value of all Collateral as of the first day of such Fiscal Year.

(ii) Confirmation of Authority; Execution of Releases. Without in any manner limiting Agent's authority to act without any specific or further authorization or consent by Lenders (as set forth in Section 9.2(h)(i)), each Lender agrees to confirm in writing, upon request by Agent or Borrower Representative, the authority to release any Collateral conferred upon Agent under clauses (x) and (y) of Section 9.2(h)(i). Upon receipt by an Agent of any required confirmation from the Appropriate Category of Lenders, of its authority to release any particular item or types of Collateral, and upon at least ten (10) Business Days' prior written request by Borrower Representative, Agent shall (and is hereby irrevocably authorized by Lenders to) execute such documents as may be necessary to evidence the release of the Liens granted to Agent upon such Collateral; provided, however, that (x) no Agent shall be required to execute

any such document on terms which, in Agent's opinion, would expose Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty, and (y) such release shall not in any manner discharge, affect or impair the Obligations or any Liens upon (or obligations of any Loan Party, in respect of), all interests retained by any Loan Party, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral.

(iii) Absence of Duty. No Agent shall have any obligation whatsoever to any Lender or any other Person to assure that the property covered by the Collateral Documents exists or is owned by Borrowers or any other Loan Party or is cared for, protected or insured or has been encumbered or that the Liens granted to Agent have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, or to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent in this Section 9.2(h) or in any of the Loan Documents, it being understood and agreed that in respect of the property covered by the Collateral Documents or any act, omission or event related thereto, Agent may act in any manner it may deem appropriate, in its discretion, given Agent's own interest in property covered by the Collateral Documents as one of the Lenders and that no Agent shall have any duty or liability whatsoever to any of the other Lenders, provided that Agent shall exercise the same care which it would in dealing with loans for its own account.

(i) Agency for Perfection. Agent and each Lender hereby appoint each other Lender as agent for the purpose of perfecting Agent's security interest in assets which, in accordance with the Code or Canadian PPSL (with respect to Canadian PPSL Collateral) in any applicable jurisdiction, can be perfected by possession or control. Should any Lender (other than Agent) obtain possession or control of any such assets, such Lender shall notify Agent thereof, and, promptly upon Agent's request therefor, shall deliver such assets to Agent or in accordance with Agent's instructions or transfer control to Agent in accordance with Agent's instructions. Each Lender agrees that it will not have any right individually to enforce or seek to enforce any Collateral Document or to realize upon any collateral security for the Loans unless instructed to do so by Agent in writing, it being understood and agreed that such rights and remedies may be exercised only by Agent.

(j) Notice of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default except with respect to defaults in the payment of principal, interest and Fees required to be paid to Agent for the account of Lenders, unless Agent shall have received written notice from a Lender or Borrower Representative referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". Agent will use reasonable efforts to notify each Lender of its receipt of any such notice, unless such notice is with respect to defaults in the payment of principal, interest and fees, in which case Agent will notify each Lender of its receipt of such notice. Agent shall take such action with respect to such Default or Event of Default as may be requested by the Appropriate Category of Lenders in accordance with Section 8. Unless and until Agent has received any such request, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interests of Lenders.

(k) Lender Actions Against Collateral. Each Lender agrees that it will not take any enforcement action, nor institute any actions or proceedings, with respect to the Loans, against Borrowers or any Loan Party hereunder or under the other Loan Documents or against any Collateral (including the exercise of any right of set-off) without the consent of the Agent or Requisite Lenders. All such enforcement actions and proceedings shall be (i) taken in concert and (ii) at the direction of or with the

consent of Agent or Requisite Lenders. Agent is authorized to issue all notices to be issued by or on behalf of Lenders with respect to any Subordinated Debt. With respect to any action by Agent to enforce the rights and remedies of Agent and the Lenders under this Agreement and the other Loan Documents, each Lender hereby consents to the jurisdiction of the court in which such action is maintained, and agrees to deliver its Notes to Agent to the extent necessary to enforce the rights and remedies of Agent for the benefit of the Lenders under the Mortgages in accordance with the provisions hereof.

(l) Agent Reports. Each Lender may from time to time receive one or more reports or other information (each, a “Report”) prepared by or on behalf of an Agent (or one or more of an Agent’s Affiliates). With respect to each Report, each Lender hereby agrees that:

(i) No Agent (and no Agent’s Affiliates) shall have any duties or obligations in connection with or as a result of a Lender receiving a copy of a Report, which will be provided solely as a courtesy, without consideration. Each Lender will perform its own diligence and will make its own independent investigation of the operations, financial conditions and affairs of the Loan Parties and will not rely on any Report or make any claim that it has done so. In addition, each Lender releases, and agrees that it will not assert, any claim against Agent (or one or more of Agent’s Affiliates) that in any way relates to any Report or arises out of a Lender having access to any Report or any discussion of its contents, and each Lender agrees to indemnify and hold harmless Agent (and Agent’s Affiliates) and their respective officers, directors, employees, agents and attorneys from all claims, liabilities and expenses relating to a breach by a Lender or any of its personnel of this Section or otherwise arising out of a Lender’s access to any Report or any discussion of its contents;

(ii) Each Report may not be complete and certain information and findings obtained by an Agent (or one or more of an Agent’s Affiliates) regarding the operations and condition of the Loan Parties may not be reflected in each Report. No Agent (and no Agent’s Affiliates) makes any representations or warranties of any kind with respect to (i) any existing or proposed financing; (ii) the accuracy or completeness of the information contained in any Report or in any other related documentation; (iii) the scope or adequacy of Agent’s (and Agent’s Affiliates’) due diligence, or the presence or absence of any errors or omissions contained in any Report or in any other related documentation; and (iv) any work performed by Agent (or one or more of Agent’s Affiliates) in connection with or using any Report or any related documentation; and

(iii) Each Lender agrees to safeguard each Report and any related documentation with the same care which it uses with respect to information of its own which it does not desire to disseminate or publish, and agrees not to reproduce or distribute or provide copies of or disclose any Report or any other related documentation or any related discussions to anyone.

(m) [Reserved].

(n) Possessory Collateral and Cooperation. Agent and Lenders agree that, for purposes of perfection, with respect to Collateral or Stock of US Loan Parties, Agent shall hold and maintain, for the benefit of itself and Lenders, all possessory Collateral, including all certificates evidencing Stock and instruments evidencing Indebtedness pledged to Agent, for the benefit of itself and Lenders, under the Pledge Agreements. Agent agrees to notify and cooperate with the other Agent in connection with the administration of the Loan Documents and the exercise of rights and remedies under the Loan Documents.

(o) Post-Closing Matters Agreement. Agent is authorized to execute and deliver the Post-Closing Matters Agreement, and each Lender by holding or purchasing an interest in any Loan at any time shall be deemed to have agreed to be bound by such agreement.

9.3 Set Off and Sharing of Payments. Subject to Section 9.2(k), in addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, during the continuance of any Event of Default, each Lender is hereby authorized by Borrowers at any time or from time to time, with reasonably prompt subsequent notice to Borrower Representative (any prior or contemporaneous notice being hereby expressly waived) to set off and to appropriate and to apply any and all (i) (A) in the case of a US Lender, balance held by such Lender at any of its offices for the account of US Borrower, any other US Loan Party or any of their Subsidiaries (regardless of whether such balances are then due to US Borrower, any other US Loan Party or any of their Subsidiaries), and (B) other property at any time held or owing by such US Lender to or for the credit or for the account of US Borrower, any other US Loan Party or any of their Subsidiaries and (ii) (A) in the case of a Canadian Term Lender, balances held by such Canadian Term Lender at any of its offices for the account of Canadian Borrowers or any of their Subsidiaries (regardless of whether such balances are then due to Canadian Borrowers or their Subsidiaries), and (B) other property at any time held or owing by such Canadian Term Lender to or for the credit or for the account of Canadian Borrowers or any of their Subsidiaries against and on account of any of the Obligations; except that no Lender shall exercise any such right without the prior written consent of Agent. Notwithstanding anything herein to the contrary, the failure to give notice of any set off and application made by such Lender to applicable Borrower shall not affect the validity of such set off and application. Any Lender exercising a right to set off shall purchase for cash (and the other Lenders shall sell) interests in each of such other Lender's Pro Rata Share of the Obligations as would be necessary to cause all Lenders to share the amount so set off with each other Lender entitled to share in the amount so set off in accordance with their respective Pro Rata Shares. If a Defaulting Lender receives any such payment as described in the previous sentence, such Lender shall turn over such payments to Agent in an amount that would satisfy the cash collateral requirements set forth in Section 9.6. Borrowers agree, to the fullest extent permitted by law, that any Lender may exercise its right to set off with respect to amounts in excess of its Pro Rata Share of the Obligations and upon doing so shall deliver such amount so set off to Agent for the benefit of all Lenders entitled to share in the amount so set off in accordance with their Pro Rata Shares.

9.4 Disbursement of Funds. Agent may, on behalf of Revolving Lenders, disburse funds to US Borrower for Revolving Loans requested. Each Revolving Lender shall reimburse Agent on demand for all funds disbursed on its behalf by Agent, or if Agent so requests, each Revolving Lender will remit to Agent its Pro Rata Share of any Revolving Loan before Agent disburses same to US Borrower. If Agent elects to require that each Revolving Lender make funds available to Agent prior to a disbursement by Agent to US Borrower, Agent shall advise each Revolving Lender by telephone or fax of the amount of such Lender's Pro Rata Share of the Revolving Loan requested by US Borrower no later than 2:00 p.m. (Chicago time) on the Funding Date applicable thereto, and each such Revolving Lender shall pay Agent such Lender's Pro Rata Share of such requested Revolving Loan, in same day funds, by wire transfer to Agent's account on such Funding Date. If any Revolving Lender fails to pay the amount of its Pro Rata Share within one (1) Business Day after Agent's demand, Agent shall promptly notify US Borrower, and US Borrower shall immediately repay such amount to Agent. Any repayment required pursuant to this Section 9.4(a) shall be without premium or penalty. Nothing in this Section 9.4(a) or elsewhere in this Agreement or the other Loan Documents, including the provisions of Section 9.5, shall be deemed to require Agent to advance funds on behalf of any Revolving Lender or to relieve any Revolving Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that Agent or the US Borrower may have against any Revolving Lender as a result of any default by such Revolving Lender hereunder.

9.5 Disbursements of Advances; Payment.

(a) Advances; Payments.

(i) Revolving Lenders shall refund or participate in the Swing Line Loan in accordance with clauses (iii) and (iv) of Section 2.1(d). If the Swing Line Lender declines to make a Swing Line Advance or if Swing Line Availability is zero, Agent shall notify Revolving Lenders, promptly after receipt of a Notice of Revolving Credit Advance and in any event prior to noon (Chicago time) on the date such Notice of a Revolving Credit Advance is received, by fax, telephone or other similar form of transmission. Each Revolving Lender shall make the amount of such Lender's Pro Rata Share of such Revolving Credit Advance available to Agent in same day funds by wire transfer to Agent's account as set forth in Section 2.1(g) not later than 2:00 p.m. (Chicago time) on the requested Funding Date in the case of an Index Rate Loans and not later than 10:00 a.m. (Chicago time) on the requested Funding Date in the case of a LIBOR Loan. After receipt of such wire transfers (or, in the Agent's sole discretion, before receipt of such wire transfers), subject to the terms hereof, Agent shall make the requested Revolving Credit Advance to US Borrower as designated by US Borrower in the Notice of Revolving Credit Advance. All payments by each Revolving Lender shall be made without setoff, counterclaim or deduction of any kind.

(ii) At least once each calendar week or more frequently at Agent's election (each, a "US Settlement Date"), Agent shall advise each US Lender by telephone or fax of the amount of such US Lender's Pro Rata Share of principal, interest and Fees paid for the benefit of Lenders with respect to each applicable Revolving Loan. Provided that each US Lender has funded all payments and Revolving Credit Advances required to be made by it and funded all purchases of participations required to be funded by it under this Agreement and the other Loan Documents as of such US Settlement Date, Agent shall pay to each US Lender such US Lender's Pro Rata Share of principal, interest and Fees paid by each US Borrower since the previous US Settlement Date for the benefit of such US Lender on the US Loans held by it. Such payments shall be made by wire transfer to such US Lender's account (as specified by such Lender in Annex D or the

applicable Assignment Agreement) not later than 1:00 p.m. (Chicago time) on the next Business Day following each US Settlement Date.

(b) Availability of Lender's Pro Rata Share. Agent may assume that each Lender will make its Pro Rata Share of each Revolving Credit Advance available to Agent on each Funding Date. If such Pro Rata Share is not, in fact, paid to Agent by such Lender when due, Agent will be entitled to recover such amount on demand from such Lender without setoff, counterclaim or deduction of any kind. If any Lender fails to pay the amount of its Pro Rata Share forthwith upon Agent's demand, Agent shall promptly notify Borrower Representative and the applicable Borrower shall immediately repay such amount to Agent. Nothing in this Section 9.5(b) or elsewhere in this Agreement or the other Loan Documents shall be deemed to require Agent to advance funds on behalf of any Lender or to relieve any Lender from its obligation to fulfill its Revolving Loan Commitments hereunder or to prejudice any rights that Borrowers may have against any Lender as a result of any default by such Lender hereunder. To the extent that Agent advances funds to a Borrower on behalf of any Lender and is not reimbursed therefor on the same Business Day as such Advance is made, Agent shall be entitled to retain for its account all interest accrued on such Advance until reimbursed by the applicable Lender.

(c) Return of Payments.

(i) If Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by Agent from Borrowers and such related payment is not received by Agent, then Agent will be entitled to recover such amount from such Lender on demand without setoff, counterclaim or deduction of any kind.

(ii) If Agent determines at any time that any amount received by Agent under this Agreement must be returned to Loan Party or paid to any other Person pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Loan Document, Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to Agent on demand any portion of such amount that Agent has distributed to such Lender, together with interest at such rate, if any, as Agent is required to pay to Borrowers or such other Person, without setoff, counterclaim or deduction of any kind.

9.6 Defaulting Lenders.

(a) Responsibility. The failure of any Defaulting Lender to make any Revolving Loan, or to fund any purchase of any participation to be made or funded by it (including, without limitation, with respect to any Letter of Credit or Swing Line Loan), or to make any payment required by it under any Loan Document on the date specified therefor shall not relieve any other Lender of its obligations to make such loan, fund the purchase of any such participation, or make any other such required payment on such date, and neither Agent nor, other than as expressly set forth herein, any other Lender shall be responsible for the failure of any Defaulting Lender to make a loan, fund the purchase of a participation or make any other required payment under any Loan Document.

(b) Reallocation. If any Revolving Lender is a Defaulting Lender, all or a portion of such Defaulting Lender's Letter of Credit Obligations (unless such Lender is the L/C Issuer that issued such Letter of Credit) and reimbursement obligations with respect to Swing Line Loans shall, at Agent's election at any time or upon any L/C Issuer's or Swing Line Lender's, as applicable, written request delivered to Agent (whether before or after the occurrence of any Default or Event of Default), be reallocated to and assumed by the Revolving Lenders that are not Defaulting Lenders pro rata in accordance with their Pro Rata Share of the aggregate Revolving Loan Commitments (calculated as if the

Defaulting Lender's Pro Rata Share was reduced to zero and each other Revolving Lender's Pro Rata Share had been increased proportionately), provided that no Revolving Lender shall be reallocated any such amounts or be required to fund any amounts that would cause the sum of its outstanding Revolving Loans, outstanding Letter of Credit Obligations, amounts of its participations in Swing Line Loans and its pro rata share of unparticipated amounts in Swing Line Loans to exceed its Revolving Loan Commitment.

(c) Voting Rights. Notwithstanding anything set forth herein to the contrary, including Section 10.2, a Defaulting Lender shall not have any voting or consent rights under or with respect to any Loan Document or constitute a "Lender" (or be, or have its Loans and Revolving Loan Commitment, included in the determination of "Requisite Lenders", "Required Revolving Lenders", "Requisite US Term Loan A Lenders", "Requisite US Term Loan B Lenders", "Requisite US Term Loan C Lenders", "Requisite Canadian Term Lenders" or "Lenders directly affected" pursuant to Section 10.2) for any voting or consent rights under or with respect to any Loan Document, provided that (A) the Revolving Loan Commitment of a Defaulting Lender may not be increased, (B) the Revolving Loan Commitment of a Defaulting Lender (other than a Non-Signing Lender) may not be extended or reinstated, (C) the principal of a Defaulting Lender's Loans may not be reduced or forgiven, and (D) the interest rate applicable to Obligations owing to a Defaulting Lender (other than a Non-Signing Lender) may not be reduced, in each case, without the consent of such Defaulting Lender. Moreover, for the purposes of determining "Requisite Lenders", "Requisite Revolving Lenders," "Requisite US Lenders," "Requisite US Term Loan A Lenders", "Requisite US Term Loan B Lenders", "Requisite US Term Loan C Lenders" or "Requisite Canadian Term Lenders", the Loans, Letter of Credit Obligations, and Revolving Loan Commitments held by Defaulting Lenders shall be excluded from the total Loans and Revolving Loan Commitments outstanding.

(d) Borrower Payments to a Defaulting Lender. Agent is hereby authorized to use all payments received by Agent for the benefit of any Defaulting Lender pursuant to this Agreement to pay in full the Aggregate Excess Funding Amount to Agent, Lender, L/C Issuer or other holder of Obligations, as appropriate. In addition, Agent is hereby authorized to retain and hold all payments received by Agent for the benefit of any Non-Signing Lender pursuant to this Agreement (such payments, the "Non-Signing Lender Payments") until the earlier of (i) the time at which the applicable Lender ceases to be a Non-Signing Lender or (ii) the Termination Date (it being agreed that all such payments received by Agent shall satisfy the applicable obligation of the Borrowers and shall be held by Agent for the benefit of the applicable Lender pending distribution pursuant to the terms hereof). Agent shall be entitled to hold as cash collateral in a non-interest bearing account up to an amount equal to such Defaulting Lender's pro rata share, without giving effect to any reallocation pursuant to Section 9.6(b), of all Letter of Credit Obligations until the Obligations are paid in full in cash, all Letter of Credit Obligations have been discharged or cash collateralized and all Revolving Loan Commitments have been terminated. Upon any such unfunded obligations owing by a Defaulting Lender becoming due and payable, Agent shall be authorized to use such cash collateral or Non-Signing Lender Payments to make such payment on behalf of such Defaulting Lender. With respect to such Defaulting Lender's failure to fund Revolving Loans or purchase participations in Letters of Credit or Letter of Credit Obligations, any amounts applied by Agent to satisfy such funding shortfalls shall be deemed to constitute a Revolving Loan or amount of the participation required to be funded and, if necessary to effectuate the foregoing, the other Revolving Lenders shall be deemed to have sold, and such Defaulting Lender shall be deemed to have purchased, Revolving Loans or Letter of Credit participation interests from the other Revolving Lenders until such time as the aggregate amount of the Revolving Loans and participations in Letters of Credit and Letter of Credit Obligations are held by the Revolving Lenders in accordance with their Pro Rata Share of the aggregate Revolving Loan Commitments. Any amounts owing by a Defaulting Lender to Agent which are not paid when due shall accrue interest at the interest rate applicable during such period to Revolving Loans that are Index Rate Loans. In the event that Agent is holding cash collateral or

Non-Signing Lender Payments of a Defaulting Lender that cures pursuant to clause (e) below or ceases to be a Defaulting Lender pursuant to the definition of Defaulting Lender, Agent shall return the unused portion of such cash collateral or Non-Signing Lender Payments, as applicable, to such Lender. The "Aggregate Excess Funding Amount" of a Defaulting Lender shall be the aggregate amount of (A) all unpaid obligations owing by such Lender to Agent, L/C Issuers, Swing Line Lender, and other Lenders under the Loan Documents, including such Lender's pro rata share of all Revolving Loans, Letter of Credit Obligations and Swing Line Loans, plus, without duplication, (B) all amounts of such Defaulting Lender's Letter of Credit Obligations and reimbursement obligations with respect to Swing Loans reallocated to other Lenders pursuant to Section 9.6(b).

(e) Cure. A Lender may cure its status as a Defaulting Lender under clause (a) of the definition of Defaulting Lender if such Lender fully pays to Agent, on behalf of Agent, Lender, L/C Issuer or other holder of Obligations, as appropriate, the Aggregate Excess Funding Amount, plus all interest due thereon. A Lender may cure its status as a Defaulting Lender under clause (d) of the definition of Defaulting Lender if such Lender executes and delivers the applicable documents referenced in such clause (d). Any such cure shall not relieve any Lender from liability for breaching its contractual obligations hereunder.

(f) Fees. A Lender that is a Defaulting Lender pursuant to clause (a) of the definition of Defaulting Lender shall not earn and shall not be entitled to receive, and the US Borrower shall not be required to pay, such Lender's portion of the fee payable under Section 2.3(b) during the time such Lender is a Defaulting Lender pursuant to clause (a) thereof. In the event that any reallocation of Letter of Credit Obligations occurs pursuant to Section 9.6(b), during the period of time that such reallocation remains in effect, the Letter of Credit Fee payable with respect to such reallocated portion shall be payable to (A) all Revolving Lenders based on their pro rata share of such reallocation or (B) to the L/C Issuer for any remaining portion not reallocated to any other Revolving Lenders.

SECTION 10. MISCELLANEOUS

10.1 Indemnities. (a) US Loan Parties agree to indemnify, pay, and hold Agent, each US Lender, each L/C Issuer and their respective Affiliates, officers, directors, employees, agents, and attorneys and their respective successors and assigns ("US Indemnitees"); and (b) Canadian Loan Parties agree to indemnify, pay, and hold Agent, each Canadian Term Lender and their respective Affiliates, officers, directors, employees, agents, and attorneys and their respective successors and assigns ("Canadian Indemnitees", and together with the US Indemnitees, the "Indemnitees"), in each case, harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs and expenses (including all reasonable fees and expenses of counsel to such Indemnitees) of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Indemnitee as a result of such Indemnitees being a party to this Agreement or the transactions consummated pursuant to this Agreement or otherwise relating to any of the Loan Documents or Related Transactions, including, without limitation, as a result of unpaid broker or finder fees in connection with the Related Transactions; provided, that US Loan Parties shall have no obligation to a US Indemnitee hereunder and Canadian Borrower shall have no obligation to a Canadian Indemnitee hereunder, in each case, with respect to (i) liabilities to the extent resulting from the gross negligence or willful misconduct of that Indemnitee as determined by a court of competent jurisdiction or (ii) Taxes other than any Taxes that represent losses, claims, damages arising from any non-Tax claim. If and to the extent that the foregoing undertaking may be unenforceable for any reason, Borrowers agree to make the maximum contribution to the payment and satisfaction thereof which is permissible under applicable law.

10.2 Amendments and Waivers.

(a) Except for actions expressly permitted to be taken by Agent, no amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document, or any consent to any departure by any Loan Party therefrom, shall in any event be effective unless the same shall be in writing and signed by each Borrower, Requisite Lenders, Requisite US Lenders, Requisite Canadian Term Lenders, Requisite Revolving Lenders, Requisite US Term Loan Lenders, Requisite US Term Loan A Lenders, Requisite US Term Loan B Lenders or Requisite US Term Loan C Lenders or all affected Lenders, as applicable. Except as set forth in clauses (b), (c) and (d) below, all such amendments, modifications, terminations or waivers requiring the consent of any Lenders shall require the written consent of Requisite Lenders.

(b) No amendment, modification, termination or waiver of or consent with respect to any provision of this Agreement that waives compliance with the conditions precedent set forth in Section 3.2 to the making of any Loan or the incurrence of any Letter of Credit Obligations shall be effective unless the same shall be in writing and signed by Agent, Requisite Revolving Lenders, and each Borrower. Notwithstanding anything contained in this Agreement to the contrary, no waiver or consent with respect to any Default or any Event of Default shall be effective for purposes of the conditions precedent to the making of Loans or the incurrence of Letter of Credit Obligations set forth in Section 3.2 unless the same shall be in writing and signed by Agent, Requisite Revolving Lenders and each Borrower.

(c) No amendment, modification, termination or waiver shall, unless in writing and signed by Agent and each Lender directly affected thereby: (i) increase the principal amount, or postpone or extend the scheduled date of expiration, of any Lender's Revolving Loan Commitment (which action shall be deemed only to affect those Lenders whose Revolving Loan Commitments are increased or the scheduled date of expiration of whose Revolving Loan Commitments are postponed or extended and may be approved by Requisite Lenders, including those Lenders whose Revolving Loan Commitments are increased or the scheduled date of expiration of whose Revolving Loan Commitments are postponed or extended); (ii) reduce the principal of, rate of interest on (other than any determination or waiver to charge or not charge interest at the Default Rate) or Fees payable with respect to any Loan or Letter of Credit Obligations of any affected Lender; (iii) extend any scheduled payment date or final maturity date of the principal amount of any Loan of any affected Lender or postpone or extend the scheduled date of expiration of any Letter of Credit beyond the date set forth in clause (b) of the initial sentence of Section 2.1(f)(iv); (iv) waive, forgive, defer, extend or postpone any payment of interest or Fees as to any affected Lender (which action shall be deemed only to affect those Lenders to whom such payments are made); (v) release any Guaranty or, except as otherwise permitted in Section 6.7 or Section 9.2(h), release Collateral (which action shall be deemed to directly affect all Lenders); (vi) change the percentage of the Revolving Loan Commitments or of the aggregate unpaid principal amount of the Loans that shall be required for Lenders or any of them to take any action hereunder (which action shall be deemed to directly affect all Lenders); and (vii) amend or waive this Section 10.2 or the definitions of the terms "Requisite Lenders", "Requisite US Lenders", "Requisite Canadian Term Lenders", "Requisite Revolving Lenders", "Requisite US Term Loan Lenders", "Requisite US Term Loan A Lenders", "Requisite US Term Loan B Lenders", or "Requisite US Term Loan C Lenders" insofar as such definitions affect the substance of this Section 10.2 or the term "Pro Rata Share" (which action shall be deemed to directly affect all Lenders). Furthermore, no amendment, modification, termination or waiver affecting the rights or duties of Agent or L/C Issuers under this Agreement or any other Loan Document shall be effective unless in writing and signed by Agent or L/C Issuers, as the case may be, in addition to Lenders required hereinabove to take such action. Each amendment, modification, termination or waiver shall be effective only in the specific instance and for the specific purpose for which it was given. No amendment, modification, termination or waiver shall be required for Agent to take additional Collateral pursuant to

any Loan Document. No amendment, modification, termination or waiver of any provision of any Note shall be effective without the written concurrence of the holder of that Note. No notice to or demand on any Loan Party in any case shall entitle such Loan Party or any other Loan Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 10.2 shall be binding upon each holder of the Notes at the time outstanding and each future holder of the Notes.

10.3 Notices. Any notice or other communication required shall be in writing addressed to the respective party as set forth below and may be personally served, sent by e-mail, telecopied, sent by overnight courier service or U.S. mail or Canada Post and shall be deemed to have been given: (a) if delivered in person, when delivered; (b) if delivered by fax, on the date of transmission if transmitted on a Business Day before 4:00 p.m. Chicago time; (c) if sent by e-mail, by the sender's receipt of an e-mail acknowledgment confirming delivery thereof, (d) if delivered by overnight courier, one (1) Business Day after delivery to the courier properly addressed; or (e) if delivered by U.S. mail or Canada Post, four (4) Business Days after deposit with postage prepaid and properly addressed.

Notices shall be addressed as follows:

If to any Loan Party:	PRACS Institute Holdings, LLC 4801 Amber Valley Parkway Fargo, North Dakota 58104 ATTN: Chief Financial Officer Fax: (701) 239-4955
If to Agent:	Freeport Financial LLC 500 West Madison Street, Suite 1710 Chicago, Illinois 60661 ATTN: PRACS Institute - Account Officer Fax: (312) 281-4646
With a copy to:	Latham & Watkins LLP 233 South Wacker Drive Suite 5800, Sears Tower Chicago, Illinois 60606 ATTN: Jeff Moran, Peter Knight Fax: (312) 993-9767
If to a Lender:	To the address set forth on the signature page hereto or in the applicable Assignment Agreement

10.4 Failure or Indulgence Not Waiver; Remedies Cumulative. No failure or delay on the part of Agent or any Lender to exercise, nor any partial exercise of, any power, right or privilege hereunder or under any other Loan Documents shall impair such power, right, or privilege or be construed to be a waiver of any Default or Event of Default. All rights and remedies existing hereunder or under any other Loan Document are cumulative to and not exclusive of any rights or remedies otherwise available.

10.5 Marshaling; Payments Set Aside. Neither Agent nor any Lender shall be under any obligation to marshal any assets in payment of any or all of the Obligations. To the extent that either Borrower makes payment(s) or Agent enforces its Liens or Agent or any Lender exercises its right of set-off, and such payment(s) or the proceeds of such enforcement or set-off is subsequently invalidated, declared to be

fraudulent or preferential, set aside, or required to be repaid by anyone (whether as a result of any demand, litigation, settlement or otherwise), then to the extent of such recovery, the Obligations or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor, shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or set-off had not occurred.

10.6 Severability. The invalidity, illegality, or unenforceability in any jurisdiction of any provision under the Loan Documents shall not affect or impair the remaining provisions in the Loan Documents.

10.7 Lenders' Obligations Several; Independent Nature of Lenders' Rights. The obligation of each Lender hereunder is several and not joint and no Lender shall be responsible for the obligation or commitment of any other Lender hereunder. In the event that any Lender at any time should fail to make a Loan as herein provided, the Lenders, or any of them, at their sole option, may make the Loan that was to have been made by the Lender so failing to make such Loan. Nothing contained in any Loan Document and no action taken by Agent or any Lender pursuant hereto or thereto shall be deemed to constitute Lenders to be a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt.

10.8 Headings. Section and subsection headings are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purposes or be given substantive effect.

10.9 Applicable Law. THIS AGREEMENT AND EACH OF THE OTHER LOAN DOCUMENTS WHICH DOES NOT EXPRESSLY SET FORTH APPLICABLE LAW SHALL BE GOVERNED BY AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

10.10 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns except that neither Borrower may assign its rights or obligations hereunder without the written consent of all Lenders and any such purported assignment without such written consent shall be void.

10.11 No Fiduciary Relationship; Limited Liability. No provision in the Loan Documents and no course of dealing between the parties shall be deemed to create any fiduciary duty owing to any Loan Party by Agent or any Lender. Each Borrower and each other Loan Party agree that neither Agent nor any Lender shall have liability to either Borrower or any other Loan Party (whether sounding in tort, contract or otherwise) for losses suffered by either Borrower or any other Loan Party in connection with, arising out of, or in any way related to the transactions contemplated and the relationship established by the Loan Documents, or any act, omission or event occurring in connection therewith, unless and to the extent that it is determined that such losses resulted from the gross negligence or willful misconduct of the party from which recovery is sought as determined by a final non-appealable order by a court of competent jurisdiction. Neither Agent nor any Lender shall have any liability with respect to, and each Borrower and each other Loan Party hereby waives, releases and agrees not to sue for, any special, indirect or consequential damages suffered by either Borrower and any other Loan Party in connection with, arising out of, or in any way related to the Loan Documents or the transactions contemplated thereby.

10.12 Construction. Agent, each Lender, each Borrower and each other Loan Party acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity

to review the Loan Documents with its legal counsel and that the Loan Documents shall be construed as if jointly drafted by Agent, each Lender, each Borrower and each other Loan Party.

10.13 Confidentiality. Until the Termination Date, Agent and each Lender agree to exercise their best efforts to keep confidential any non-public information delivered pursuant to the Loan Documents and not to disclose such information to Persons other than to potential assignees or participants or to any Affiliate of, or Persons employed by or engaged, by Agent, a Lender or any of their respective Affiliates or a Lender's assignees or participants including attorneys, auditors, professional consultants, rating agencies, insurance industry associations and portfolio management services subject to the confidentiality provisions herein contained. The confidentiality provisions contained in this Section 10.13 shall not apply to disclosures (i) required to be made by Agent or any Lender to any regulatory or governmental agency or pursuant to law, rule, regulations or legal process or (ii) consisting of general portfolio information that does not specifically identify Borrowers. Each Loan Party consents to the publication by Agent or any Lender of a tombstone or similar advertising material relating to the financing transactions contemplated by this Agreement. Agent or such Lender shall provide a draft of any such tombstone or similar advertising material to each Loan Party for review, comment and approval prior to the publication thereof. Agent may provide to industry trade organizations information with respect to the Credit Agreement that is necessary and customary for inclusion in league table measurements. The obligations of Agent and Lenders under this Section 10.13 shall supersede and replace the obligations of Agent and such Lenders under any confidentiality agreement in respect of this financing executed and delivered by Agent or any Lender prior to the date hereof.

10.14 CONSENT TO JURISDICTION. EACH BORROWER AND LOAN PARTIES HEREBY CONSENT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN COOK COUNTY, STATE OF ILLINOIS AND IRREVOCABLY AGREE THAT, SUBJECT TO AGENT'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS SHALL BE LITIGATED IN SUCH COURTS. EACH BORROWER AND LOAN PARTIES EXPRESSLY SUBMIT AND CONSENT TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVE ANY DEFENSE OF FORUM NON CONVENIENS. EACH BORROWER AND LOAN PARTIES HEREBY WAIVE PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON SUCH BORROWER AND LOAN PARTIES BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO BORROWER, AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED.

10.15 WAIVER OF JURY TRIAL. EACH BORROWER, LOAN PARTIES, AGENT AND EACH LENDER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS. EACH BORROWER, LOAN PARTIES, AGENT AND EACH LENDER ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH BORROWER, LOAN PARTIES, AGENT AND EACH LENDER WARRANT AND REPRESENT THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

10.16 Survival of Warranties and Certain Agreements. All agreements, representations and warranties made herein shall survive the execution and delivery of this Agreement, the making of the Loans, issuances of Letters of Credit and the execution and delivery of the Notes. Notwithstanding anything in this Agreement or implied by law to the contrary, this Agreements of each Borrower set forth in Sections 2.3(e), 2.8, 2.9 and 10.1 shall survive the repayment of the Obligations and the termination of this Agreement.

10.17 Entire Agreement. This Agreement, the Notes and the other Loan Documents embody the entire agreement among the parties hereto and supersede all prior commitments, agreements, representations, and understandings, whether oral or written, relating to the subject matter hereof (other than the Fee Letter), and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of the parties hereto. All Exhibits, Schedules and Annexes referred to herein are incorporated in this Agreement by reference and constitute a part of this Agreement.

10.18 Counterparts; Effectiveness. This Agreement and any amendments, waivers, consents or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all of which counterparts together shall constitute but one in the same instrument. This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto.

10.19 Replacement of Lenders.

(a) Within fifteen (15) days after receipt by Borrower Representative of written notice and demand from any Lender for payment pursuant to Section 2.8 or 2.9 or, as provided in Section 10.19(d), in the case of certain refusals by any Lender to consent to certain proposed amendments, modifications, terminations or waivers with respect to this Agreement that have been approved by Requisite Lenders, Requisite US Lenders, Requisite Canadian Term Lenders, Requisite Revolving Lenders, Requisite US Term Loan A Lenders, Requisite US Term Loan B Lenders, Requisite US Term Loan C Lenders or all affected Lenders, as applicable (any such Lender demanding such payment or refusing to so consent being referred to herein as an "Affected Lender"), Borrower Representative may, at its option, notify Agent and such Affected Lender of its intention to do one of the following:

(i) Borrower Representative may obtain, at Borrowers' expense, a replacement Lender ("Replacement Lender") for such Affected Lender, which Replacement Lender shall be reasonably satisfactory to Agent. In the event Borrower Representative obtains a Replacement Lender that will purchase all outstanding Obligations owed to such Affected Lender and assume its Revolving Loan Commitments hereunder within ninety (90) days following notice of Borrower's intention to do so, the Affected Lender shall sell and assign, for an amount equal to the principal balance of all Loans held by such Affected Lender and all accrued interest and Fees with respect thereto through the date of sale, all of its rights and delegate all of its obligations under this Agreement to such Replacement Lender in accordance with the provisions of Section 9.1, provided that Borrowers have reimbursed such Affected Lender for any administrative fee payable pursuant to Section 9.1 and, in any case where such replacement occurs as the result of a demand for payment pursuant to Section 2.8 or 2.9, paid all amounts required to be paid to such Affected Lender pursuant to Section 2.8 or 2.9 through the date of such sale and assignment; or

(ii) Borrowers may, with Agent's consent, prepay in full all outstanding Obligations owed to such Affected Lender and terminate such Affected Lender's Pro Rata Share of the Revolving Loan Commitments, in which case the Revolving Loan Commitments will be reduced by the amount of such Pro Rata Share. The applicable Borrower shall, within ninety (90) days

following notice of its intention to do so, prepay in full all outstanding Obligations owed to such Affected Lender (including, in any case where such prepayment occurs as the result of a demand for payment for increased costs, such Affected Lender's increased costs for which it is entitled to reimbursement under this Agreement through the date of such prepayment), and terminate such Affected Lender's obligations under the Revolving Loan Commitments.

(b) In the case of a Defaulting Lender pursuant to Section 9.6, at Borrower Representative's request, Agent or a Person acceptable to Agent shall have, with Agent's, consent and in Agent's sole discretion the right (but no obligation) to purchase from any Defaulting Lender, and each Defaulting Lender agrees that it shall, at Agent's request sell and assign to Agent, or such Person, all of the Loans and Revolving Loan Commitments of that Defaulting Lender for an amount equal to the principal balance of all Loans held by such Defaulting Lender and all accrued interest and Fees with respect thereto through the date of sale, such purchase and sale to be consummated pursuant to an executed Assignment Agreement.

(c) [reserved].

(d) If, in connection with any proposed amendment, modification, waiver or termination pursuant to Section 10.2 (a "Proposed Change") requiring the consent of all Affected Lenders, Requisite US Lenders, Requisite Canadian Term Lenders, Requisite Revolving Lenders, Requisite US Term Loan Lenders, Requisite US Term Loan A Lenders, Requisite US Term Loan B Lenders, or Requisite US Term Loan C Lenders, as applicable, the consent of Requisite Lenders is obtained, but the consent of other Lenders whose consent is required to effect such proposed change is not obtained (any such Lender whose consent is not obtained being referred to as a "Non-Consenting Lender"), then, so long as no Agent is a Non-Consenting Lender, at Borrower Representative's request Agent, or a Person reasonably acceptable to Agent, shall have the right with Agent's consent and in Agent's sole discretion (but shall have no obligation) to purchase from such Non-Consenting Lenders, and such Non-Consenting Lenders agree that they shall, upon Agent's request, sell and assign to Agent or such Person, all of the Loans and Revolving Loan Commitments of such Non-Consenting Lenders for an amount equal to the principal balance of all Loans held by the Non-Consenting Lenders and all accrued interest and Fees and other Obligations owing with respect thereto through the date of sale, such purchase and sale to be consummated pursuant to an executed Assignment Agreement.

10.20 Delivery of Termination Statements and Mortgage Releases. On the Termination Date, and so long as no suits, actions proceedings, or claims are pending or threatened against any Indemnitee asserting any damages, losses or liabilities that are indemnified liabilities hereunder, Agent shall deliver to Borrowers termination statements, mortgage releases and other documents necessary or appropriate to evidence the termination of the Liens securing payment of the Obligations.

10.21 Subordination of Intercompany Debt.

(a) Each Loan Party hereby agrees that any intercompany Indebtedness or other intercompany payables or receivables, or intercompany advances directly or indirectly made by or owed to such Loan Party by any other Loan Party (collectively, "Intercompany Debt"), of whatever nature at any time outstanding shall be subordinate and subject in right of payment to the prior payment in full in cash of the Obligations. Each Loan Party hereby agrees that it will not, while any Event of Default is continuing, accept any payment, including by offset, on any Intercompany Debt until the Termination Date, in each case, except with the prior written consent of Agent.

(b) In the event that any payment on any Intercompany Debt shall be received by a Loan Party other than as permitted by this Section 10.21 before the Termination Date, such Loan Party shall receive such payments and hold the same in trust for, segregate the same from its own assets and shall immediately pay over to, the Agent for the benefit of the Agent and Lenders all such sums to the extent necessary so that Agent and the Lenders shall have been paid in full, in cash, all Obligations owed or which may become owing.

(c) Upon any payment or distribution of any assets of any Loan Party of any kind or character, whether in cash, property or securities by set-off, recoupment or otherwise, to creditors in any liquidation or other winding-up of such Loan Party or in the event of any Proceeding, Agent and Lenders shall first be entitled to receive payment in full in cash, in accordance with the terms of the Obligations and of this Agreement, of all amounts payable under or in respect of such Obligations, before any payment or distribution is made on, or in respect of, any Intercompany Debt, in any such Proceeding, any distribution or payment, to which Agent or any Lender would be entitled except for the provisions hereof shall be paid by such Loan Party, or by any receiver, trustee in bankruptcy, liquidating trustee, agent or other person making such payment or distribution directly to Agent (for the benefit of Agent and the Lenders) to the extent necessary to pay all such Obligations in full in cash, after giving effect to any concurrent payment or distribution to Agent and Lenders (or to Agent for the benefit of Agent and Lenders).

10.22 Joint and Several Liability.

(a) The US Borrower and other US Loan Parties are jointly and severally liable for all of the Obligations.

(b) Notwithstanding anything to the contrary contained herein, the Canadian Borrower and other Canadian Loan Parties are jointly and severally liable only for the repayment of the Canadian Obligations and shall not have any obligation to pay, prepay or guaranty any portion of, and none of their assets shall serve as collateral for, the US Obligations.

(c) Notwithstanding any other provision contained in this Agreement or any other Loan Document, if a "secured creditor" (as that term is defined under the Bankruptcy and Insolvency Act (Canada)) is determined by a court of competent jurisdiction not to include a Person to whom obligations are owed on a joint or joint and several basis, then each Canadian Loan Party's Obligations, to the extent such Obligations are secured, only shall be several obligations and not joint or joint and several obligations.

10.23 Judgment Currency. If, for the purpose of obtaining or enforcing judgment against any Loan Party in any court in any jurisdiction, it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 10.23 referred to as the "Judgment Currency") an amount due under any Loan Document in any currency (the "Obligation Currency") other than the Judgment Currency, the conversion shall be made at the rate of exchange prevailing on the Business Day immediately preceding (i) the date of actual payment of the amount due, in the case of any proceeding in the courts of any jurisdiction that will give effect to such conversion being made on such date, or (ii) the date on which the judgment is given, in the case of any proceeding in the courts of any other jurisdiction (the applicable date as of which such conversion is made pursuant to this Section 10.23 being hereinafter in this Section 10.23 referred to as the "Judgment Conversion Date"). If, in the case of any proceeding in the court of any jurisdiction referred to above in this Section 10.23, there is a change in the rate of exchange prevailing between the Judgment Conversion Date and the date of actual receipt for value of the amount due, the applicable Loan Party shall pay such additional amount (if any, but in any event not a

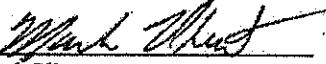
lesser amount) as may be necessary to ensure that the amount actually received in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of the Judgment Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the Judgment Conversion Date. Any amount due from a Loan Party under this Section 10.23 shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of any of the Loan Documents. The term "rate of exchange" in this Section 10.23 means the rate of exchange at which Agent would, on the relevant date at or about 1:00 p.m. (Chicago time), be prepared to sell the Obligation Currency against the Judgment Currency.

* * *

Witness the due execution hereof by the respective duly authorized officers of the undersigned as of the date first written above.

BORROWERS:

PRACS INSTITUTE HOLDINGS, LLC

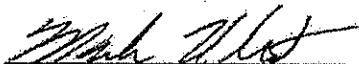
By: 
Name: Mark Ubert
Title: Chief Financial Officer and Secretary

PRACS INSTITUTE CANADA B.C. LTD.

By: 
Name: Mark Ubert
Title: Chief Financial Officer and Secretary

OTHER LOAN PARTIES:

PRACS INSTITUTE MANAGEMENT, LLC

By: 
Name: Mark Ubert
Title: Chief Financial Officer and Secretary

PRACS INSTITUTE, LLC

By: 
Name: Mark Ubert
Title: Chief Financial Officer and Secretary

PRACS INSTITUTE MIAMI, LLC

By: 
Name: Mark Ubert
Title: Chief Financial Officer and Secretary

[Signature Page to Credit Agreement]

PRACS INSTITUTE SAN ANTONIO, LLC

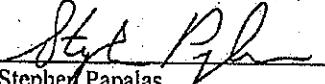
By:

Name: Mark Ubert

Title: Chief Financial Officer and Secretary

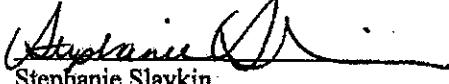
[Signature Page to Credit Agreement]

FREEPORT FINANCIAL LLC, as Agent

By: 
Name: Stephen Papalas
Title: Duly Authorized Signatory

[Signature Page to Credit Agreement]

BANK OF MONTREAL,
as a Lender

By: 
Name: Stephanie Slavkin
Title: Director

BROWN BROTHERS HARRIMAN & CO.,
as a Lender

By: 

Name: Eric C. Andren

Title: Senior Vice President

CHURCHILL FINANCIAL CAYMAN LTD.,
as a Lender

By: Artis Lin
Name: Artis Lin
Title: Its Duty Authorized Signatory

[Signature Page to Credit Agreement]

CREDIT SUISSE LOAN FUNDING LLC
as a Lender

By:

Name:

Title:



Robert Healey

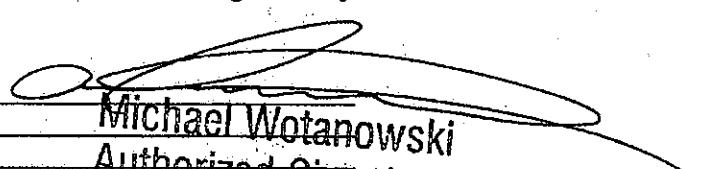
AT&T

Authorized Signatory

By:

Name:

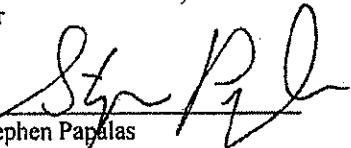
Title:



Michael Wotanowski

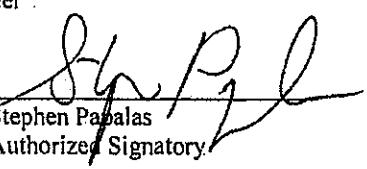
Authorized Signatory

FREEPORT LOAN FUND, LLC,
as a Lender

By: 
Name: Stephen Papalas
Title: Authorized Signatory

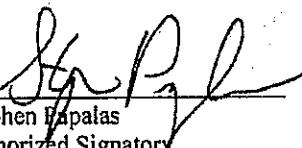
[Signature Page to Credit Agreement]

FREEPORT OFFSHORE LOAN FUND LLC,
as a Lender

By: 
Name: Stephen Papalas
Title: Authorized Signatory

[Signature Page to Credit Agreement]

FREEPORT ONSHORE 2010-1 LLC,
as a Lender

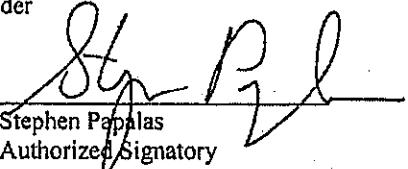
By: 

Name: Stephen Papalas

Title: Authorized Signatory

[Signature Page to Credit Agreement]

FREEPORT LOAN TRUST 2006-1,
as a Lender

By: 
Name: Stephen Papalas
Title: Authorized Signatory

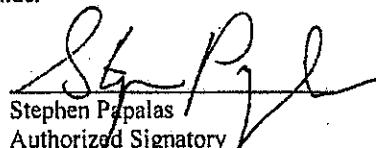
[Signature Page to Credit Agreement]

**FREEPORT OFFSHORE 2010-1 LLC,
as a Lender**

By:

Name: Stephen Papalas

Title: Authorized Signatory



[Signature Page to Credit Agreement]

GE CANADA ASSET FINANCING HOLDING
COMPANY,
as a Lender

By: _____

Name: _____

Title: _____

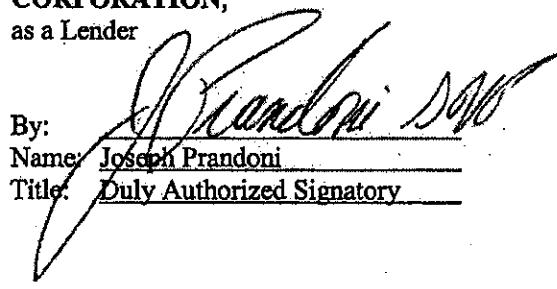

DAN BILLARD
DULY AUTHORIZED SIGNATORY

**GENERAL ELECTRIC CAPITAL
CORPORATION,
as a Lender**

By:

Name: Joseph Prandoni

Title: Duly Authorized Signatory

A handwritten signature in black ink, appearing to read "Joseph Prandoni", is written over the printed title "Duly Authorized Signatory". The signature is fluid and cursive, with a large, stylized "J" at the beginning.

GE BUSINESS FINANCIAL SERVICES INC.,
as a Lender

By: Prandoni 1986

Name: Joseph Prandoni

Title: Duly Authorized Signatory

GSC CAPITAL CORP. LOAN FUNDING 2005-1,
as a Lender

By: **GSC Acquisition Holdings, L.L.C.,**
as its Collateral Manager

By: **GSC MANAGER, LLC, in its capacity as**
Manager

By: **BLACK DIAMOND CAPITAL**
MANAGEMENT, L.L.C., in its capacity as
Member

By: 
Name: Stephen H. Deckoff
Title: Managing Principal

GSC PARTNERS CDO FUND VII, LIMITED
as a Lender

By: GSC Acquisition Holdings, L.L.C.,
as its Collateral Manager
By: GSC MANAGER, LLC, in its capacity as
Manager
By: BLACK DIAMOND CAPITAL
MANAGEMENT, L.L.C., in its capacity as
Member,

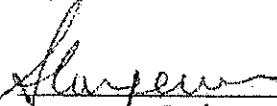
By: Stephen H. Deckoff
Name: Stephen H. Deckoff
Title: Managing Principal

MADISON CAPITAL FUNDING LLC,
as a Lender

By: *John L. Wade*
Name: *Hugh Wade*
Title: *Senior Managing Director*

SARGAS CLO I LTD.

By: Sargas Asset Management, LLC its Portfolio
Manager,
as a Lender

By: 

Name: Smita Conjeevaram

Title: Chief Financial Officer

WELLS FARGO CAPITAL FINANCE, INC.,
as a Lender

By: 

Name: Evan D. Purcell
Title: Vice President

ANNEX A
to
CREDIT AGREEMENT

<u>Lender</u>	<u>Revolving Loan Commitment Amounts</u>	<u>Swing Line Commitment Amounts</u>	<u>US Term Loan A Initial Amounts</u>	<u>US Term Loan B Initial Amounts</u>	<u>US Term Loan C Initial Amounts</u>	<u>Canadian Term Loan C Initial Amounts</u>
Bank of Montreal	\$1,319,796.03	\$0.00	\$1,009,643.97	\$0.00	\$2,154,224.74	\$275,862.06
Brown Brothers Harriman & Co.	\$1,065,059.67	\$0.00	\$814,770.65	\$216,666.67	\$1,180,010.26	\$161,379.31
Churchill Financial Cayman Ltd.	\$1,250,000.00	\$0.00	\$956,250.00	\$312,500.00	\$1,937,500.00	\$250,000.00
Credit Suisse Loan Funding LLC	\$0.00	\$0.00	\$0.00	\$437,500.00	\$3,648,985.46	\$400,156.74
Report Loan Fund, LLC	\$4,673,178.64	\$0.00	\$129,711.19	\$106,923.14	\$1,029,463.56	\$117,984.16
Report Offshore Loan Fund LLC	\$3,259,252.01	\$3,000,000.00	\$0.00	\$111,826.86	\$1,125,226.90	\$123,395.15
Report Onshore 2010- LLC	\$0.00	\$0.00	\$381,816.92	\$139,359.33	\$2,313,643.18	\$1,020,404.63
Report Loan Trust 2006-1	\$0.00	\$0.00	\$5,556,781.35	\$0.00	\$3,660,183.80	\$0.00
Report Offshore 2010- LLC	\$0.00	\$0.00	\$0.00	\$1,254,234.00	\$1,205,987.97	\$0.00
GE Canada Asset Financing Holding Company	\$0.00	\$0.00	\$0.00	\$0.00	\$2,458,902.87	\$1,084,469.67
General Electric Capital Corporation	\$7,130,331.89	\$0.00	\$5,454,703.89	\$603,281.67	\$1,452,866.10	\$0.00
GE Business Financial Services Inc.	\$0.00	\$0.00	\$0.00	\$734,375.00	\$4,025,263.44	\$0.00
GSC Capital Corp. Loan Funding 2005-1	\$0.00	\$0.00	\$0.00	\$0.00	\$593,498.67	\$65,092.05
GSC Partners CDO Fund VII, Limited	\$0.00	\$0.00	\$0.00	\$0.00	\$813,194.94	\$89,187.27
Madison Capital Funding LLC	\$1,302,381.76	\$0.00	\$996,322.04	\$0.00	\$1,530,103.38	\$206,896.55
Sargas CLO I Ltd.	\$0.00	\$0.00	\$0.00	\$0.00	\$172,944.48	\$18,965.52
Wells Fargo Capital Finance, Inc.	\$0.00	\$0.00	\$0.00	\$1,083,333.33	\$1,698,000.27	\$186,206.90
TOTAL	\$20,000,000.00	\$3,000,000.00	\$15,300,000.00	\$5,000,000.00	\$31,000,000.00	\$4,000,000.00

ANNEX B
to
CREDIT AGREEMENT

CLOSING CHECKLIST

[see attached]

CREDIT AGREEMENT

Dated as of June 20, 2012

by and among

PRACS INSTITUTE HOLDINGS, LLC
as US Borrower
and

PRACS INSTITUTE CANADA B.C. LTD.
as Canadian Borrower
and

**THE OTHER PERSONS PARTY THEREETO THAT
ARE DESIGNATED AS LOAN PARTIES**
and

FREEPORT FINANCIAL LLC
as Agent and Lead Arranger
and

THE OTHER FINANCIAL INSTITUTIONS PARTY THEREETO
as Lenders

CLOSING DOCUMENTS CHECKLIST

Set forth below is a closing checklist which lists documents and information delivered in connection with the Credit Agreement (the “Credit Agreement”) listed herein as Document No. 1, the other Loan Documents and the transactions contemplated thereunder. Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Credit Agreement. All documents are dated as of June 20, 2012 unless otherwise indicated.

PARTIES AND COUNSEL

“Agent” Freeport Financial LLC, a Delaware limited liability company

“US Borrower” PRACS Institute Holdings, LLC, a Delaware limited liability company

“Canadian Borrower” PRACS Institute Canada B.C. LTD., a British Columbia corporation

“Borrowers” US Borrower and Canadian Borrower

“US Borrower, each of the Guarantors identified on Exhibit A hereto and any other persons designated as such

Canadian Borrower and any other persons designated as such

US Loan Parties and Canadian Loan Parties

COUNSEL

“L&W” Latham & Watkins LLP, US counsel for Agent

“Howard” Howard & Howard, counsel for Loan Parties

“Owens” Owens, Right LLP, Ontario counsel for Loan Parties

“Lawson” Lawson Lundell LLP, British Columbia counsel for Loan Parties

“McMillan” McMillan LLP, Canadian counsel for Agent

DOCUMENT		SIGNATURE BY Party		RESPONSIBILITY	
1. PRINCIPAL DOCUMENTS				Jointly Held Document	
1.1 Credit Agreement		Borrowers, Loan Parties, Agent, Lenders	N/A	L&W 1359999	-----
1.2 Annexes		-----	-----	-----	-----
1.2.1 Annex A – Revolving Loan Commitment Amounts, Swing Line Commitment Amounts, US Term Loan A Initial Amounts, US Term Loan B Initial Amounts, US Term Loan C Initial Amounts, Canadian Term Loan C Initial Amounts			N/A	Agent 1375066	
1.2.2 Annex B – Closing Checklist			N/A	L&W 1374324	
1.2.3 Annex C – Pro Forma			N/A	Borrowers (A&M)	
1.2.4 Annex D – Agent's Wire Transfer Information			N/A	Agent 1375066	
1.2.5 Annex E – Compliance and Excess Cash Flow Certificate			N/A	L&W 1375066	-----
1.3 Exhibits			-----	-----	-----
1.3.1 Exhibit 2.1(a) – Form of US Term Note			N/A	L&W 1375066	

DOCUMENT	SIGNATURE	RESPONSIBILITY
1.3.2 Exhibit 2.1(b) – Form of Canadian Term Note	N/A	L&W 1375066
1.3.3 Exhibit 2.1(c)(i) – Form of Revolving Note	N/A	L&W 1375066
1.3.4 Exhibit 2.1(c)(ii) – Notice of Revolving Credit Advance	N/A	L&W 1375066
1.3.5 Exhibit 2.1(d) – Form of Swing Line Note	N/A	L&W 1375066
1.3.6 Exhibit 2.1(f) – Request for Letter of Credit Issuance	N/A	L&W 1375066
1.3.7 Exhibit 2.2(e) – Notice of Continuation/Conversion	N/A	L&W 1375066
1.3.8 Exhibit 7.2(d) – Borrowing Base Certificate	N/A	L&W 1375066
1.3.9 Exhibit 9.1 – Assignment Agreement	N/A	L&W 1375066
1.4 Schedules	-----	-----
1.4.1 Schedule 4.1(a) – Jurisdictions of Organization and Qualifications	N/A	Borrowers
1.4.2 Schedule 4.1(b) – Capitalization	N/A	Borrowers
1.4.3 Schedule 4.7 – Use of Proceeds	N/A	Borrowers
1.4.4 Schedule 4.8 – Broker's Fees	N/A	Borrowers
1.4.5 Schedule 4.10 – Intellectual Property	N/A	Borrowers

DOCUMENT	RESPONSIBILITY	SIGNATURE PARTY	Applicable doc/s
1.4.6 Schedule 4.11 – Investigations and Audits		N/A	Borrowers
1.4.7 Schedule 4.12 – Employee Matters		N/A	Borrowers
1.4.8 Schedule 4.13 – Litigation		N/A	Borrowers
1.4.9 Schedule 4.14 – Real Estate		N/A	Borrowers
1.4.10 Schedule 4.15 – Environmental Matters		N/A	Borrowers
1.4.11 Schedule 4.16 – ERISA		N/A	Borrowers
1.4.12 Schedule 4.17 – Deposit and Disbursement Accounts		N/A	Borrowers
1.4.13 Schedule 4.18 – Agreements and Other Documents		N/A	Borrowers
1.4.14 Schedule 4.19 – Insurance		N/A	Borrowers
1.4.15 Schedule 4.23 – FDA Compliance		N/A	Borrowers
1.4.16 Schedule 6.1 – Indebtedness		N/A	Borrowers
1.4.17 Schedule 6.2 – Liens		N/A	Borrowers
1.4.18 Schedule 6.3 -- Investments		N/A	Borrowers
1.4.19 Schedule 6.4 – Contingent Obligations		N/A	Borrowers
1.4.20 Schedule 6.8 – Affiliate Transactions		N/A	Borrowers
1.4.21 Schedule 6.9 – Business Description		N/A	Borrowers
1.5 US Term Notes A for each applicable US Term Loan A Lender executed by US Borrower		US Borrower	L&W

DOCUMENT	SIGNATORIES	RESPONSIBILITY
1.6 US Term Notes B for each applicable US Term Loan B Lender executed by US Borrower	US Borrower	L&W
1.7 US Term Notes C for each applicable US Term Loan C Lender executed by US Borrower	US Borrower	L&W
1.8 Canadian Term Notes C for each applicable Canadian Lender executed by Canadian Borrower	Canadian Borrower	L&W
1.9 Revolving Notes for each applicable Revolving Lender executed by US Borrower	US Borrower	L&W
1.10 Swing Line Note	US Borrower	L&W
1.11 Master Intercompany Subordinated Note	Loan Parties	L&W 1375154
1.12 Fee Letter	Borrowers, Agent	L&W 1377820
2. COLLATERAL DOCUMENTS		
2.1 US Security Agreement	US Loan Parties, Agent	L&W 1375105
2.1.1 Schedule I – Commercial Tort Claims	-----	US Loan Parties
2.1.2 Schedule II – Filing Jurisdictions	-----	US Loan Parties
2.1.3 Schedule III – Instruments, Chattel Paper and Letter of Credit Rights	-----	US Loan Parties
2.1.4 Schedule IV – Collateral Locations	-----	US Loan Parties

DOCUMENT	SIGNATORIES	RESPONSIBILITY
2.1.5 Schedule V – Patents and Trademarks	-----	US Loan Parties
2.1.6 Exhibit A – Power of Attorney	-----	L&W
2.2 US Powers of Attorney	-----	-----
2.2.1 US Borrower	US Borrower	L&W
2.2.2 PRACS Institute Management, LLC	PRACS Management	L&W
2.2.3 PRACS Institute, LLC	PRACS Institute	L&W
2.2.4 PRACS Institute Miami, LLC	PRACS Miami	L&W
2.2.5 PRACS Institute San Antonio, LLC	PRACS San Antonio	L&W
2.3 Canadian Security Agreement	Canadian Loan Parties, Agent	McMillan
2.3.1 Schedule I – Financing Statements	-----	Canadian Loan Parties
2.3.2 Schedule II – Instruments and Chattel Paper	-----	Canadian Loan Parties
2.3.3 Schedule III – Jurisdiction of Incorporation, Offices, Location of Collateral and Records	-----	Canadian Loan Parties
2.3.4 Schedule IV – Patents, Trademarks and Copyrights	-----	Canadian Loan Parties
2.3.5 Exhibit A – Power of Attorney	-----	McMillan
2.4 Canadian Powers of Attorney for Canadian Borrower	Canadian Borrower	McMillan/L&W 1375070

DOCUMENT	SIGNATURED PARTY	RESPONSIBILITY
2.5 US Guaranty	US Borrower, PRACS Management, PRACS Institute, PRACS Miami, PRACS San Antonio, Agent	L&W 1375234
2.6 Holdings Pledge Agreement	US Borrower, Agent	L&W 1375497
2.6.1 Schedule I- Pledged Stock and Notes	-----	Loan Parties
2.6.2 LLC membership interest/stock certificates	-----	Loan Parties
2.6.3 Membership/stock powers	-----	Loan Parties
2.7 Management Company Pledge Agreement	PRACS Management, Agent	L&W 1378584
2.7.1 Schedule I- Pledged Stock and Notes	-----	Loan Parties
2.7.2 LLC membership interests	-----	Loan Parties
2.7.3 membership powers	-----	Loan Parties
2.8 Pledged Account Agreements with respect to the following Banks:	-----	
2.8.1 Wells Fargo (disbursement account)	PRACS Management, Wells Fargo, Agent	Loan Parties
2.8.2 Wells Fargo (receipts)	PRACS Institute, Wells Fargo, Agent	Loan Parties
2.8.3 Regions	PRACS Institute, Regions, Agent	Loan Parties

DOCUMENT	RESPONSIBILITY	SIGNATURED BY	Applicable doc#
2.8.4 Bank of Montreal			
2.9 UCC-1 Financing Statements naming Freeport Financial LLC, as Agent, as Secured Party, filed in Delaware against each of the US Loan Parties	PRACS Canada, Bank of Montreal, Agent	N/A	Loan Parties
2.10 Financing Statements naming Agent as Secured Party filed under the Personal Property Security Act against each of the Canadian Loan Parties in British Columbia and Ontario		N/A	L&W
2.11 Trademark Security Agreement	PRACS Management, Agent		McMillan
2.12 Patent Security Agreement	PRACS Management, Agent		L&W
<u>3. REAL ESTATE</u>			
3.1 Fargo, North Dakota location	US Borrower		L&W
3.1.1 Mortgage and Leasehold Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing			
3.1.2 Title Commitment			
3.1.3 Borrower's Affidavit			
3.1.4 Lender's Title Policy			
3.1.5 Survey			
3.1.6 Fixture Filing			
3.1.7 Flood Zone Certificate			

DOCUMENTATION	RESPONSIBILITY
3.2 St. Charles, Missouri location (400 Fountain Lakes, St. Charles, Missouri 63301)	US Borrower L&W
3.2.1 Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing	
3.2.2 Title Commitment	
3.2.3 Borrower's Affidavit	
3.2.4 Lender's Title Policy	
3.2.5 Survey	
3.2.6 Fixture Filing	
3.3 San Antonio, Texas location	US Borrower L&W
3.3.1 Fee and Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing	
3.3.2 Title Commitment	
3.3.3 Borrower's Affidavit	
3.3.4 Lender's Title Policy	
3.3.5 Survey	
3.3.6 Fixture Filing	
3.3.7 Flood Zone Certificate	

DOCUMENT	RESPONSIBILITY	SIGNATURE PARTY	Applicable doc#
4. CORPORATE DOCUMENTS PROVIDED BY LOAN PARTIES			
4.1 Certificate of Secretary of each US Loan Party certifying as to the incumbency of authorized signatories and certifying and attaching or certifying that no change has been made to, as applicable:	US Loan Parties	US Loan Parties	Howard
4.1.1 Resolutions	US Loan Parties	US Loan Parties	Howard
4.1.2 Consent of Class A-1 Unit Holders of PRACS Holdings	Class A Members	L&W	1381522
4.1.3 Certificate of Formation	N/A	Howard	
4.1.4 Operating Agreement	N/A	Howard	
4.1.5 Good Standing Certificates from DE SOS	N/A	Howard	
4.2 Certificate of Secretary of Canadian Borrower certifying as to the incumbency of authorized signatories and certifying and attaching:	Canadian Borrower	Lawson/Owens	
4.2.1 Articles of Incorporation	N/A	Lawson/Owens	
4.2.2 Bylaws	N/A	Lawson/Owens	
4.2.3 Resolutions of Board of Directors	Canadian Borrower	Lawson/Owens	
4.2.4 Certificate of Status	N/A	Lawson/Owens	
5. OPINIONS OF COUNSEL			
5.1 Opinion of Howard, US counsel to US Loan Parties	Howard	Howard	
5.2 Opinion of Owens, Ontario counsel to Canadian Loan Parties	Owens	Owens	

DOCUMENT	SIGNATORIUM	RESPONSIBILITY
5.3 Opinion of Lawson, British Columbia counsel to Loan Parties	Lawson	Lawson
5.4 Opinion of Thompson Coburn LLP, Missouri counsel to Loan Parties	Thompson Coburn LLP	Thompson Coburn LLP
6. CERTIFIED COPIES OF RELATED DOCUMENTS		
6.1 Certificate certifying copies of the Credit Bid and Acquisition Documents	Borrowers	L&W 1382124
6.1.1 Acquisition Agreement	---	---
6.1.2 Sale Support Agreement	---	---
6.1.3 Investors' Agreement	---	---
6.1.4 Operating Agreement	---	---
6.1.5 Sale Order		
6.1.6 Operations Support Agreement	Debtors, Loan Parties	L&W
7. FINANCIAL INFORMATION		
7.1 Pro forma balance sheet of US Borrower and its Subsidiaries	---	Loan Parties
7.2 Borrowers' business plan, including financial forecast	---	Loan Parties
8. MISCELLANEOUS		
8.1 Funds Flow	Borrowers	Borrowers

DOCUMENT	SIGNATORIAL PARTY	RESPONSIBILITY
		Applicable doc#
8.2 Certificate of Insurance and endorsements with respect to all Insurance Policies retained by Loan Parties covering the collateral designating Freeport Financial LLC, as Agent, as loss payee, additional insured, and mortgagee, as applicable	Insurance Company	Loan Parties
8.3 Notice of Borrowing/Direction under DIP Credit Agreement	Debtors	L&W 1381697
8.4 First Lien Acknowledgment Letter	Debtors	L&W 1380742
8.5 DIP Release	Debtors	L&W 1380743
8.6 Post-Closing Matters Agreement	Borrowers, Loan Parties, Agent, Lenders	L&W 1378846
9. LANDLORD WAIVERS		
9.1 Landlord Waiver and Consent for the following locations:	Landlord, applicable Loan Party, Agent	Loan Parties/L&W
9.1.1 1525 NW 167 th St, Suites 140 and 150, Miami, FL 33169 (GOLDEN GLADES ASSOC, LLP)		1380250
9.1.2 400 Mountain Lakes Blvd., St. Charles, MO 63301 (GATE (MO) QRS 16-95, INC.)		1380251

Exhibit A

Guarantors

“ <u>PRACS Management</u> ”	PRACS Institute Management, LLC, a Delaware limited liability company, a subsidiary of US Borrower
“ <u>PRACS Institute</u> ”	PRACS Institute, LLC, a Delaware limited liability company, a subsidiary of US Borrower
“ <u>PRACS Miami</u> ”	PRACS Institute Miami, LLC, a Delaware limited liability company, a subsidiary of US Borrower
“ <u>PRACS San Antonio</u> ”	PRACS Institute San Antonio, LLC, a Delaware limited liability company, a subsidiary of US Borrower

ANNEX C
to
CREDIT AGREEMENT

PRO FORMA

Balance Sheet (\$ millions)		PF 06/19/12
Assets:		
Cash	\$1.0	
Accounts Receivable	\$11.2	
Unbilled	\$7.3	
Other current assets	\$3.9	
Current assets	<u>\$23.5</u>	
Intercompany Receivable(Payable)	\$0.0	
PP&E	\$70.2	
Deferred Tax Asset	\$0.0	
Goodwill/Intangibles, Net	\$29.5	
Debt Issuance Costs	\$0.3	
Other Assets, Net	\$0.0	
Total assets	<u><u>\$123.5</u></u>	
Liabilities & Equity		
Revolver/DIP Financing	\$11.4	
Accounts Payable	\$1.5	
Income Tax Payable	\$0.0	
Deferred revenue/deposits	\$6.0	
Accrued expenses and other	\$6.3	
Current liabilities	<u>\$25.1</u>	
Long Term Debt	\$55.3	
Capitalized lease obligation	\$25.3	
Deferred Gain on Sale	\$0.0	
Other liabilities	\$0.0	
Total Liabilities	<u><u>\$105.7</u></u>	
Shareholder's Equity	\$17.8	
Total Liabilities & Equity	<u><u>\$123.5</u></u>	

Note: No fresh start accounting has been performed and we have assumed existing book values as approximation for fair market value

ANNEX D
to
CREDIT AGREEMENT

WIRE TRANSFER INFORMATION

Agent:

Name: Freeport Financial LLC

Bank: US Bank

ABA #: 075-000-022

Account #: 182380451175

Reference: Freeport re: Cetero

ANNEX E
COMPLIANCE AND EXCESS CASH FLOW CERTIFICATE

PRACS INSTITUTE HOLDINGS, LLC

Date: _____, _____

This Certificate is given by PRACS Institute Holdings, LLC ("Borrower Representative") pursuant to Section 7.2(o) of that certain Credit Agreement dated as of June 20, 2012 among Borrower Representative, Borrowers, the other Loan Parties party thereto, the Lenders from time to time party thereto, Freeport Financial LLC, as Agent (as such agreement may have been amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein without definition shall have the meanings set forth in the Credit Agreement.

The undersigned is duly authorized to execute and deliver this Certificate on behalf of Borrowers. By executing this Certificate such officer hereby certifies to Agent and Lenders that:

(a) the financial statements delivered with this Certificate in accordance with Section 7.2(a) and/or 7.2(b) of the Credit Agreement fairly present in all material respects the results of operations and financial condition of US Borrower and its Subsidiaries as of the dates of such financial statements subject to the absence of footnotes and normal year end adjustments for unaudited statements;

(b) I have reviewed the terms of the Credit Agreement and have made, or caused to be made under my supervision, a review in reasonable detail of the transactions and conditions of the Loan Parties during the accounting period covered by such financial statements;

(c) except as set forth on Schedule 1 hereto, Borrowers are in compliance with the covenants contained in Section 6 and, as set forth on Schedule 1 hereto, Section 7 of the Credit Agreement. **[NOTE TO BORROWERS: THE PORTION OF SCHEDULE 1 PERTAINING TO FINANCIAL COVENANTS IS ONLY REQUIRED TO BE COMPLETED AS OF THE END OF EACH FISCAL QUARTER]**;

(d) Excess Cash Flow, as demonstrated by the calculation on Schedule 2 hereto, for the Fiscal Year ending _____ equals \$ _____. **[NOTE TO BORROWER: THIS CLAUSE IS ONLY REQUIRED TO BE COMPLETED IN CONNECTION WITH THE DELIVERY OF AUDITED FINANCIAL STATEMENTS PURSUANT TO SECTION 7.2(B) OF THE CREDIT AGREEMENT COMMENCING WITH THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013]**;

(e) such review has not disclosed the existence during or at the end of such accounting period, and I have no knowledge of the existence as of the date hereof, of any condition or event that constitutes a Default or an Event of Default, except as set forth on Schedule 3 hereto, which includes a description of the nature and period of existence of such Default or an Event of Default and what action Borrowers have taken, is taking and proposes to take with respect thereto;

(f) except as set forth on Schedule 3 hereto, subsequent to the date of the most recent Certificate submitted by Borrower Representative pursuant to Section 7.2(o) of the Credit Agreement, no Loan Party has (i) changed its name as it appears in official filings in the jurisdiction of its organization, (ii) changed its chief executive office, domicile (within the meaning of the Civil Code of Quebec), registered office, principal place of business, corporate offices, warehouses or locations at which Collateral is held or stored, or the location of its records concerning Collateral, (iii) changed the type of

entity that it is, (iv) changed (or has had changed) its organization identification number, if any, issued by its jurisdiction of organization, (v) changed its jurisdiction of organization, (vi) changed the end of its Fiscal Year, or (vii) formed any new Subsidiary or entered into any partnership or joint venture with any other Person; and

(g) except as set forth on Schedule 3 hereto, subsequent to the date of the most recent Certificate submitted by Borrower Representative pursuant to Section 7.2(o) of the Credit Agreement, there has been no event which would alter any of the disclosures set forth on Schedule 4.1(b) of the Credit Agreement.

IN WITNESS WHEREOF, Borrower Representative has caused this Certificate to be executed by its _____ this _____ day of _____, _____.

PRACS INSTITUTE HOLDINGS, LLC, as Borrower Representative

By _____
Its _____

SCHEDULE 1
Annex E

CAPITAL EXPENDITURE LIMIT
(Section 7.1(a))

Capital Expenditures during such period	\$ _____
Permitted Capital Expenditures (including Carry Over Amount of \$ _____ from prior fiscal year)	\$ _____
In Compliance	Yes/No

MINIMUM EBITDA
(Section 7.1(b))

EBITDA	\$ _____
Required EBITDA	\$ _____
In Compliance	Yes/No

MINIMUM FIXED CHARGE COVERAGE RATIO
(Section 7.1(c))

Fixed Charge Coverage Ratio	_____
Required Fixed Charge Coverage Ratio	_____
In compliance	Yes/No

MAXIMUM LEVERAGE RATIO
(Section 7.1(e))

Leverage Ratio	_____
Required Leverage Ratio	_____
In Compliance	Yes/No

MINIMUM LIQUIDITY
(Section 7.1(f))

Liquidity	_____
Required Liquidity	\$2,500,000
In Compliance	Yes/No

SCHEDULE 2
Annex E

**EXCESS CASH FLOW
(Section 2.5)**

Excess Cash Flow is calculated for US Borrower and its Subsidiaries, and is defined as follows:

EBITDA (excluding, without duplication, any non-cash gains or losses deducted from or added to Consolidated Net Income in the calculation thereof or utilized to arrive at any deemed EBITDA number) \$ _____

Plus: decreases in Working Capital during the Fiscal Year* _____

extraordinary gains which are cash items not included in the calculation of EBITDA _____

Less: (Without Duplication) Capital Expenditures (calculated in Section 7.1(a) of this Annex) (excluding the financed portion thereof and excluding any Capital Expenditures in such Fiscal Year to the extent in excess of the Capex Limit) _____

Interest Expense (calculated in Section 7.1(c) of this Annex) _____

scheduled principal payments paid or payable in respect of Funded Debt _____

income and franchise taxes paid in cash during such Fiscal Year or payable within the subsequent three (3) month period after such Fiscal Year (without duplication between periods) _____

increases in Working Capital during the Fiscal Year* _____

losses or expenses which are cash items not included in the calculation of EBITDA _____

aggregate amounts of all voluntary prepayments of Term Loans applied in accordance with the provisions applicable to mandatory prepayments _____

director's fees, acquisition expenses, expenses for recruiting of directors and senior executives, severance and non-recurring cash expenses, in each case to the extent added back in the calculation of EBITDA for such period _____

Insurance proceeds received during such period to the extent added back in the calculation of EBITDA for such period _____

Subtotal \$ _____

Required Prepayment Percentage _____

Excess Cash Flow \$ _____

*Working Capital means Current Assets minus Current Liabilities.

SCHEDULE 3
Annex E

**CONDITIONS OR EVENTS WHICH CONSTITUTE A DEFAULT OR
EVENT OF DEFAULT**

[If any condition or event exists that constitutes a Default or Event of Default, specify nature and period of existence and what action either Borrower has taken, is taking or proposes to take with respect thereto; if no condition or event exists, state "None."]

ORGANIZATION/LOCATION CHANGES

[If any Loan Party has (i) changed its name as it appears in official filings in the jurisdiction of its organization, (ii) changed its chief executive office, registered office, domicile (within the meaning of the Civil Code of Quebec), principal place of business, corporate offices, warehouses or locations at which Collateral is held or stored, or the location of its records concerning Collateral, (iii) changed the type of entity that it is, (iv) changed (or has had changed) its organization identification number, if any, issued by its jurisdiction or organization, (v) changed its jurisdiction of organization, (vi) changed the end of its Fiscal Year, or (vii) formed any new Subsidiary or entered into any partnership or joint venture with any Person, such change shall be specified below; if no such change has been made, state "None."]

CAPITALIZATION CHANGES

[If with respect to any Loan Party there has been a change in authorized Stock, issued and outstanding Stock or the identity of the holders of any Stock, or if with respect to any Loan Party there has been a change pertaining to preemptive rights or any other outstanding rights, options, warrants, conversion rights or similar agreements or understandings for the purchase or acquisition of any Stock, such change shall be set forth below; if no such change has occurred, state "None."]

SENIOR MANAGEMENT CHANGES

[If any Loan Party has changed its Chief Executive Officer, Chief Administrative Officer, Chief Financial Officer, Chief Operative Officer or Chairman of the Board of Directors; if no such change has been made, state "None."]

EXHIBIT 2.1(a)
to
CREDIT AGREEMENT

FORM OF US TERM NOTE

_____, _____
\$ _____

FOR VALUE RECEIVED, the undersigned, PRACS INSTITUTE HOLDINGS, LLC, a Delaware limited liability company ("US Borrower"), HEREBY PROMISES TO PAY to the order of _____ ("Lender") at the offices of FREEPORT FINANCIAL LLC, a Delaware limited liability company, as Agent for Lenders ("Agent"), at its address at 500 West Madison Street, Suite 1710, Chicago, Illinois 60661, or at such other place as Agent may designate from time to time in writing, in lawful money of the United States of America and in immediately available funds, the amount of _____ DOLLARS AND _____ CENTS (\$______). All capitalized terms used but not otherwise defined herein have the meanings given to them in the "Credit Agreement" (as hereinafter defined).

This US Term Note [A][B][C] (this "Term Note") is issued pursuant to that certain Credit Agreement dated as of June 20, 2012 by and among US Borrower, PRACS Institute Canada B.C. LTD., as Canadian Borrower, the other Persons named therein as Loan Parties, Agent, the other Persons party thereto from time to time as Lenders (including all annexes, exhibits and schedules thereto and as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), and is entitled to the benefit and security of all the Loan Documents to the extent provided therein and is subject to optional and mandatory prepayment in whole or in part as provided therein. Reference is hereby made to the Credit Agreement for a statement of all of the terms and conditions under which the Loans evidenced hereby are made and are to be repaid. The principal balance of US Term Loan [A][B][C], the rates of interest applicable thereto and the date and amount of each payment made on account of the principal thereof, shall be recorded by Agent on its books; provided that the failure of Agent to make any such recordation shall not affect the obligations of US Borrower to make a payment when due of any amount owing under the Credit Agreement or this Term Note.

The principal amount of the indebtedness evidenced hereby shall be payable in the amounts and on the dates specified in the Credit Agreement. Interest thereon shall be paid until such principal amount is paid in full at such interest rates and at such times, and pursuant to such calculations, as are specified in the Credit Agreement. The terms of the Credit Agreement are hereby incorporated herein by reference.

If any payment on this Term Note becomes due and payable on a day other than a Business Day, the payment thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

Upon and after the occurrence of any Event of Default, this Term Note may, as provided in the Credit Agreement, be declared, and immediately shall become, due and payable.

Except as provided in the Credit Agreement, this Term Note may not be assigned by Lender to any Person.

THIS TERM NOTE SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

PRACS INSTITUTE HOLDINGS, LLC

By: _____

Name: _____

Title: _____

EXHIBIT 2.1(b)
to
CREDIT AGREEMENT

FORM OF CANADIAN TERM NOTE

_____,\$_____

FOR VALUE RECEIVED, the undersigned, PRACS INSTITUTE CANADA B.C. LTD., a British Columbia corporation ("Canadian Borrower"), HEREBY PROMISES TO PAY to the order of _____ ("Lender") at the offices of FREEPORT FINANCIAL LLC, a Delaware limited liability company, as Agent for Lenders ("Agent"), at its address at 500 West Madison Street, Suite 1710, Chicago, Illinois 60661, or at such other place as Agent may designate from time to time in writing, in lawful money of the United States of America and in immediately available funds, the amount of _____ DOLLARS AND _____ CENTS (\$______). All capitalized terms used but not otherwise defined herein have the meanings given to them in the "Credit Agreement" (as hereinafter defined).

This Canadian Term Note (this "Term Note") is issued pursuant to that certain Credit Agreement dated as of June 20, 2012 by and among Canadian Borrower, PRACS Institute Holdings, LLC, a Delaware limited liability company, as US Borrower, and the other Persons party thereto from time to time as Lenders (including all annexes, exhibits and schedules thereto and as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), and is entitled to the benefit and security of all the Loan Documents to the extent provided therein and is subject to optional and mandatory prepayment in whole or in part as provided therein. Reference is hereby made to the Credit Agreement for a statement of all of the terms and conditions under which the Loans evidenced hereby are made and are to be repaid. The principal balance of Canadian Term Loan B, the rates of interest applicable thereto and the date and amount of each payment made on account of the principal thereof, shall be recorded by Agent on its books; provided that the failure of Agent to make any such recordation shall not affect the obligations of Canadian Borrower to make a payment when due of any amount owing under the Credit Agreement or this Term Note.

The principal amount of the indebtedness evidenced hereby shall be payable in the amounts and on the dates specified in the Credit Agreement. Interest thereon shall be paid until such principal amount is paid in full at such interest rates and at such times, and pursuant to such calculations, as are specified in the Credit Agreement. The terms of the Credit Agreement are hereby incorporated herein by reference.

If any payment on this Term Note becomes due and payable on a day other than a Business Day, the payment thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

Upon and after the occurrence of any Event of Default, this Term Note may, as provided in the Credit Agreement, be declared, and, thereupon, it immediately shall become, due and payable.

Except as provided in the Credit Agreement, this Term Note may not be assigned by Lender to any Person.

THIS TERM NOTE SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

PRACS INSTITUTE CANADA B.C. LTD.

By: _____

Name: _____

Title: _____

EXHIBIT 2.1(c)(i)
to
CREDIT AGREEMENT

FORM OF REVOLVING NOTE

_____, _____
\$ _____

FOR VALUE RECEIVED, the undersigned, PRACS INSTITUTE HOLDINGS, LLC, a Delaware limited liability company ("US Borrower"), HEREBY PROMISES TO PAY to the order of _____ ("Lender"), at the offices of FREEPORT FINANCIAL LLC, a Delaware limited liability company, as Agent for Lenders ("Agent"), at its address at 500 West Madison Street, Suite 1710, Chicago, Illinois 60661, or at such other place as Agent may designate from time to time in writing, in lawful money of the United States of America and in immediately available funds, the amount of _____ DOLLARS AND _____ CENTS (\$_____) or, if less, the aggregate unpaid amount of all Revolving Credit Advances made to the undersigned under the "Credit Agreement" (as hereinafter defined). All capitalized terms used but not otherwise defined herein have the meanings given to them in the Credit Agreement.

This Revolving Note ("Revolving Note") is one of the Revolving Notes issued pursuant to that certain Credit Agreement dated as of June 20, 2012 by and among US Borrower, PRACS Institute Canada B.C. LTD., as Canadian Borrower, the other Persons named therein as Loan Parties, Agent, and the other Persons party thereto from time to time as Lenders (including all annexes, exhibits and schedules thereto, and as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), and is entitled to the benefit and security of all the Loan Documents to the extent provided therein and is subject to optional and mandatory prepayment in whole or in part as provided therein. Reference is hereby made to the Credit Agreement for a statement of all of the terms and conditions under which the Loans evidenced hereby are made and are to be repaid. The date and amount of each Revolving Credit Advance made by Lender to US Borrower, the rates of interest applicable thereto and each payment made on account of the principal thereof, shall be recorded by Agent on its books; provided that the failure of Agent to make any such recordation shall not affect the obligations of US Borrower to make a payment when due of any amount owing under the Credit Agreement or this Revolving Note in respect of the Revolving Credit Advances made by Lender to US Borrower.

The principal amount of the indebtedness evidenced hereby shall be payable in the amounts and on the dates specified in the Credit Agreement. Interest thereon shall be paid until such principal amount is paid in full at such interest rates and at such times, and pursuant to such calculations, as are specified in the Credit Agreement. The terms of the Credit Agreement are hereby incorporated herein by reference.

If any payment on this Revolving Note becomes due and payable on a day other than a Business Day, the payment thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

Upon and after the occurrence of any Event of Default, this Revolving Note may, as provided in the Credit Agreement, be declared, and immediately shall become, due and payable.

Except as provided in the Credit Agreement, this Revolving Note may not be assigned by Lender to any Person.

THIS REVOLVING NOTE SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

PRACS INSTITUTE HOLDINGS, LLC

By: _____
Name: _____
Title: _____

EXHIBIT 2.1(c)(ii)
to
CREDIT AGREEMENT

FORM OF NOTICE OF REVOLVING CREDIT ADVANCE

_____,
Freeport Financial LLC,
500 West Madison Street, Suite 1710
Chicago, Illinois 60661
Attention: PRACS Institute Account Manager

Ladies and Gentlemen:

The undersigned, PRACS Institute Holdings, LLC, a Delaware corporation ("Borrower Representative") refers to the Credit Agreement, dated as of June 20, 2012 (the "Credit Agreement," the terms defined therein being used herein as therein defined), by and among PRACS Institute Holdings, LLC, as US Borrower, PRACS Institute Canada B.C. LTD., as Canadian Borrower, the other Persons named therein as Loan Parties, Freeport Financial LLC, as Agent, and Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.1(c) of the Credit Agreement, that the undersigned hereby requests a Revolving Credit Advance under the Credit Agreement, and in that connection sets forth below the information relating to such Revolving Credit Advance as required by Section 2.1(c) of the Credit Agreement:

- (i) The date of the requested Revolving Credit Advance is _____, ____.
- (ii) The aggregate amount of the requested Revolving Credit Advance is \$ _____.
- (iii) The requested Revolving Credit Advance is [an Index Rate Loan] [a LIBOR Loan with a LIBOR Period of _____].
- (iv) The requested Revolving Credit Advance is to be sent to:

[Name of Bank]
[City of Bank]
Beneficiary:
Account No.: [number]
ABA No.: [number]
Attn: [name]

The undersigned hereby certifies that all of the statements contained in Section 3.2 of the Credit Agreement are true and correct in all material respects on the date hereof, and will be true in all material respects on the date of the requested Revolving Credit Advance, before and after giving effect thereto and to the application of the proceeds therefrom, including, without limitation, pro forma compliance with the financial covenants in Section 7.1 of the Credit Agreement.

PRACS INSTITUTE HOLDINGS, LLC

By: _____
Name: _____
Title: _____

EXHIBIT 2.1(d)
to
CREDIT AGREEMENT

FORM OF SWING LINE NOTE (Single Borrower)

Chicago, Illinois

\$ _____, _____, _____, _____, _____

FOR VALUE RECEIVED, the undersigned, PRACS INSTITUTE HOLDINGS, LLC, a Delaware limited liability company ("US Borrower"), HEREBY PROMISES TO PAY to the order of _____, a _____ ("Swing Line Lender") at the offices of FREEPORT FINANCIAL LLC, a Delaware limited liability company, as Agent for Lenders ("Agent"), at its address at 500 West Madison Street, Suite 1710, Chicago, Illinois 60661, or at such other place as Agent may designate from time to time in writing, in lawful money of the United States of America and in immediately available funds, the amount of _____ DOLLARS AND _____ CENTS (\$_____) or, if less, the aggregate unpaid amount of all Swing Line Advances made to the undersigned under the Credit Agreement (as hereinafter defined). All capitalized terms used but not otherwise defined herein have the meanings given to them in the Credit Agreement (as hereinafter defined).

This Swing Line Note is issued pursuant to that certain Credit Agreement dated as of June 20, 2012 by and among US Borrower, PRACS Institute Canada B.C. LTD., as Canadian Borrower, the other Persons named therein as Loan Parties, Agent, Swing Line Lender and the other Persons party thereto from time to time as Lenders (including all annexes, exhibits and schedules thereto and as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), and is entitled to the benefit and security of all the Loan Documents to the extent provided therein. Reference is hereby made to the Credit Agreement for a statement of all of the terms and conditions under which the Loans evidenced hereby are made and are to be repaid. The date and amount of each Swing Line Advance made by Swing Line Lender to US Borrower, the rate of interest applicable thereto and each payment made on account of the principal thereof, shall be recorded by Agent on its books; provided that the failure of Agent to make any such recordation shall not affect the obligations of US Borrower to make a payment when due of any amount owing under the Credit Agreement or this Swing Line Note in respect of the Swing Line Advances made by Swing Line Lender to US Borrower.

The principal amount of the indebtedness evidenced hereby shall be payable in the amounts and on the dates specified in the Credit Agreement, the terms of which are hereby incorporated herein by reference. Interest thereon shall be paid until such principal amount is paid in full at such interest rates and at such times, and pursuant to such calculations, as are specified in the Credit Agreement. The terms of the Credit Agreement are hereby incorporated herein by reference.

If any payment on this Swing Line Note becomes due and payable on a day other than a Business Day, the payment thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

Upon and after the occurrence of any Event of Default, this Swing Line Note may, as provided in the Credit Agreement, and without presentment, demand, protest, notice of intent to accelerate, notice of

acceleration or other legal requirement of any kind (all of which are hereby expressly waived by US Borrower), be declared, and immediately shall become, due and payable.

Time is of the essence of this Swing Line Note.

Except as provided in the Credit Agreement, this Swing Line Note may not be assigned by Lender to any Person.

THIS SWING LINE NOTE SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

PRACS INSTITUTE HOLDINGS, LLC

By: _____
Name: _____
Title: _____

EXHIBIT 2.1(f)
to
CREDIT AGREEMENT

REQUEST FOR ISSUANCE OF LETTER OF CREDIT

Freeport Financial LLC
500 West Madison Street, Suite 1710
Chicago, Illinois 60661
Attention: PRACS Institute Account Manager

Ladies and Gentlemen:

The undersigned, PRACS Institute Holdings, LLC, a Delaware limited liability company (“Borrower Representative”) refers to the Credit Agreement, dated as of June 20, 2012 (the “Credit Agreement,” the terms defined therein being used herein as therein defined), by and among PRACS Institute Holdings, LLC, as US Borrower, PRACS Institute Canada B.C. LTD., as Canadian Borrower, the other Persons named therein as Loan Parties, Freeport Financial LLC, as Agent for the Lenders, and the Lenders, and hereby requests, pursuant to Section 2.1(f) of the Credit Agreement, the issuance of a Letter of Credit under the Credit Agreement, and in that connection sets forth below the information relating to such Letter of Credit as required by Section 2.1(f) of the Credit Agreement:

- (i) The date of issuance [or effective date of increase or extension] of the requested Letter of Credit is _____, ____.
- (ii) The amount [or the amount of increase] of the Letter of Credit is \$ _____.
- (iii) The name of the beneficiary of the Letter of Credit is: _____.
- (iv) The transaction for which such Letter of Credit is to be issued is described as follows: _____.
- (vi) The expiry [or extended expiry] date of such Letter of Credit is: _____.

The undersigned hereby certifies that all of the statements contained in Section 3.2 of the Credit Agreement are true and correct on the date hereof, and will be true on the date of the requested Letter of Credit, before and after giving effect thereto and to the issuance thereof.

PRACS INSTITUTE HOLDINGS, LLC

By: _____
Name: _____
Title: _____

EXHIBIT 2.2(e)
to
CREDIT AGREEMENT

FORM OF NOTICE OF CONVERSION/CONTINUATION

Reference is made to that certain Credit Agreement dated as of June 20, 2012 by and among PRACS Institute Holdings, LLC ("US Borrower"), PRACS Institute Canada B.C. LTD. ("Canadian Borrower"), the other Persons named therein as Loan Parties, Freeport Financial LLC ("Agent"), and the Lenders from time to time party thereto (including all annexes, exhibits or schedules thereto, and as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"). Capitalized terms used herein without definition are so used as defined in the Credit Agreement.

Borrower Representative hereby gives irrevocable notice, pursuant to Section 2.2(e) of the Credit Agreement, of its request to:

(a) on [date] convert \$[] of the aggregate outstanding principal amount of the [] Loan outstanding to [US/Canadian] Borrower, bearing interest at the [] Rate, into a(n) [] Loan [and, in the case of a LIBOR Loan, having a LIBOR Period of [] month(s)];

[(b) on [date] continue \$[] of the aggregate outstanding principal amount of the [] Loan outstanding to [US/Canadian] Borrower, bearing interest at the [LIBOR Rate, as a LIBOR Loan having a LIBOR Period of [] month(s)]].

Borrower Representative certifies that the conversion and/or continuation of the Loans requested above is for the separate account of the [US/Canadian] Borrower in the following amount: \$ [].

Borrower Representative hereby certifies that all of the statements contained in Section 3.2 of the Credit Agreement are true and correct in all material respects on the date hereof, and will be true in all material respects on the date of the requested conversion/continuation, before and after giving effect thereto.

PRACS INSTITUTE HOLDINGS, LLC

By: _____
Name: _____
Title: _____

EXHIBIT 7.2(d)

BORROWING BASE CERTIFICATE

PRACS INSTITUTE HOLDINGS, LLC

Date: _____, _____

This Certificate is given by PRACS Institute Holdings, LLC ("Borrower Representative") pursuant to subsection 7.2(d) of that certain Credit Agreement dated as of June 20, 2012 among Borrower Representative, Borrowers, the other Loan Parties party thereto, the Lenders from time to time party thereto, Freeport Financial LLC, as Agent (as such agreement may have been amended, restated, supplemented or otherwise modified from time to time the "Credit Agreement"). Capitalized terms used herein without definition shall have the meanings set forth in the Credit Agreement.

The undersigned is duly authorized to execute and deliver this Certificate on behalf of US Borrower. By executing this Certificate such officer hereby certifies to Agent and Lenders that:

- (a) Attached hereto as Schedule 1 is a calculation of the [proposed] Borrowing Base for US Borrower as of the above date;
- (b) Based on such schedule, the [proposed] Borrowing Base as of the above date is:

\$ _____

IN WITNESS WHEREOF, Borrower Representative has caused this Certificate to be executed by its _____ this _____ day of _____, _____.

PRACS INSTITUTE HOLDINGS, LLC, as Borrower Representative

By: _____
Its: _____

BORROWING BASE CALCULATION

PRACS INSTITUTE HOLDINGS, LLC

CALCULATION OF BORROWING BASE

(a) Applicable Multiple _____

Multiplied by:

(b) EBITDA of Holding and its Subsidiaries for the twelve-month period ending on [insert date of most recent monthly financial statements required to be delivered pursuant to Section 7.2 of the Credit Agreement] _____

(c) Product of (a) and (b) _____

Less:

(d) total Funded Debt (other than the balance of the Revolving Loans) _____

(e) Borrowing Base as of [insert date of Borrowing Base Certificate] ((c) minus (d)) (if not a positive number, such amount shall be deemed to be zero) _____

EXHIBIT 9.1
to
CREDIT AGREEMENT

ASSIGNMENT AGREEMENT

This Assignment Agreement (this “Agreement”) is made as of _____, _____ by and between _____ (“Assignor Lender”) and _____ (“Assignee Lender”) and acknowledged and consented to by FREEPORT FINANCIAL LLC, as agent (“Agent”) and [PRACS Institute Holdings, LLC, as US borrower (“US Borrower”)/ PRACS Institute Canada B.C. LTD., as Canadian borrower (“Canadian Borrower”)]. All capitalized terms used in this Agreement and not otherwise defined herein will have the respective meanings set forth in the Credit Agreement as hereinafter defined.

RECITALS:

WHEREAS, [US/Canadian] Borrower, [PRACS Institute Holdings, LLC, as US Borrower/PRACS Institute Canada B.C. LTD., as Canadian Borrower] (US Borrower and Canadian Borrower are collectively referred to herein, as “Borrowers”), the other Persons named therein as Loan Parties, Freeport Financial LLC, as Agent, Assignor Lender and other Persons party thereto as Lenders have entered into that certain Credit Agreement dated as of June 20, 2012 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”) pursuant to which Assignor Lender has agreed to make and continue to make certain Loans to, and incur and continue to incur certain Letter of Credit Obligations for, Borrowers;

WHEREAS, Assignor Lender desires to assign to Assignee Lender [all/a portion] of its interest in the Loans (as described below), the Letter of Credit Obligations and the Collateral and to delegate to Assignee Lender [all/a portion] of its Revolving Loan Commitments and other duties with respect to such Loans, Letter of Credit Obligations and Collateral;

WHEREAS, Assignee Lender desires to become a Lender under the Credit Agreement and to accept such assignment and delegation from Assignor Lender; and

WHEREAS, Assignee Lender desires to appoint Agent to serve as agent for Assignee Lender under the Credit Agreement.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions, and covenants herein contained, Assignor Lender and Assignee Lender agree as follows:

1. ASSIGNMENT, DELEGATION, AND ACCEPTANCE

1.1 Assignment. Assignor Lender hereby transfers and assigns to Assignee Lender, without recourse and without representations or warranties of any kind (except as set forth in Section 3.2), [all/such percentage] of Assignor Lender’s right, title, and interest in [the Revolving Loan], [the US Term Loan A], [the US Term Loan B], [the US Term Loan C] [the Canadian Term Loan C], [the Loans], [Letter of Credit Obligations], Loan Documents and the Collateral as will result in Assignee Lender having as of the Effective Date (as hereinafter defined) a Pro Rata Share thereof, as follows:

Assignee Lender’s Loans

Principal Amount

Pro Rata Share

Revolving Loan	\$ _____	_____ %
US Term Loan A	\$ _____	_____ %
US Term Loan B	\$ _____	_____ %
US Term Loan C	\$ _____	_____ %
Canadian Term Loan C	\$ _____	_____ %

1.2 Delegation. Assignor Lender hereby irrevocably assigns and delegates to Assignee Lender [all/a portion] of its Revolving Loan Commitments and its other duties and obligations as a Lender under the Loan Documents equivalent to the Pro Rata Shares set forth above.

1.3 Acceptance by Assignee Lender. By its execution of this Agreement, Assignee Lender irrevocably purchases, assumes and accepts such assignment and delegation and agrees to be a Lender with respect to the delegated interest under the Loan Documents and to be bound by the terms and conditions thereof. By its execution of this Agreement, Assignor Lender agrees, to the extent provided herein, to relinquish its rights and be released from its obligations and duties under the Credit Agreement.

1.4 Effective Date. Such assignment and delegation by Assignor Lender and acceptance by Assignee Lender will be effective and Assignee Lender will become a Lender under the Loan Documents as of [the date of this Agreement][_____, ____] ("Effective Date") and upon payment of the Assigned Amount and the Assignment Fee (as each term is defined below). Interest and Fees accrued prior to the Effective Date are for the account of Assignor Lender, and Interest and Fees accrued from and after the Effective Date are for the account of Assignee Lender.

2. INITIAL PAYMENT AND DELIVERY OF NOTES

2.1 Payment of the Assigned Amount. Assignee Lender will pay to Assignor Lender, in immediately available funds, not later than 11:00 a.m. (Chicago time) on the Effective Date, an amount equal to its Pro Rata Share of the then outstanding principal amount of the Loans as set forth above in Section 1.1 (the "Assigned Amount").

2.2 Payment of Assignment Fee. [Assignor Lender and/or Assignee Lender] will pay to Agent, for its own account in immediately available funds, not later than 11:00 a.m. (Chicago time the Effective Date, the assignment fee in the amount of \$3,500 (the "Assignment Fee") as required pursuant to Section 9.1(a) of the Credit Agreement.

2.3 Execution and Delivery of Notes. Following payment of the Assigned Amount and the Assignment Fee, Assignor Lender will deliver to Agent the Notes previously delivered to Assignor Lender for redelivery to [US/Canadian] Borrower and Agent will obtain from [US/Canadian] Borrower for delivery to [Assignor Lender and] Assignee Lender, new executed Notes evidencing Assignee Lender's [and Assignor Lender's respective] Pro Rata Share[s] in the Loans after giving effect to the assignment described in Section 1. Each new Note will be issued in the aggregate maximum principal amount of the [Revolving Loan Commitment], [US Term Loan A Amount], [US Term Loan B Amount], [US Term Loan C Amount], or [Canadian Term Loan C Amounts] [of the Lender to whom such Note is issued] OR [the Assignee Lender].

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Assignee Lender's Representations, Warranties and Covenants. Assignee Lender hereby represents, warrants, and covenants the following to Assignor Lender and Agent:

- (a) This Agreement is a legal, valid, and binding agreement of Assignee Lender, enforceable according to its terms;
- (b) The execution and performance by Assignee Lender of its duties and obligations under this Agreement and the Loan Documents will not require any registration with, notice to, or consent or approval by any Governmental Authority;
- (c) Assignee Lender is familiar with transactions of the kind and scope reflected in the Loan Documents and in this Agreement;
- (d) Assignee Lender has made its own independent investigation and appraisal of the financial condition and affairs of each Loan Party, has conducted its own evaluation of the Loans and Letter of Credit Obligations, the Loan Documents and each Loan Party's creditworthiness, has made its decision to become a Lender to [US/Canadian] Borrower under the Credit Agreement independently and without reliance upon Assignor Lender or Agent, and will continue to do so;
- (e) Assignee Lender is entering into this Agreement in the ordinary course of its business, and is acquiring its interest in the Loans and Letter of Credit Obligations for its own account and not with a view to or for sale in connection with any subsequent distribution; provided, however, that at all times the distribution of Assignee Lender's property shall, subject to the terms of the Credit Agreement, be and remain within its control;
- (f) No future assignment or participation granted by Assignee Lender pursuant to Section 9.1 of the Credit Agreement will require Assignor Lender, Agent, or [US/Canadian] Borrower to file any registration statement with the Securities and Exchange Commission or to apply to qualify under the blue sky laws of any state;
- (g) Assignee Lender has no loans to, written or oral agreements with, or equity or other ownership interest in any Loan Party;
- (h) Assignee Lender will not enter into any written or oral agreement with, or acquire any equity or other ownership interest in, any Loan Party without the prior written consent of Agent;
- (i) As of the Effective Date, Assignee Lender (i) is entitled to receive payments of principal, interest and fees in respect of the Obligations without deduction for or on account of any taxes imposed by the United States of America or any political subdivision thereof [if an Event of Default has not occurred that is continuing] or by Canada [, (ii) is not subject to capital adequacy or similar requirements under Section 2.8(a) of the Credit Agreement, (iii) does not require the payment of any increased costs under Section 2.8(b) of the Credit Agreement, and (iv) is not unable to fund LIBOR Loans under Section 2.8(b) of the Credit Agreement,] and Assignee Lender will indemnify Agent from and against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, or expenses that result from Assignee Lender's failure to

fulfill its obligations under the terms of Section 2.9(c) of the Credit Agreement [or from any other inaccuracy in the foregoing]; and

(j) The execution and performance by Assignee Lender of its duties and obligations under this Agreement and the Loan Documents will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the IRC with respect to the Plans.

3.2 Assignor Lender's Representations, Warranties and Covenants. Assignor Lender hereby represents, warrants and covenants the following to Assignee Lender:

(a) Assignor Lender is the legal and beneficial owner of the Assigned Amount;

(b) This Agreement is a legal, valid and binding agreement of Assignor Lender, enforceable according to its terms;

(c) The execution and performance by Assignor Lender of its duties and obligations under this Agreement and the Loan Documents will not require any registration with, notice to or consent or approval by any Governmental Authority;

(d) Assignor Lender has full power and authority, and has taken all action necessary to execute and deliver this Agreement and to fulfill the obligations hereunder and to consummate the transactions contemplated hereby;

(e) Assignor Lender is the legal and beneficial owner of the interests being assigned hereby, free and clear of any adverse claim, lien, encumbrance, security interest, restriction on transfer, purchase option, call or similar right of a third party; and

(f) This Assignment by Assignor Lender to Assignee Lender complies, in all material respects, with the terms of the Loan Documents.

4. LIMITATIONS OF LIABILITY

Neither Assignor Lender (except as provided in Section 3.2) nor Agent makes any representations or warranties of any kind, nor assumes any responsibility or liability whatsoever, with regard to (a) the Loan Documents or any other document or instrument furnished pursuant thereto or the Loans, Letter of Credit Obligations or other Obligations, (b) the creation, validity, genuineness, enforceability, sufficiency, value or collectibility of any of them, (c) the amount, value or existence of the Collateral, (d) the perfection or priority of any Lien upon the Collateral, or (e) the financial condition of any Loan Party or other obligor or the performance or observance by any Loan Party of its obligations under any of the Loan Documents. Neither Assignor Lender nor Agent has or will have any duty, either initially or on a continuing basis, to make any investigation, evaluation, appraisal of, or any responsibility or liability with respect to the accuracy or completeness of, any information provided to Assignee Lender which has been provided to Assignor Lender or Agent by any Loan Party. Nothing in this Agreement or in the Loan Documents shall impose upon the Assignor Lender or Agent any fiduciary relationship in respect of the Assignee Lender.

5. FAILURE TO ENFORCE

No failure or delay on the part of Agent or Assignor Lender in the exercise of any power, right, or privilege hereunder or under any Loan Document will impair such power, right, or privilege or be construed to be a waiver of any default or acquiescence therein. No single or partial exercise of any such power, right, or privilege will preclude further exercise thereof or of any other right, power, or privilege. All rights and remedies existing under this Agreement are cumulative with, and not exclusive of, any rights or remedies otherwise available.

6. NOTICES

Unless otherwise specifically provided herein, any notice or other communication required or permitted to be given will be in writing and addressed to the respective party as set forth below its signature hereunder, or to such other address as the party may designate in writing to the other.

7. AMENDMENTS AND WAIVERS

No amendment, modification, termination, or waiver of any provision of this Agreement will be effective without the written concurrence of Assignor Lender, Agent and Assignee Lender.

8. SEVERABILITY

Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. In the event any provision of this Agreement is or is held to be invalid, illegal, or unenforceable under applicable law, such provision will be ineffective only to the extent of such invalidity, illegality, or unenforceability, without invalidating the remainder of such provision or the remaining provisions of the Agreement. In addition, in the event any provision of or obligation under this Agreement is or is held to be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality, and enforceability of the remaining provisions or obligations in any other jurisdictions will not in any way be affected or impaired thereby.

9. SECTION TITLES

Section and Subsection titles in this Agreement are included for convenience of reference only, do not constitute a part of this Agreement for any other purpose, and have no substantive effect.

10. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

11. APPLICABLE LAW

THIS AGREEMENT WILL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE.

12. COUNTERPARTS

This Agreement and any amendments, waivers, consents, or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so

executed and delivered, will be deemed an original and all of which shall together constitute one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above.

ASSIGNEE LENDER:

By: _____
Title: _____

Notice Address:

ASSIGNOR LENDER:

By: _____
Title: _____

Notice Address:

ACKNOWLEDGED AND CONSENTED TO:

FREEPORT FINANCIAL LLC

By: _____
Title: _____

[PRACS INSTITUTE HOLDINGS, LLC, as Borrower Representative]

By: _____
Title: _____

Schedule 4.1(a)
Jurisdictions of Organization and Qualifications

<u>Loan Party</u>	<u>Jurisdiction of Organization</u>	<u>Location of Chief Executive Office</u>	<u>Location of Registered Office</u>	<u>Foreign Qualifications</u>
PRACS Institute Holdings, LLC	Delaware	4801 Amber Valley Parkway Fargo, ND 58104	The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, New Castle County, Delaware 19801	None
PRACS Institute Canada B.C. LTD.	British Columbia	4801 Amber Valley Parkway Fargo, ND 58104	The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, New Castle County, Delaware 19801	Ontario
PRACS Institute Management, LLC	Delaware	4801 Amber Valley Parkway Fargo, ND 58104	The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, New Castle County, Delaware 19801	None
PRACS Institute, LLC	Delaware	4801 Amber Valley Parkway Fargo, ND 58104	The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, New Castle County, Delaware 19801	North Dakota Missouri Texas
PRACS Institute Miami, LLC	Delaware	4801 Amber Valley Parkway Fargo, ND 58104	The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, New Castle County, Delaware 19801	Florida

PRACS Institute San Antonio, LLC	Delaware	4801 Amber Valley Parkway Fargo, ND 58104	Delaware 19801 The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, New Castle County, Delaware 19801	Texas
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Schedule 4.1(b)
Capitalization

<u>Loan Party</u>	<u>Issued Units (not certificated)</u>	<u>Hoder</u>	<u>% Ownership of Class A-1 Units</u>	<u>% Ownership of Class A-3 Units</u>	<u>% Ownership of Class A Units Owned on a Fully Diluted Basis</u>
PRACS Institute Holdings, LLC	Class A-1 (total: 4,785)				
	584	Bank of Montreal	12.20%	0.00%	6.87%
	354	Brown Brothers Harriman & Co.	7.40%	0.00%	4.16%
	767	Credit Suisse Securities (USA) LLC	16.03%	0.00%	9.02%
	654	Freeport Loan Fund LLC	13.67%	0.00%	7.70%
	541	Freeport Offshore Loan Fund, LLC	11.31%	0.00%	6.37%
	632	Freeport Onshore 2010-1 LLC	13.21%	0.00%	7.43%
	693	Freeport Loan Trust 2006-1	14.48%	0.00%	8.16%
	228	Freeport Offshore 2010-1 LLC	4.76%	0.00%	2.69%
	125	GSC Capital Corp. Loan Funding 2005-1	2.61%	0.00%	1.47%
	171	GSC Partners CDO Fund VII, Limited	3.57%	0.00%	2.01%
	36	Sargas CR Holdings LLC	0.75%	0.00%	0.43%

	Class A-3 (total: 1,339)				
531	U.S. Bank N.A. as Trustee for Churchill Financial Cayman Ltd.	0.00%	39.66%	6.25%	
451	Madison Capital Funding LLC	0.00%	33.68%	5.30%	
357	Wells Fargo Capital Finance, Inc.	0.00%	26.66%	4.20%	
Warrants (total: 2,375)					
671	GE Canada Asset Financing Holding Company	0.00%	0.00%	7.90%	
942	General Electric Capital Corporation	0.00%	0.00%	11.08%	
762	GE Business Financial Services Inc.	0.00%	0.00%	8.97%	

<u>Loan Party</u>	<u>Authorized Stock (number of shares/interests)</u>	<u>Share/Interest Certificate Number</u>	<u>Holder and % Ownership</u>	<u>Preemptive or Other Outstanding Rights, Options, Warrants, Conversion Rights, etc.</u>
PRACS Institute Canada B.C. LTD.	200 Common Shares	3-C, 4-C	PRACS Institute Holdings, LLC owns 100%	None
PRACS Institute Management, LLC	Not numerated	No. 1	PRACS Institute Holdings, LLC owns 100%	None
PRACS Institute, LLC	Not numerated	No. 1	PRACS Institute Management, LLC owns 100%	None
PRACS Institute Miami, LLC	Not numerated	No. 1	PRACS Institute Management, LLC owns 100%	None

PRACS Institute San Antonio, LLC	Not numerated	No. 1 PRACS Institute Management, LLC owns 100%	None
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Schedule 4.7
Use of Proceeds

US Borrower has assumed the principal and interest owing under the DIP Revolving Facility outstanding as of the Closing Date (which principal amount is the aggregate principal amount of Revolving Loans outstanding on the Closing Date).

US Borrower has assumed the principal balance of the Roll-Up Obligations outstanding on the Closing Date, which is US Term Loan A.

Obligations under notes issued by the Borrowers as a portion of the Credit Bid and Acquisition Consideration evidence on the Closing Date the US Term Loan B, US Term Loan C and the Canadian Term Loan C.

Schedule 4.8
Broker's Fees

None.

Schedule 4.10
Intellectual Property

Trademarks

Jurisdiction	Trademark	Registration No.	Owner	Status
United States	CTERO	3,257,599	PRACS Institute Management, LLC	Registered
Canada	CTERO	TMA710,057	PRACS Institute Management, LLC	Registered
European Union	CTERO	005688361	PRACS Institute Management, LLC	Registered
India	CTERO	1528441	PRACS Institute Management, LLC	Pending
India	CTERO	1542681	PRACS Institute Management, LLC	Pending
Japan	CTERO	5061496	PRACS Institute Management, LLC	Registered
United States	PRACS	1935478	PRACS Institute Management, LLC	Registered
United States		1939722	PRACS Institute Management, LLC	Registered
United States	DGD RESEARCH	3537149	PRACS Institute Management, LLC	Registered

Patents

Jurisdiction	Title	Patent / Serial #	Filed Date	Owner
Canada	Methods, Materials And Apparatus For Investigating Asthma Using Dust Mite Allergen	2,678,285	6/7/2007	PRACS Institute Management, LLC
European Patent Convent	Methods, Materials And Apparatus For Investigating Asthma Using Dust Mite Allergen	07719912.3	6/7/2007	PRACS Institute Management, LLC
United States	Methods, Materials And Apparatus For Investigation Asthma Using Dust Mite Allergen	11/450,786	6/9/2006	PRACS Institute Management, LLC
WIPO	Methods, Materials And Apparatus For Investigating Asthma Using Dust Mite Allergen	PCT/CA2007/00 0996	6/7/2007	PRACS Institute Management, LLC

Jurisdiction	Title	Patent / Serial #	Filed Date	Owner
Canada	Method And Chamber For Exposure to Non-Allergic Rhinitis Trigger Environments	CA2754272 [†]	3/8/2010	PRACS Institute Management, LLC and Piyush Patel
European Patent Convent	Method And Chamber For Exposure to Non-Allergic Rhinitis Trigger Environments	10748277.0 [†]	3/8/2010	PRACS Institute Management, LLC and Piyush Patel
India	Method And Chamber For Exposure to Non-Allergic Rhinitis Trigger Environments	3676/KOLNP/2 011 [†]	3/8/2010	PRACS Institute Management, LLC and Piyush Patel
Japan	Method And Chamber For Exposure to Non-Allergic Rhinitis Trigger Environments	2011-552293 [†]	3/8/2010	PRACS Institute Management, LLC and Piyush Patel
United States	Method And Chamber For Exposure to Non-Allergic Rhinitis Trigger Environments	13/254,755 [†]	3/8/2010	PRACS Institute Management, LLC and Piyush Patel
WIPO	Method And Chamber For Exposure to Non-Allergic Rhinitis Trigger Environments	PCT/CA2010/00 0325 [†]	3/8/2010	PRACS Institute Management, LLC and Piyush Patel
United States	Method And Chamber For Exposure to Non-Allergic Rhinitis Trigger Environments	61/158,149 [†]	3/6/2009	PRACS Institute Management, LLC and Piyush Patel

[†] One of the two original inventors listed on these patents and patent applications, Piyush Patel, has not assigned his rights therein to PRACS Institute Management, LLC.

Internet Domain Names

Domain Name	Registered to:
Cetero.com	PRACS Institute Management, LLC
Bioassay.com	PRACS Institute Management, LLC
Baresearchco.com	PRACS Institute Management, LLC
Ceterosa.com	PRACS Institute Management, LLC
Ceterostlouis.com	PRACS Institute Management, LLC
Sneezetoronto.com	PRACS Institute Management, LLC
allied-research.com	PRACS Institute Management, LLC
www.gatewaymedical .com	PRACS Institute Management, LLC
pracs.com	PRACS Institute Management, LLC
dryeyestoronto.com	PRACS Institute Management, LLC

Schedule 4.11
Investigations and Audits

The Loan Parties are the subject of an audit by the U.S. Department of Labor with respect to certain benefit and retirement plans.

To the extent not satisfied as part of the Cases:

Pre-Petition Legal Entity	Taxing Authority	Nature of Tax	Period	Tax	Penalty	Interest	Total Claim
CRSM, Inc.	New Jersey Department of the Treasury	NJ Corporation Business Tax	2008 – NJ Business Tax Return not filed				
CRSM, Inc.	New Jersey Department of the Treasury	NJ Corporation Business Tax	2009 – NJ Business Tax Return not filed.				
CRSM, Inc.	New Jersey Department of the Treasury	NJ Corporation Business Tax	2010 – NJ Business Tax Return not filed.				
Contract Research Solutions Inc	Texas Comptroller of Public Accounts	Texas Franchise Tax	2012	2,000.00	-	-	2,000
Contract Research Solutions Inc	Texas Comptroller of Public Accounts	Texas Franchise Tax	2011	6,327.84	-	-	6,327.84
CRS Management Inc	IRS	WT-FICA	2011	-	-	-	-
CRS Management Inc	IRS	FUTA	2011	6,112.96	-	-	6,112.96
CRS Management	IRS	WH FED INC	2011	100.00	-	-	100.00

Inc							
CRS Management Inc	IRS	WT-FICA	2012	-	-	42.02	42.02
CRS Management Inc	IRS	FUTA	2012	6112.96	-	-	6112.96
CRS Management Inc	IRS	WH FED INC	2012	100	-	-	100
Contract Research Solutions Inc	IRS	CORP-INC	2009	5,000.00	-	-	5,000.00
Contract Research Solutions Inc	IRS	CORP-INC	2010	5,000.00	-	-	5,000.00
Contract Research Solutions Inc	IRS	CORP-INC	2011	5,000.00	-	-	5,000.00
Contract Research Solutions Inc	IRS	CORP-INC	2012	5,000.00	-	-	5,000.00
PRACS Institute LTD	IRS	WH FED INC	2011	5,845.00	-	26.41	5,871.41
PRACS Institute LTD	IRS	WH FED INC	2012	6,219.31	-	-	6,219.31
PRACS Institute LTD	North Dakota State Tax Commissioner	Corporate income Tax	2009	41,809.00	2,090.00	14,655.09	58,554.09
Gateway Medical Research Inc	IRS	WT-FICA	2010	1,745.93	7,632.41	189.33	9,567.67
				\$96,373.00	\$9,722.41	\$14,912.85	\$121,008.26

Schedule 4.12
Employee Matters

The Loan Parties are the subject of an audit by the Department of Labor with respect to certain benefit and retirement plans.

Employee Leasing Agreement, dated as of the Closing Date, among PRACS Institute Management, LLC and Sellers, as the same may be amended, supplemented, restated or otherwise modified from time to time.

Schedule 4.13
Litigation

Any defensive claims that may arise in litigation assumed on the Closing Date by the Loan Parties.

Schedule 4.14
Real Estate

Property Address	Loan Party	Owned or Leased
400 Fountain Lakes Boulevard St. Charles, MO 63301	PRACS Institute, LLC	PRACS Institute, LLC owns Lot 6B of "FOUNTAIN LAKES COMMERCE CENTER PLAT ONE", as recorded in Plat Book 36, Page 12 of the St. Charles County, Missouri records.
400 Fountain Lakes Boulevard St. Charles, MO 63301	PRACS Institute, LLC	As successor by assignment to Gateway Medical Research, Inc., PRACS Institute, LLC leases a certain parcel of land, the building and certain other improvements and personal property as more fully described in the Lease Agreement dated as of 12/27/06 between Gate (MO) QRS 16-95, Inc., as Landlord, and Gateway Medical Research, Inc. as Tenant.
1525 NW 167 th St., Suites 140 and 150 Miami, FL 33169	PRACS Institute Miami, LLC	As successor by assignment to Allied Research International, Inc., PRACS Institute Miami, LLC leases certain office space pursuant to that certain Office Lease dated as of 8/10/06, as amended, between Golden Glades Assoc., LLP, as Landlord, and Allied Research, Inc.

The Loan Parties have use of the following other properties pursuant to the Operations Support Agreement.

1. 1395/1405 NW 167th St., Miami, FL 33169
2. 2000 Regency Pkwy, Suite 111, Cary, NC 27518
3. 4801 Amber Valley Pkwy, Fargo, ND 58104
4. 4901 Amber Valley Pkwy, Fargo, ND 58104
5. 4837 Amber Valley Pkwy, Fargo, ND 58104
6. 4520 Dixie Rd., Mississauga, Ontario L4W 1N2
7. 4540 Dixie Rd., Unit C, Mississauga, Ontario L4W 1N2
8. 4500 Dixie Rd., Mississauga, Ontario L4W 1N2
9. 1310 Fewster Dr., Mississauga, Ontario L4W 1N2
10. 1290 Ellesmere Rd., Toronto, Ontario M1P 2X9
11. 10550 Rockley Road, Suite 150, Houston, TX 77099
12. 5109 Medical Dr., San Antonio, TX 78229
13. 803 Castroville Rd., Suite 140, San Antonio, TX 78237

Schedule 4.15
Environmental Matters

None.

Schedule 4.16
ERISA; Canadian Benefit Plans and Canadian Pension Plans

PRACS Institute Management, LLC has assumed the following Canadian Benefit Plans and Canadian Pension Plans:

1. Critical Illness – Member (Canada)

Cetero Research Critical Illness Insurance with ACE INA Life Insurance, Policy number CO10339401, effective December 1, 2010

2. Critical Illness – Spouse (Canada)

Cetero Research Critical Illness Insurance with ACE INA Life Insurance, Policy number CO10339401, effective December 1, 2010

3. Critical Illness – Child (Canada)

Cetero Research Critical Illness Insurance with ACE INA Life Insurance, Policy number CO10339401, effective December 1, 2010

4. Employee AD&D (Accidental Death & Dismemberment) (Canada)

Cetero Research Group Accident Policy with ACE INA Life Insurance, Policy number AB10339301, effective June 1, 2011

5. Workers' Compensation Coverage

6. Registered Pension Plan (Canada)

Allied Research International Inc. Registered defined contribution pension plan with The Manufacturers Life Insurance Company, Group Policy number 10000588, effective January, 1, 2006

Schedule 4.17
Deposit and Disbursement Accounts

Name on Account	Account Numbers	Depository Bank Name and Address	Purpose of Account
PRACS Institute Management, LLC	4127329639	Wells Fargo Bank, N.A. Mail Address Code: D1129-072 301 South Tryon Street, 7th Floor Charlotte, NC 28282-1915	Payroll, Stipends, Cash Disbursements
PRACS Institute, LLC	4127326205	Wells Fargo Bank, N.A. Mail Address Code: D1129-072 301 South Tryon Street, 7th Floor Charlotte, NC 28282-1915	Cash Receipts (Sponsor Remittances)
PRACS Institute, LLC	0160630906	Regions Bank, N.A. 2050 Old Highway 94 South St. Charles, MO 63303	Stipends
PRACS Institute Canada B.C. LTD.	2950-4797-787 – Depository 2950-4797-795 – Disbursement	Bank of Montreal Dixie and Crestlawn Branch 1350 Crestlawn Drive Mississauga, ON L4W 1P8	Payroll, Stipends, Cash Disbursements, Cash Receipts (Sponsor Remittances) (USD)
PRACS Institute Canada B.C. LTD.	2950-1998-904 – Depository 2950-1998-912 – Disbursement	Bank of Montreal Dixie and Crestlawn Branch 1350 Crestlawn Drive	Payroll, Stipends, Cash Disbursements, Cash Receipts (Sponsor

		Mississauga, ON L4W 1P8	Remittances) (CAD)
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Schedule 4.18
Agreements and Other Documents

Supplier Contracts

HOUSTON/TORONTO LAB

- Service Agreement dated 9/22/10 with Ab Sciex for lab equipment maintenance (both labs; 2 yr contract)

FARGO

- Master Software License Agreement dated 12/23/04 with eResearchTechnology, Inc. to use eRT Software and to provide annual maintenance
- Rider to Master Software License Agreement dated 6/30/05 with eResearchTechnology, Inc. to use eStudy Conduct and eSafety Net software
- Rider to Master Software License Agreement dated 12/23/09 with OmniComm Systems, Inc. (formerly eResearchTechnology, Inc.) to use eClinical Portal, eClinical Data Capture, and eClinical Data Capture software

Licenses and Permits

Fargo (PRACS):

1. License from North Dakota State Board of Pharmacy, permit No. 526, issued to PRACS Pharmacy, PA, expires June 30, 2012.
2. Drug Enforcement Administration permit, Registration No. RP0168410, expires March 31, 2012 for the property located at 4801 Amber Valley Parkway, Fargo, ND 58104.
3. Drug Enforcement Administration permit, Registration No. RP0336912, expires March 31, 2012 for the property located at 4801 Amber Valley Parkway, Fargo, ND 58104.
4. COLA Lab Certification for Lab Accreditation COLA ID # 17926 expires two years after 7/11/2011.
5. Drug Enforcement Administration permit, Registration No. RP0377677, expires August 31, 2012 for the property located at 4801 Amber Valley Parkway, Fargo, ND 58104.
6. Radioactive Material License expires January 31, 2015 for the property located at 4801 Amber Valley Parkway, Fargo, ND 58104.

St. Louis (Gateway):

1. Bureau of Narcotics and Dangerous Drugs, Missouri Department of Health # 809749537, expires July 31, 2012.
2. Controlled Substances Registration Certificate, US Department of Justice, DEA, DEA Registration # RG0223507, Expires September 30, 2012.

Toronto (Allied Canada):

1. Health Canada License No. 2012/6615, Allied Research International Inc. 4520 Dixie Road, Mississauga, ON L4W 1N2, a licensed dealer at the premises indicated for the conduct of the following activities: Possession, Production, Packaging, Sale, Sending/Transportation and Delivery for the following controlled drugs and substances including their salts as listed in Regulations: Codeine, Hydromorphone, Oxycodone, Buprenorphine, Diazepam, Lorazepam, Midazolam, Cannabidiol; Zolpidem, Methylphenidate; and Butalbital.

Miami (Allied Miami):

1. Centers for Medicare and Medicaid Services Certificate of Accreditation for Allied Research International, 1525 NW 167th Street, Miami, FL 33169, CLIA ID No. 10D0994279 effective February 19, 2012, expires February 18, 2014.
2. College of American Pathologists – Accredited Laboratory – Cetero Research – Allied Research International, Miami Gardens, FL; Hugo Romeu, MD LAP No. 7176895; AU-ID 1377937; CLIA No. 10D0994279 and re-inspection should occur prior to September 16, 2012.
3. State of Florida, Agency for Health Care Administration; Clinical Laboratory for Allied Research International to operate in Chemistry, Diagnostic, Immunology, Hematology, Cetero Research, ; 1405 NW 167th Street, Suite 140, Miami Gardens, FL 33169. License No. 800016801; Certificate No. 86650 effective July 26, 2010, expires July 25, 2012.
4. DEA Registration No. RA0349476, expires June 30, 2012 – ARI – Miami Cetero Research ; 1405 NW 167th Street, Miami Gardens, FL 33169 issued May 24, 2011.
5. State of Florida Department of Health division of Medical Quality Assurance dated March 16, 2010, License No. 60 3419, Control No. 3916, expires March 31, 2012 for Allied Research International, Inc., 1405 NW 167th Street, Miami Gardens, FL 33169.
6. COLA ID # 14958 Allied Research International Laboratory Accreditation expires two years from October 5, 2011.

San Antonio (DgD):

1. CLIA waived certificate – 5109 Medical Drive San Antonio Texas 78229 expires July 17, 2012.
2. CLIA waived certificate – 803 Castorville Road Las Palmas Shopping Center Suite 140 San Antonio Texas 78237 expires December 29, 2012.

Houston (Bioanalytical):

1. Drug Enforcement Administration Controlled Substance Registration, DEA Registration Number RB0168220, expires July 2012.
2. Texas Controlled Substances Registration Certificate, Registration Number 10080260, expires February 2013.

Scarborough (Bioanalytical):

1. Ontario Ministry of Environment's Hazardous Waste Information Network 2012 Registration.
2. Certificate of Approval from the Ontario Ministry of the Environment for Fume Hoods, natural gas heating equipment and a standby natural gas fired generator set.

Guaranteed Indebtedness:

Guaranty and Suretyship Agreement dated as of the Closing Date, made by US Borrower in favor of Gate (MO) QRS 16-95, Inc., a Delaware corporation ("QRS")

Schedule 4.19
Insurance

Coverage	Limits/Structure	Deductible	Policy Period	Insurer	Broker
Products & Professional Liability	\$10,000,000 Each Claim \$10,000,000 Aggregate \$5,000,000 Sublimit for Mitigation Expense (Annual Aggregate)	\$100,000 Each Occurrence/\$500,000 Annual Aggregate	06/19/2012 - 06/19/2013	CNA (Columbia Casualty Company)	Marsh USA Inc.
Excess Product/Professional Liability	\$5,000,000 Each Claim \$5,000,000 Aggregate XS Underlying	Underlying	06/19/2012 - 06/19/2013	Navigators Specialty Insurance Company	Marsh USA Inc.
Medical Malpractice	\$3,000,000 Each Claim \$5,000,000 Policy Aggregate Retrospective Date: Inception	\$100,000 Each Occurrence	06/19/2012 - 06/19/2013	CNA (Columbia Casualty Company)	Marsh USA Inc.
General Liability	\$2,000,000 General Aggregate \$1,000,000 Each Occurrence \$1,000,000 Personal/Advertising Injury \$1,000,000 Damages to Premises you rent \$1,000,000 Stop Gap Liability \$5,000 Medical Payments \$1,000,000 Employee Benefit Liability Each Claim \$1,000,000 Employee Benefit Liability Aggregate \$1,000 Each Employee Deductible	NIL	06/19/2012 - 06/19/2013	CNA (National Fire Insurance Company of Hartford)	Marsh USA Inc.
Property and Business Interruption - Including Canada and Terrorism	\$70,000,000 Loss Limit per Occurrence Values for Rating Purposes: \$112,969,009	\$75,000 except \$25,000 for St. Charles location	06/19/2012 - 06/19/2013	ACE American Insurance Company	Marsh USA Inc.
Automobile / Physical Damage	\$1,000,000 Limit of Liability Combined Single Limit \$5,000 Medical Payments Actual Cash Value - Auto Physical Damage Comp/Collision \$1,000,000 Uninsured/Underinsured Motorists \$1,000,000 Hired and Non-owned Auto Liability	Auto Physical Damage Comp and Collision: \$1,000	06/19/2012 - 06/19/2013	CNA (Valley Forge Insurance Company)	Marsh USA Inc.
Workers Compensation	Unlimited Statutory Coverage A Employer's Liability \$1,000,000 BI by Accident each accident \$1,000,000 BI by disease policy limit \$1,000,000 BI by disease each employee	NIL	06/19/2012 - 06/19/2013	CNA (Valley Forge Insurance Company)	Marsh USA Inc.
Umbrella (Excluding Products and Professional Liability)	\$10,000,000 Any One Occurrence \$10,000,000 General Aggregate N/A- Self-insured Retention	NIL	06/19/2012 - 06/19/2013	CNA (Continental Casualty)	Marsh USA Inc.
International Package Policy: Includes DIC/DIL Coverage for GL/A/EL/Property/Crime with a worldwide coverage/territory excluding the U.S.	Non U.S. General Liability \$1,000,000 Each Occurrence \$2,000,000 General Aggregate N/A - Products/Completed Operations Aggregate \$1,000,000 Personal/Advertising Injury \$1,000,000 Premises Legal Liability \$10,000 Medical Payments per person \$50,000 Medical Payments per Accident Foreign Voluntary Compensation \$1,000,000 Bodily Injury by Accident \$1,000,000 Bodily Injury by Disease	NIL	06/19/2012 - 06/19/2013	CNA (Continental Insurance Company)	Marsh USA Inc.
Directors & Officers Liability/Employment Practices Liability	\$5,000,000 per claim and annual aggregate	D&O N/A - Non Indemnifiable claims; \$100,000 All other Claims EPL \$150,000 All Claims	06/19/2012 - 06/19/2013	Darwin National Assurance Co (Allied World Assurance Company)	Marsh USA Inc.
Excess Directors & Officers Liability/Employment Practices Liability	\$5,000,000 Aggregate XS Underlying		06/19/2012 - 06/19/2013	Argonaut Insurance Company	Marsh USA Inc.
Fiduciary Liability Policy	\$3,000,000 per claim and annual aggregate	NIL	06/19/2012 - 06/19/2013	Darwin National Assurance Co (Allied World Assurance Company)	Marsh USA Inc.
Crime Insurance	Insuring Agreement A "Employee Theft" Coverage \$3,000,000 Insuring Agreement B "Forgery or Alteration" Coverage \$3,000,000 Insuring Agreement C "Inside the Premises" Coverage \$3,000,000 Insuring Agreement D "In Transit" Coverage \$3,000,000 Insuring Agreement E "Computer Fraud" Coverage \$3,000,000 Insuring Agreement F "Funds Transfer Fraud" Coverage \$3,000,000 Insuring Agreement G "Money Orders and Counterfeit Currency Fraud" Coverage \$3,000,000 Insuring Agreement H "Credit Card Fraud" Coverage \$3,000,000	\$25,000 \$25,000 \$25,000 \$25,000 \$25,000 \$25,000 \$25,000 \$25,000 \$25,000 \$25,000	06/19/2012 - 06/19/2013	Darwin National Assurance Co (Allied World Assurance Company)	Marsh USA Inc.

Schedule 4.23
FDA Compliance

In July 2011, the FDA completed its investigation of compliance with good laboratory practice requirements (GLPs) related to bioanalytical studies conducted at the Pre-Petition US Borrower's Houston laboratory. That investigation followed a voluntary self-disclosure by the Pre-Petition US Borrower made in June 2009 that 6-8 chemists in that facility had reportedly falsified the dates and times of analytical runs, and potentially shortcut quality controls by pretesting or prepping study samples, in order to obtain greater compensation for weekend work, and a larger number of successfully completed studies. On July 26, 2011, the FDA issued a notice of violation letter to Pre-Petition US Borrower, and letters to its clients, requesting that all studies/analyses conducted at its Houston facility from April 1, 2005 through June 15, 2010 be repeated or reanalyzed.

Following negotiations with the FDA, an agreement was reached that reduced the period during which studies were required to be repeated/reanalyzed from April 1, 2005 through February 29, 2008. The FDA will accept independent third-party data integrity audits for studies conducted from March 1, 2008 through August 31, 2009 in lieu of repeating the study or reanalyzing existing samples. No studies conducted from September 1, 2009 through June 15, 2010 are required to be repeated or reanalyzed because Pre-Petition US Borrower had adopted procedures to discontinue use of current study samples to equilibrate equipment.

Studies used in applications for generic drugs (Abbreviated New Drug Applications) were required to be repeated, if required, no later than the end of January 2012, unless sponsors were granted an extension by the FDA Office of Generic Drugs. The FDA communicated that repeat studies could be conducted at any Pre-Petition US Borrower facilities including the Houston bioanalytical lab which have all been inspected recently by FDA and found in compliance with GLPs, as well as Good Clinical Practice (GCP) requirements. Sponsors based on their preference may elect to retest their drugs with the Loan Parties, or at other clinical testing sites at their option. Agreement with the FDA would likely still require the redosing and retesting of several hundred studies conducted by Cetero-Houston within the next year.

Borrowers believe that the investigation by the FDA Center for Drug Evaluation and Research of the Houston facility is complete, and that no further demands for additional dosing or reanalysis of prior studies will be made. On June 23, 2011, the FDA provided Pre-Petition US Borrower with its Establishment Inspection Report which normally indicates that the investigation was completed. The results of repeat studies conducted up to this point have been substantially the same as the original test results. The FDA may, however, determine that based on the results of other repeat studies and audits, additional requirements may be requested of the Loan Parties or its clients.

Other of the Sellers' facilities have been inspected by the FDA to insure that issues occurring in Houston were isolated and not repeated in other laboratory facilities. The

FDA field investigators and foreign drug regulators have also performed pre-approval inspections of Cetero studies prior to approval of New Drug Applications and abbreviated New Drug Applications. While miscellaneous Form 483-type observations were noted, none of those observations noted conduct similar to that which provoked the FDA GLP investigation described above. Those observations were addressed as detailed in follow-up correspondence to the FDA and no further compliance action resulted.

The FDA may also elect to refer the Loan Parties, or their former employees, for criminal prosecution to the Department of Justice based on investigation by the FDA's Office of Criminal Investigation. In May 2011, Pre-Petition US Borrower was contacted by an attorney representing its independent third-party auditor, Jim Wilkinson, who had been asked to be interviewed by an investigator from the FDA's Office of Criminal Investigation. A follow-up with the investigator indicated that it was a routine interview requested by the FDA Dallas District Office to insure that no criminal activity had occurred. No additional information concerning the status of any continuing investigation has been received by the Loan Parties. There is no indication that such action will be taken, or is appropriate, against the Loan Parties when their predecessors made voluntary disclosure and conducted their own internal investigation to initiate FDA review. Former employees may ultimately be debarred from participation in future studies that become part of FDA drug approval applications. Borrowers are unaware that any such action has been initiated.

Two additional foreign government inquiries were received by Pre-Petition US Borrower from drug manufacturers for which it conducted studies during this period of time. Those inquiries from the European Medicines Agency (EMA) and the Australian Therapeutic Goods Administration (TGA) were dated during the month of December 2011. They requested information concerning the action the FDA was taking related to particular identified studies completed between 2005-2010. Pre-Petition US Borrower prepared a general summary of the FDA investigation for distribution by its clients in response to any inquiries by foreign drug regulators. To date, Borrowers are aware of no additional foreign investigations, or requests for follow-up by the EMA or the TGA other than their request for permission to share the Loan Parties' audit protocol with member states of the European Union.

Schedule 6.1
Indebtedness

To the extent constituting Indebtedness and to the extent assumed by the Loan Parties as part of the Cases (whether on the Closing Date or thereafter):

Obligations of Gateway Medical Research, Inc. owed to Da-Com, pursuant to an operating lease secured by precautionary financing statements filed in the Missouri Secretary of State's office, file number 20070133502E, relating to photo copiers.

Obligations of PRACS Institute, Ltd. owed to Southeast Rural Vision Enterprises Co. pursuant to an operating lease secured by precautionary financing statements filed in the North Dakota Secretary of State's office, file number 12-000720499-2, relating to equipment.

Schedule 6.2
Liens

None.

Schedule 6.3
Investments

None.

Schedule 6.4
Contingent Obligations

None.

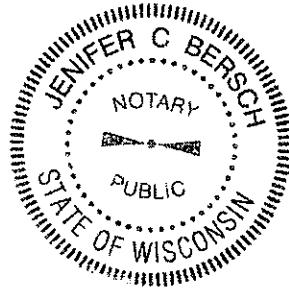
Schedule 6.8
Affiliate Transactions

Pharmacy Services Agreement dated as of January 31, 2006 by and between PRACS Institute, LLC, as successor to PRACS Institute, Ltd., and PRACS Pharmacy, PA.

TAB 3

This is Exhibit "3" referred to in the
Affidavit of Anthony Marino
Sworn before me, this 22nd day of
March, 2013.

Jenifer C Bersch
A Commissioner for Taking Affidavits
Notary Public, State of Wisconsin



SECURITY AGREEMENT

This SECURITY AGREEMENT, dated as of June 20, 2012, between PRACS INSTITUTE CANADA B.C. LTD., a British Columbia corporation ("Grantor") and FREEPORT FINANCIAL LLC, a Delaware limited liability company, in its capacity as Agent ("Agent") for the benefit of Agent and Canadian Term Lenders (collectively, "Beneficiaries").

WITNESSETH:

WHEREAS, pursuant to that certain Credit Agreement dated as of the date hereof by and among PRACS Institute Holdings, LLC, a Delaware limited liability company ("US Borrower"), Grantor (and together with US Borrower, the "Borrowers"), the other Persons that are designated as "Loan Parties", Agent, and the financial institutions and other Persons from time to time party thereto as Lenders (including all annexes, exhibits and schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), US Lenders have agreed to make certain US Loans to US Borrower and incur Letter of Credit Obligations on behalf of US Borrower and to hold certain obligations assumed or incurred by US Borrower that constitute certain US Loans, and Canadian Term Lenders have agreed to hold certain obligations assumed or incurred by Grantor that constitute Canadian Term Loan C;

WHEREAS, in order to induce Agent and Canadian Term Lenders to enter into the Credit Agreement and the other Loan Documents and to induce Canadian Term Lenders to hold Canadian Term Loan C provided for in the Credit Agreement, Grantor has agreed to grant a continuing Security Interest (as hereinafter defined) on the Collateral (as hereinafter defined) to secure Grantor's Obligations.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINED TERMS.

(a) The terms "Account", "Chattel Paper", "Document of Title", "Goods", "Instrument", "Intangible", "Inventory", "Investment Property", "Money", "Proceeds", "Security", "financing statement" and "financing change statement" whenever used herein shall be interpreted in accordance with their respective meanings in the PPSA. The term "Proceeds", whenever used herein and interpreted as above, shall, by way of example, include trade-ins, equipment, Money, bank accounts, notes, Chattel Paper, Goods, contract rights, Accounts and any other personal property or obligation received when such Collateral or Proceeds are sold, exchanged, collected or otherwise disposed of or dealt with.

(b) Unless otherwise defined or stated, the following terms have the following meanings:

- (i) "Collateral" has the meaning given to it in Section 2(a).
- (ii) "Contracts" means all contracts, undertakings, or agreements (other than rights evidenced by chattel paper, securities or Instruments) in or under which Grantor

may now or hereafter have any right, title or interest, including any agreement relating to the terms of payment or the terms of performance of any Account.

(iii) “Credit Agreement” has the meaning given to it in the first recital hereof.

(iv) “PPSA” means the *Personal Property Security Act* (Ontario), including the regulations thereto, provided that, to the extent that perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security as in effect in a jurisdiction of Canada other than Ontario, “PPSA” means the *Personal Property Security Act* or such other applicable legislation as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

(v) “Receiver” has the meaning given to it in Section 7.

(vi) “Security Agreement” means this agreement and all schedules and exhibits attached hereto as the same may be amended, restated, supplemented and otherwise modified from time to time.

(vii) “Security Interest” has the meaning given to it in Section 2(a).

(c) All other capitalized terms used but not otherwise defined herein have the meanings given to them in the Credit Agreement.

2. GRANT OF SECURITY INTEREST.

(a) To secure the prompt and complete payment, performance, and observance of all of its Obligations, Grantor hereby irrevocably mortgages, charges, assigns, transfers, delivers, hypothecates and pledges to Agent, for the benefit of Beneficiaries, and hereby irrevocably grants to Agent, for the benefit of Beneficiaries, a security interest (such mortgage, charge, assignment, transfer, delivery, hypothecation, pledge and security interest, collectively, the “Security Interest”) in all of its right, title and interest in, to, and under all Grantor’s present and after-acquired personal property and other assets, including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Grantor:

(i) all Accounts, claims, choses in action and demands of every nature and kind howsoever arising or secured, including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Grantor;

(ii) all Chattel Paper and Documents of Title (whether negotiable or not);

(iii) all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto);

(iv) all Inventory;

- (v) all Equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures, motor vehicles and other vehicles of whatsoever nature or kind;
- (vi) all Instruments;
- (vii) all Money and Securities;
- (viii) all present and future Contracts, contract rights and insurance claims;
- (ix) all Intellectual Property;
- (x) all Intangibles;
- (xi) all Investment Property;
- (xii) all deeds, documents, writings, papers, books of account and other books relating to or being records of any of the foregoing or by which such are or may hereafter be secured, evidenced, acknowledged or made payable; and
- (xiii) all Proceeds and renewals thereof, accretions thereto and substitutions therefor.

The foregoing property is collectively referred to as the "Collateral"; provided, however, that notwithstanding any of the other provisions set forth in this Section 2, this Security Agreement shall not constitute a grant of a security interest in any property to the extent that such grant of a security interest is (x) prohibited by any requirements of any law, rule or regulation of a Governmental Authority or requires a consent not obtained of any Governmental Authority pursuant to such requirement or (y) prohibited by, or constitutes a breach or default under or results in the termination of or requires any consent not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property; provided, further, that the exclusions set forth in clauses (x) and (y) above shall not apply to Accounts or to any other category of Collateral to the extent such requirements of law, rule or regulation or the term in such contract, license, agreement, instrument or other document or shareholder or similar agreement providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable law.

(b) Notwithstanding Section 2(a), Grantor's grant of security in "trade- marks" (as defined in the *Trade-marks Act* (Canada)) under this Security Agreement shall be limited to a grant by Grantor of a security interest in all of Grantor's right, title and interest in such trademarks.

(c) The Security Interest granted hereby shall not extend or apply to, and Collateral shall not include, the last day of the term of any lease or agreement therefor, but upon the enforcement of the Security Interest, Grantor, as applicable, shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(d) In addition, to secure the prompt and complete payment, performance and observance of its Obligations and in order to induce Canadian Lenders as aforesaid, Grantor hereby grants to Agent, for the benefit of Beneficiaries, a right of setoff against its property held by Agent or any other Beneficiary, consisting of property described above in Section 2(a) now or hereafter in the possession or custody of or in transit to Agent or any other Beneficiary, for any purpose, including safekeeping, collection or pledge, for the account of Grantor, or as to which Grantor may have any right or power.

3. AGENT'S AND OTHER BENEFICIARIES' RIGHTS; LIMITATIONS ON AGENT'S AND OTHER BENEFICIARIES' OBLIGATIONS.

(a) It is expressly agreed by Grantor that, anything herein to the contrary notwithstanding, Grantor shall remain liable under each of its Contracts and each of its Licenses to observe and perform all of the conditions and obligations to be observed and performed by it thereunder. Neither Agent nor any other Beneficiary shall have any obligation or liability under any Contract or License by reason of or arising out of this Security Agreement or the granting herein of a Security Interest thereon or the receipt by Agent or any other Beneficiary of any payment relating to any Contract or License pursuant hereto. Neither Agent nor any other Beneficiary shall be required or obligated in any manner to perform or fulfill any of the obligations of Grantor under or pursuant to any Contract or License, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Contract or License, or to present or file any claims, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(b) Agent may at any time after an Event of Default has occurred and is continuing without prior notice to Grantor, notify Account Debtors and other Persons obligated on the Collateral that Agent has a security interest therein, and that payments shall be made directly to Agent. Upon the request of Agent, following the occurrence and during the continuation of an Event of Default, Grantor shall so notify its Account Debtors and other Persons obligated on Collateral. Once any such notice has been given to any Account Debtor or other Person obligated on the Collateral, the affected Grantor shall not give any contrary instructions to such Account Debtor or other Person without Agent's prior written consent.

(c) So long as an Event of Default has occurred and is continuing, Agent may at any time in Agent's own name, in the name of a nominee of Agent or in the name of Grantor communicate (by mail, telephone, facsimile or otherwise) with Account Debtors, parties to Contracts, and obligors in respect of Instruments and/or Chattel Paper to verify with such Persons, to Agent's satisfaction, the existence, amount, terms of, and any other matter relating to, Accounts, Instruments, and/or Chattel Paper. So long as an Event of Default has occurred and is continuing, Grantor, at its own expense, shall cause the independent chartered accountants then engaged by Grantor to prepare and deliver to Agent and each other Beneficiary at any time and from time to time promptly upon Agent's request the following reports with respect to Grantor: (i) a reconciliation of all Accounts; (ii) an aging of all Accounts; (iii) trial balances; and (iv) a test verification of such Accounts as Agent may request. Grantor, at its own expense, shall deliver to Agent the results of each physical verification, if any, which Grantor may in its

discretion have made, or caused any other Person to have made on its behalf, of all or any portion of its Inventory.

4. REPRESENTATIONS AND WARRANTIES. Grantor represents and warrants that as of the Closing Date:

(a) Grantor has rights in and the corporate power to transfer each item of its Collateral upon which it purports to grant a Security Interest hereunder free and clear of any and all Liens other than Permitted Encumbrances.

(b) No effective security agreement, financing statement or equivalent security or Lien instrument covering all or any part of its Collateral is on file or of record in any public recording or registration office, except such as may have been filed (i) by Grantor or Agent in favor of Agent pursuant to this Security Agreement or the other Loan Documents, or (ii) in connection with any other Permitted Encumbrances.

(c) This Security Agreement is effective to create a valid and continuing Security Interest in favour of Agent, for the benefit of Beneficiaries, on the Collateral of Grantor, and such Security Interest has been perfected to the extent that a Security Interest may be perfected by filing financing statements pursuant to the PPSA, which financing statements are set out in Schedule I. The Security Interest is prior to all other Liens, except Permitted Encumbrances that would be prior to the Security Interest in favor of Agent for the benefit of Beneficiaries solely by operation of law (in contrast with Liens granted by Grantor in respect of which a public registration or filing is made), and is enforceable as such as against any and all creditors of and purchasers from Grantor (other than purchasers and lessees of Inventory in the ordinary course of business), except as enforcement may be limited by bankruptcy, insolvency, or similar laws relating to the enforcement of creditors' rights generally and by equitable principles. All action by Grantor necessary or desirable to protect and perfect the Security Interest on each item of its Collateral has been duly taken.

(d) Schedule II hereto lists all Instruments and Chattel Paper of Grantor. All action by Grantor necessary to protect and perfect the Security Interest of Agent on each item set forth on Schedule II (including the delivery of all originals thereof to Agent and the legendging of all Chattel Paper and Instruments as required by Section 5(b) hereof) has been duly taken. The Security Interest of Agent, for the benefit of Beneficiaries, on the Collateral of Grantor listed on Schedule II hereto is prior to all other Liens, except Permitted Encumbrances that would be prior to the Security Interest in favor of Agent solely by operation of law (in contrast with Liens granted by Grantor in respect of which a public registration or filing is made), and is enforceable as such against any and all creditors of and purchasers from Grantor, except as enforcement may be limited by bankruptcy, insolvency or similar laws relating to the enforcement of creditors' rights generally and by equitable principles.

(e) Grantor's correct incorporated name is set forth on Schedule III and there is no French language version of its incorporated name. Grantor's jurisdiction of incorporation, chief executive office, principal place of business, registered office according to its constating documents, corporate offices, all warehouses and premises where Grantor's Collateral is stored

or located, and the locations of its books and records concerning such Collateral are set forth on Schedule III hereto.

(f) With respect to any and all Accounts now owned or hereafter acquired by Grantor, (i) they represent *bona fide* rendering of services to Account Debtors in the ordinary course of Grantor's business and are not evidenced by a judgment, Instrument or Chattel Paper; (ii) other than in the ordinary course of business, to Grantor's knowledge, there are no setoffs, claims or disputes existing or asserted with respect thereto and Grantor has made no agreement with any Account Debtor for any extension of time for the payment thereof, any compromise or settlement for less than the full amount thereof, any release of any Account Debtor from liability therefor, or any deduction therefrom; (iii) other than in the ordinary course of business, to Grantor's knowledge, there are no facts, events or occurrences which in any way impair the validity or enforceability thereof or could reasonably be expected to reduce the amount payable thereunder as shown on Grantor's books and records and any invoices, statements or other information delivered to Agent and other Beneficiaries with respect thereto; and (iv) Grantor has received no written notice of proceedings or actions which are threatened or pending against any Account Debtor which would reasonably be expected to result in any material adverse change in such Account Debtor's financial condition or otherwise that any Account Debtor is unable generally to pay its accounts as they become due.

(g) Grantor has no interest in, or title to, any owned federally registered Patent, Trademark, Design or Copyright subject to a registration or application for a registration, except as set forth in Schedule IV hereto. This Agreement is effective to create a valid and continuing Lien in favour of Agent, for the benefit of Beneficiaries, on Grantor's Patents, Trademarks, Designs and Copyrights and, upon the filing of the financing statements referred to in Section 4(c), and the recording of this Security Agreement in the Canadian Intellectual Property Office, all actions necessary or desirable to perfect or protect Agent's and other Beneficiaries' interests on Grantor's Patents, Trademarks, Designs and Copyrights will have been duly taken.

5. COVENANTS. Grantor covenants and agrees with Agent, for the benefit of Beneficiaries, that from and after the date of this Security Agreement and until the Termination Date:

(a) Further Assurances; Pledge of Instruments; Chattel Paper.

(i) At any time and from time to time, upon the reasonable written request of Agent and at the sole expense of Grantor, Grantor shall promptly and duly execute and deliver any and all such further instruments and documents (including titles of indebtedness, pledges thereof, and deeds of hypothec with respect to Collateral located in the Province of Quebec) and take such further actions as Agent may deem reasonably necessary to obtain the full benefits of this Security Agreement and of the rights and powers herein granted, including (A) using its commercially reasonable efforts to secure all consents and approvals necessary for the assignment to or for the benefit of Agent of any License or Contract held by Grantor and to enforce the Security Interest granted hereunder and thereunder; and (B) filing any financing or financing change statements under applicable law with respect to the Liens granted hereunder or under any other Loan Document to which Grantor is a party.

(ii) Unless Agent shall otherwise consent in writing (which consent may be revoked), Grantor shall deliver to Agent all Collateral consisting of negotiable Documents of Title, certificated Securities, Chattel Paper and Instruments (in each case, accompanied by share transfer powers, allonges or other instruments of transfer executed in blank and directors' or shareholder resolutions) promptly after Grantor receives the same.

(iii) In accordance with the Credit Agreement, Grantor shall obtain a Control Agreement with each bank or financial institution holding a Deposit Account (other than payroll and petty cash accounts) for Grantor (it being understood that Agent shall not exercise any rights under such agreements with respect to Grantor's Collateral unless an Event of Default shall have occurred and be continuing).

(iv) If Grantor is or becomes the beneficiary of a letter of credit, Grantor shall promptly, and in any event within five (5) Business Days after becoming a beneficiary, notify Agent thereof and, if requested by Agent, use commercially reasonable efforts to enter into a tri-party agreement with Agent and the issuer and/or confirmation bank with respect to letter-of-credit rights assigning such letter-of-credit rights to Agent and directing all payments thereunder to the accounts subject to a tri-party pledged account agreement in favour of Agent, all in form and substance reasonably satisfactory to Agent.

(v) Grantor hereby authorizes Agent, for the benefit of Beneficiaries, to file at any appropriate filing or registration office any such financing statements or financing change statements (or applicable similar instruments) without the signature of Grantor to the extent permitted by applicable law, and to do such acts, matters and things (including completing and adding schedules hereto identifying Collateral of Grantor or any Permitted Encumbrances affecting such Collateral or identifying the locations at which Grantor's business is carried on and its Collateral and records relating thereto are situate) as Agent may reasonably deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral of Grantor and, following an Event of Default that has occurred and is continuing, to realize upon the Security Interest.

(b) Maintenance of Records. Grantor shall keep and maintain in all material respects, at its own cost and expense, satisfactory and complete records of Grantor's Collateral, including a record of any and all payments received and any and all credits granted with respect to the such Collateral and all other dealings with such Collateral. If Grantor retains possession of any Chattel Paper or Instruments with Agent's consent, such Chattel Paper and Instruments shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interest of Freeport Financial LLC, as Agent, for the benefit of Beneficiaries."

(c) Covenants Regarding Intellectual Property Collateral.

(i) Grantor shall provide a report to Agent each calendar quarter in which it notifies Agent if it knows that any application or registration relating to any material registered Patent, Trademark, Design or Copyright (now or hereafter existing) it owns is reasonably expected to become abandoned or dedicated to the public domain, or of any

material adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the Canadian Intellectual Property Office, the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding Grantor's ownership of any such Patent, Trademark, Design or Copyright, its right to register the same, or to keep and maintain the same, other than registrations and applications abandoned in the ordinary course of business.

(ii) Grantor shall provide a report to Agent each calendar quarter in which it notifies Agent if either itself or through any agent, employee, licensee or designee, filed an application for the registration of any material Patent, Trademark, Design or Copyright with the Canadian Intellectual Property Office, the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency, and, upon request of Agent, Grantor shall execute and deliver any and all intellectual property security agreements as Agent may reasonably request to evidence Agent's Lien on such Patent, Trademark, Design or Copyright, and the Intangibles of Grantor relating thereto or represented thereby.

(iii) Grantor shall take all actions necessary or reasonably requested by Agent to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each of Grantor's material Patents, Trademarks, Designs and Copyrights (now or hereafter existing), including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings, unless Grantor shall determine that such Patent, Trademark, Design or Copyright is not material to the conduct of its business.

(iv) In the event that Grantor becomes aware that any of its material Patent, Trademark, Design or Copyright Collateral is infringed upon in any material respect, or misappropriated or diluted by a third party, Grantor shall notify Agent promptly and, in any event, within ten (10) Business Days after Grantor so becomes aware. Grantor shall, unless it shall reasonably determine that such Patent, Trademark, Design or Copyright is material to the conduct of its business or operations, after having exhausted negotiations or other attempts to resolve the dispute, take commercially reasonable actions to abate (including, if appropriate, to sue in respect of) such infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and shall take such other actions as Agent shall deem necessary under the circumstances to protect such Patent, Trademark, Design or Copyright.

(d) Indemnification. In any suit, proceeding or action brought by Agent or any other Beneficiary relating to any Collateral for any sum owing with respect thereto or to enforce any rights or claims with respect thereto, Grantor will save, indemnify and keep Agent and other Beneficiaries harmless from and against all expense (including reasonable legal fees and expenses), loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction of liability whatsoever of the Account Debtor or other Person obligated on the Collateral, arising out of a breach by Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to, or in favor of, such obligor or its successors from Grantor, except in the case of Agent or any other Beneficiary, to the extent such expense, loss, or damage is attributable to the gross negligence or wilful misconduct of Agent or

such other Beneficiary as determined by a court of competent jurisdiction. All such obligations of Grantor shall be and remain enforceable against and only against Grantor and shall not be enforceable against Agent or any other Beneficiary.

(e) Compliance with Terms of Accounts, etc. In all material respects, Grantor will perform and comply with all obligations in respect of its Collateral and all other agreements to which it is a party or by which it is bound relating to its Collateral.

(f) Limitation on Liens on Collateral. Grantor will not create, permit or suffer to exist, and Grantor will take commercially reasonable efforts to defend its Collateral against, and take such other action as is necessary to remove, any Lien on its Collateral except Permitted Encumbrances, and will use commercially reasonable efforts to defend the rights of Agent and other Beneficiaries in and to any of Grantor's rights under its Collateral against the claims and demands of all Persons whomsoever.

(g) Limitations on Disposition. Grantor will not sell, license, lease, transfer or otherwise dispose of any of its Collateral, or attempt or contract to do so except as permitted by the Credit Agreement.

(h) Further Identification of Collateral. Grantor will, if so requested by Agent, furnish to Agent, not more than quarterly, statements and schedules further identifying and describing Grantor's Collateral and such other reports in connection with such Collateral as Agent may reasonably request, all in such detail as Agent may reasonably specify.

(i) Notices. Grantor will advise Agent promptly, in reasonable detail, (i) of any Lien (other than Permitted Encumbrances) or claim made or asserted against any of its Collateral that would reasonably be expected to have a Material Adverse Effect, and (ii) of the occurrence of any other event which would have a Material Adverse Effect on the aggregate value of its Collateral or on the Liens created hereunder or under any other Loan Document.

(j) Certificates of Status. If requested by Agent, Grantor shall provide to Agent a certificate of status from its jurisdiction of incorporation not more frequently than once during each fiscal year.

(k) No Reincorporation. Grantor shall provide Agent with at least thirty (30) days prior written notice of any change in the information contained in Schedule III to keep Schedule III up to date and accurate. Without limiting the prohibitions on amalgamations and mergers involving Grantor contained in the Credit Agreement, except for amalgamations and mergers expressly permitted by the Credit Agreement, Grantor shall not continue, reincorporate, or reorganize itself under the laws of any jurisdiction other than the jurisdiction in which it is incorporated or organized as of the date hereof without the prior written consent of Agent (which consent shall not be unreasonably withheld so long as Agent has been given sufficient time and opportunity to file financing statement(s) in the jurisdiction of continuance, reincorporation, or reorganization).

(l) Terminations; Amendments Not Authorized. Grantor acknowledges that it is not authorized to file any financing change statement with respect to any financing statement that has

been filed in respect of any Collateral Document to which it is a party without the prior written consent of Agent.

(m) Release of Grantor. This Security Agreement and all obligations of Grantor hereunder and all security interests granted hereby shall be released and terminated upon the Termination Date. Upon such release and termination, all rights in and to the Collateral of Grantor shall automatically revert to Grantor, and Agent and other Beneficiaries shall return any Collateral of Grantor in their possession to Grantor or to the Person or Persons legally entitled thereto, and shall endorse, execute, deliver, record and file all instruments and documents, and do all other acts and things, reasonably required for the return of such Collateral to Grantor or to the Person or Persons legally entitled thereto, and to evidence or document the release of the ratable benefit of Agent and other Beneficiaries arising under this Security Agreement, all as reasonably requested by Grantor.

6. AGENT'S APPOINTMENT AS ATTORNEY-IN-FACT.

(i) On the Closing Date, Grantor shall execute and deliver to Agent a power of attorney (the "Power of Attorney") substantially in the form attached hereto as Exhibit A. The power of attorney granted pursuant to the Power of Attorney is a power coupled with an interest and shall be irrevocable until the Termination Date. The powers conferred on Agent, for the benefit of Beneficiaries, under the Power of Attorney are solely to protect Agent's interests (for the benefit of Beneficiaries) in the Collateral and shall not impose any duty upon Agent or any other Beneficiary to exercise any such powers.

(ii) Agent agrees that (a) except for the powers granted in clause "(h)" of the Power of Attorney, it shall not exercise any power or authority granted under the Power of Attorney unless an Event of Default has occurred and is continuing, and (b) Agent shall account for any moneys received by Agent in respect of any disposition of Collateral pursuant to the Power of Attorney; provided that neither Agent nor any other Beneficiary shall have any duty as to any Collateral except as provided herein with respect to Collateral in its possession or under its control, and Agent and other Beneficiaries shall be accountable only for amounts they actually receive as a result of the exercise of such powers.

(iii) NONE OF AGENT OR OTHER BENEFICIARIES OR THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES SHALL BE RESPONSIBLE TO GRANTOR FOR ANY ACT OR FAILURE TO ACT UNDER ANY POWER OF ATTORNEY OR OTHERWISE, EXCEPT IN RESPECT OF DAMAGES ATTRIBUTABLE TO THEIR OWN GROSS NEGLIGENCE OR WILFUL MISCONDUCT AS DETERMINED BY A COURT OF COMPETENT JURISDICTION, NOR FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES.

7. REMEDIES; RIGHTS UPON DEFAULT.

(a) If any Event of Default shall have occurred and be continuing, Agent may appoint or reappoint by instrument in writing, any Person or Persons, whether or not an officer or officers or an employee or employees of Agent, to be an interim receiver, receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her/its stead. Any such Receiver shall, so far as concerns responsibility for his/her/its acts, be deemed the agent of the applicable Grantor and not of Agent or any other Beneficiary, and neither Agent nor any other Beneficiary shall be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver or his/her/its servants, agents or employees. Subject to the provisions of the instrument appointing him/her/it, any such Receiver shall have power to take possession of Collateral of the applicable Grantor, to preserve Collateral of the applicable Grantor or its value, to carry on or consent to the carrying on of all or any part of the business of Grantor and to sell, lease, license or otherwise dispose of or consent to the sale, lease, license, or other disposition of such Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the applicable Grantor, and without charge, enter upon, use and occupy all premises owned or occupied by Grantor wherein its Collateral may be situate, maintain such Collateral upon such premises, borrow money on a secured or unsecured basis and use such Collateral directly in carrying on Grantor's business or as security for loans or advances to enable the Receiver to carry on Grantor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by Agent, all Money received from time to time by such Receiver in carrying out his/her/its appointment shall be received in trust for and be paid over to Agent. Every such Receiver may, in the discretion of Agent, be vested with all or any of the rights and powers of Agent. The identity of Receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of Agent.

(b) If any Event of Default shall have occurred and be continuing, Agent may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of Section 7(a). In addition to all other rights and remedies granted to it under this Security Agreement, the Credit Agreement, the other Loan Documents and under any other instrument or agreement securing, evidencing or relating to any of Grantor's Obligations (but subject to the terms of such instruments of agreements), if any Event of Default shall have occurred and be continuing, Agent may exercise all rights and remedies of a secured party under the PPSA.

(c) If any Event of Default shall have occurred and be continuing, Grantor agrees, at the request of Agent or any Receiver appointed by Agent, to assemble its Collateral and make it available to Agent or such Receiver at a place or places designated by Agent or such Receiver which are reasonably convenient to Agent or such Receiver and Grantor, whether at Grantor's premises or elsewhere. Agent will give Grantor such notice, if any, as may be required by the PPSA of the date, time and place of any public sale or of the time after which a private sale of Collateral is to be made. Agent shall apply the net proceeds of any collection, recovery, receipt, appropriation, realization or sale on, from, or of Collateral to Grantor's Obligations as provided in the Credit Agreement, and only after so paying over such net proceeds and payment by Agent of any other amount required by any provision of law need Agent account for the surplus, if any,

to Grantor. Grantor shall remain liable for any deficiency if the proceeds of any sale or disposition of its Collateral are insufficient to pay all of Grantor's Obligations, including any legal, consultant, and Receiver fees and other expenses incurred by Agent or any other Beneficiary to collect such deficiency.

(d) Except as otherwise specifically provided herein, Grantor hereby waives presentment, demand, protest, or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any of its Collateral (including, without limitation, any Instrument constituting its Collateral at any time held by Agent on which Grantor is in any way liable), each to the extent permitted by applicable law.

(e) To the extent that applicable law imposes duties on Agent to exercise remedies in a commercially reasonable manner, Grantor acknowledges and agrees that it is not commercially unreasonable for Agent so long as an Event of Default shall have occurred and be continuing (i) to fail to incur expenses reasonably deemed significant by Agent to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against Account Debtors or other Persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral, (iv) to exercise collection remedies against Account Debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other Persons, whether or not in the same business as Grantor, for expressions of interest in acquiring all or any portion of such Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure the Agent against risks of loss, collection or disposition of Collateral or to provide to Agent a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent deemed appropriate by Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Agent in the collection or disposition of any of the Collateral. Grantor acknowledges that the purpose of this Section 7(e) is to provide non-exhaustive indications of what actions or omissions by Agent would not be commercially unreasonable in Agent's exercise of remedies against the Collateral and that other actions or omissions by Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 7(e). Without limitation upon the foregoing, nothing contained in this Section 7(e) shall be construed to grant any rights to Grantor or to impose any duties on Agent that would not have been granted or imposed by this Security Agreement or by applicable law in the absence of this Section 7(e).

(f) Neither Agent nor any other Beneficiary shall be required to make any demand upon, or pursue or exhaust any of their rights or remedies against, Grantor, any other obligor,

guarantor, pledgor or any other Person with respect to the payment of the Obligations or to pursue or exhaust any of their rights or remedies with respect to any Collateral therefor or any direct or indirect guarantee thereof. Neither Agent nor any other Beneficiary shall be required to marshal the Collateral or any guarantee of the Obligations or to resort to the Collateral or any such guarantee in any particular order, and all of its and their rights hereunder or under any other Loan Document shall be cumulative. To the extent it may lawfully do so, Grantor absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against Agent or any other Beneficiary, any valuation, stay, appraisement, extension, redemption or similar laws and any and all rights or defenses it may have as a surety now or hereafter existing which, but for this provision, might be applicable to the sale of any Collateral of Grantor made under the judgment, order or decree of any court, or privately under the power of sale conferred by this Security Agreement, or otherwise.

(g) Agent may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Grantor, debtors of Grantor, any other Loan Party, sureties and others and with Collateral and other security as Agent may see fit without prejudice to the liability of Grantor or Agent's right to hold and realize the Security Interest. Furthermore, without limiting any other provision hereof, after and during the continuance of an Event of Default, Agent may demand, collect and sue on Collateral in either Grantor's or Agent's name, at Agent's option, and may endorse Grantor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral. Nothing herein contained shall in any way obligate Agent to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute the Obligations.

(h) Each of Agent, other Beneficiaries, and any Receiver appointed by Agent shall use reasonable care with respect to the Collateral in its possession or under its control. Beyond the safe custody thereof, neither Agent nor any other Beneficiary or any Receiver appointed by Agent shall have any other duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of Agent or such other Beneficiary or such Receiver; or any income thereon or as to the preservation of rights against third parties or any other rights pertaining thereto. To the maximum extent permitted by applicable law, Grantor waives all claims, damages, and demands against Agent or any other Beneficiary or any Receiver appointed by Agent arising out of the repossession, retention or sale of the Collateral except to the extent that such claims, damages, and demands arise out of the gross negligence or willful misconduct of Agent or any other Beneficiary or Receiver as determined by a court of competent jurisdiction.

(i) If any Event of Default shall have occurred and be continuing, Agent may require Grantor to engage a consultant or consultants of Agent's choice, or engage a consultant or consultants on behalf of Agent. Such consultants shall receive the full co-operation and support of Grantor and its officers and employees, including unrestricted access to the premises and books and records of Grantor. All reasonable fees and expenses of any such consultant shall be for the account of Grantor and shall be reimbursed or paid by Grantor upon request from Agent. Grantor hereby authorizes any such consultant to report directly to Agent and other Beneficiaries and to disclose to Agent and other Beneficiaries any and all information obtained by such consultant.

(j) Grantor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by Agent, any other Beneficiary or any Receiver appointed by Agent, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating Grantor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by Agent, any other Beneficiary or any Receiver appointed by Agent, as permitted hereby, shall be secured hereby.

8. GRANT OF LICENSE TO USE INTELLECTUAL PROPERTY-

COLLATERAL. Solely for the purpose of enabling Agent to exercise rights and remedies under Section 7 hereof (including, without limiting the terms of Section 7 hereof, in order to take possession of, hold, preserve, process, assemble, prepare for sale, market for sale, sell or otherwise dispose of Collateral) at such time as Agent shall be lawfully entitled to exercise such rights and remedies, Grantor hereby grants to Agent, for the benefit of Beneficiaries, an irrevocable, terminable (pursuant to Section 15 hereof) nonexclusive, non-transferable, non-sublicensable license to use solely during the continuance of an Event of Default, any Intellectual Property now owned or hereafter acquired by Grantor wherever such Intellectual Property may be located (exercisable without payment or royalty or other compensation to Grantor, but subject to any and all obligations to pay royalties or other compensation to any third parties under any relevant license or other agreement with any third parties with respect to any such Intellectual Property), except to the extent the foregoing license granted by Grantor to Agent, or the use of any such Intellectual Property by Agent or for the benefit of Beneficiaries, is prohibited by, or constitutes a breach or default under, or results in the termination of, or requires any consent not obtained under, any contract, license, agreement, instrument or other document related to such Intellectual Property.

9. LIMITATION ON AGENT'S AND CANADIAN TERM LENDERS' DUTY IN

RESPECT OF COLLATERAL. Agent and other Beneficiaries shall use reasonable care with respect to the Collateral in its possession or under its control. Neither Agent nor any other Beneficiary shall have any other duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of Agent or any other Beneficiary, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto.

10. REINSTATEMENT. This Security Agreement shall remain in full force and effect and continue to be effective should any petition or application be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver, interim receiver, receiver and manager, or trustee be appointed for all or any significant part of Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the applicable Grantor's Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the applicable Grantor's Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the

applicable Grantor's Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

11. **NOTICES.** Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give and serve upon any other party any communication with respect to this Security Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be addressed to the party to be notified as follows:

(a) If to Agent:

Freeport Financial LLC
500 West Madison Street, Suite 2700
Chicago, Illinois 60661
ATTN: PRACS Institute - Account Officer
Fax: (312) 281-4646

With a copy to:
Latham & Watkins LLP
233 South Wacker Drive
Suite 5800
Chicago, Illinois 60606
ATTN: Jeff Moran, Peter Knight
Fax: (312) 993-9767

(b) If to Grantor:

PRACS Institute Canada B.C. Ltd.
4801 Amber Valley Parkway,
Fargo, North Dakota 58104
ATTN: Chief Financial Officer
Fax: (701) 239-4955

(c) If to any Beneficiary (other than Agent), at the address of such Beneficiary specified in the Credit Agreement or any Assignment Agreement, or, in each case, at such other address as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Every notice, demand, request, consent, approval, declaration or other communication hereunder shall be deemed to have been validly served, given or delivered (i) upon the earlier of actual receipt and five (5) Business Days after the same shall have been deposited with Canada Post (if originating in Canada) or the United States mail (if originating in the United States), registered or certified mail, as applicable, return receipt requested, with proper postage prepaid, (ii) upon transmission, when sent by telecopy or other similar facsimile transmission (with such telecopy or facsimile promptly confirmed by delivery of a copy by personal delivery or Canada Post (if originating in Canada) or the United States mail (if originating in the United States), as otherwise

provided in this Section 11, (iii) one (1) Business Day after deposit with a reputable overnight carrier with all charges prepaid, or (iv) when delivered, if hand-delivered by messenger.

12. SEVERABILITY. Whenever possible, each provision of this Security Agreement shall be interpreted in a manner as to be effective and valid under applicable law, but if any provision of this Security Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Security Agreement. This Security Agreement is to be read, construed and applied together with the Credit Agreement and the other Loan Documents which, taken together, set forth the complete understanding and agreement of Agent, other Beneficiaries and Grantor with respect to the matters referred to herein and therein.

13. NO WAIVER; CUMULATIVE REMEDIES. Neither Agent nor any other Beneficiary shall by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by Agent and then only to the extent therein set forth. A waiver by Agent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Agent would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising on the part of Agent or any other Beneficiary, any right, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law. Save for any schedules which may be added hereto pursuant to the provisions hereof, none of the terms or provisions of this Security Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by Agent and Grantor.

14. LIMITATION BY LAW. All rights, remedies and powers provided in this Security Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Security Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they shall not render this Security Agreement invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

15. TERMINATION OF THIS SECURITY AGREEMENT. Subject to Section 10 hereof, this Security Agreement shall terminate upon the Termination Date.

16. SUCCESSORS AND ASSIGNS. This Security Agreement and all obligations of Grantor hereunder shall be binding upon the successors and assigns of Grantor (including any debtor-in-possession on behalf of Grantor) and shall, together with the rights and remedies of Agent hereunder, for the benefit Beneficiaries, inure to the benefit of Agent and other Beneficiaries, all future holders of any instrument evidencing any of the Canadian Obligations and their respective successors and assigns. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Canadian Obligations or any portion thereof or interest therein shall in any manner impair the

Security Interest granted to Agent hereunder, for the benefit of Beneficiaries. No Grantor may assign, sell, hypothecate or otherwise transfer any interest in or obligation under this Security Agreement.

17. **COUNTERPARTS.** This Security Agreement may be executed in any number of separate counterparts, and such counterparts shall collectively constitute one agreement. This Security Agreement may be authenticated by manual signature, facsimile or, if approved in writing by Agent, electronic means, all of which shall be equally valid.

18. **GOVERNING LAW.**

(a) THIS SECURITY AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ONTARIO APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT PROVINCE AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN IN EFFECT FROM TIME TO TIME WITHOUT PREJUDICE TO OR LIMITATION OF ANY OTHER RIGHTS OR REMEDIES AVAILABLE UNDER THE LAWS OF ANY JURISDICTION WHERE PROPERTY OR ASSETS OF GRANTOR MAY BE FOUND.

(b) GRANTOR HEREBY CONSENTS AND AGREES THAT THE COURTS OF THE PROVINCE OF ONTARIO SHALL HAVE NON-EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN GRANTOR, AGENT, AND ANY OTHER BENEFICIARY PERTAINING TO THIS SECURITY AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT. NOTHING IN THIS SECURITY AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE AGENT FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOUR OF AGENT. GRANTOR EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND GRANTOR HEREBY WAIVES ANY OBJECTION WHICH IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. GRANTOR HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL (RETURN RECEIPT REQUESTED) ADDRESSED TO GRANTOR AT THE ADDRESS SET FORTH IN SECTION 11 OF THIS AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF GRANTOR'S ACTUAL RECEIPT THEREOF OR FIVE (5) DAYS AFTER THE SAME HAS BEEN POSTED.

19. **WAIVER OF JURY TRIAL.** BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY

AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE PROVINCIAL AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT DISPUTES ARISING HEREUNDER OR RELATING HERETO BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, AMONG AGENT, ANY OTHER BENEFICIARIES, AND ANY GRANTOR ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED IN CONNECTION WITH, THIS SECURITY AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO.

20. SECTION TITLES. The Section titles contained in this Security Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

21. NO STRICT CONSTRUCTION. The parties hereto have participated jointly in the negotiation and drafting of this Security Agreement. In the event an ambiguity or question of intent or interpretation arises, this Security Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Security Agreement.

22. ADVICE OF COUNSEL. Each of the parties represents to each other party hereto that it has discussed this Security Agreement and, specifically, the provisions of Section 18 and Section 19, with its counsel.

23. BENEFIT OF BENEFICIARIES. All Liens granted or contemplated hereby shall be for the benefit of Agent, individually, and the other Beneficiaries, and all proceeds or payments realized from Collateral of Grantor in accordance herewith shall be applied to Grantor's Obligations in accordance with the terms of the Credit Agreement.

24. WAIVER. To the extent permitted by applicable law, Grantor waives Grantor's right to receive a copy of any financing statement or financing change statement registered by Agent, or of any verification statement with respect to any financing statement or financing change statement registered by Agent.

25. COPY OF SECURITY AGREEMENT. Grantor hereby acknowledges receipt of a copy of this Security Agreement.

26. ATTACHMENT. Grantor and Agent hereby acknowledge that (1) value has been given (2) Grantor has rights in the Collateral and, to the extent that Grantor does not acquire rights or interests in any of the Collateral until after the execution and delivery of this Security Agreement, the Security Interest created hereby shall attach to such Collateral at the time Grantor acquires rights or interests therein and (3) this Security Agreement constitutes a "security agreement" as that term is defined in the PPSA.

27. **AMALGAMATION.** Grantor acknowledges and agrees that, in the event it amalgamates with any other company or companies, it is the intention of the parties hereto that the term "Grantor", when used herein, shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:

(a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and

(b) shall secure all "Obligations" of each of the amalgamating companies and the amalgamated company to Agent and other Beneficiaries at the time of amalgamation and all "Obligations" of the amalgamated company to Agent and other Beneficiaries thereafter arising. The Security Interest shall attach to all "Collateral" owned by each company amalgamating with Grantor, and by the amalgamated company, at the time of the amalgamation, and shall attach to all "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

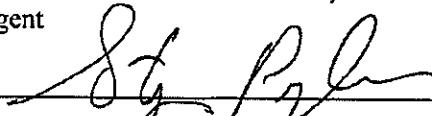
PRACS INSTITUTE CANADA B.C. LTD.

By: Mark Ubert

Name: Mark Ubert

Title: Chief Financial Officer

FREEPORT FINANCIAL LLC,
as Agent

By: 

Name: STEPHEN PAPALA

Title: AUTHORIZED SIGNATOR

EXHIBIT A
POWER OF ATTORNEY

This Power of Attorney is executed and delivered by **PRACS INSTITUTE CANADA B.C. LTD.**, a British Columbia corporation ("Grantor") to Freeport Financial LLC (together with its successors and assigns, hereinafter referred to as "Attorney"), as Agent for itself and the benefit of Beneficiaries, under (i) a Credit Agreement between, *inter alia*, CRSI Holdings, LLC, a Delaware limited liability company, Grantor and Attorney and (ii) a Security Agreement between, *inter alia*, Grantor and Attorney ("Security Agreement"), both dated as of the date hereof, and other related documents (the "Loan Documents"). No person to whom this Power of Attorney is presented, as authority for Attorney to take any action or actions contemplated hereby, shall be required to inquire into or seek continuation from Grantor as to the authority of Attorney to take any action described below, or as to the existence of or fulfillment of any condition to this Power of Attorney, which is intended to grant to Attorney unconditionally the authority to take and perform the actions contemplated herein, and Grantor irrevocable waives any right to commence any suit or action, in law or equity, against any person or entity which acts in reliance upon or acknowledges the authority granted under this Power of Attorney. The power of attorney granted hereby is coupled with an interest, and may not be revoked or canceled by Grantor without Attorney's written consent. Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Security Agreement.

Grantor hereby irrevocably constitutes and appoints Attorney (and all officers, employees or agents designated by Attorney), with full power of substitution, as Grantor's true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Grantor and in the name of Grantor or in its own name, from time to time in Attorney's discretion, to take any and all appropriate action and to execute and deliver any and all documents and instruments which may be necessary to accomplish the purposes of the Loan Documents and, without limiting the generality of the foregoing, Grantor hereby grants to Attorney the power and right, on behalf of Grantor, without notice to or assent by Grantor, and subject to the terms of the Security Agreement at any time, to do the following: (a) change the mailing address of Grantor, open a post office box on behalf of Grantor, open mail for Grantor, and ask, demand, collect, give acquittances and receipts for, take possession of, endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, and notices in connection with any property of Grantor; (b) effect any repairs to any asset of Grantor, or continue to obtain any insurance and pay all or any part of the premiums therefor and costs thereof, and make, settle and adjust all claims under such policies of insurance, and make all determinations and decisions with respect to such policies; (c) pay or discharge any taxes, liens, security interests, or other encumbrances levied or placed on or threatened against Grantor or its property; (d) defend any suit, action or proceeding brought against Grantor if Grantor does not defend such suit, action or proceeding or if Attorney reasonably believes that Grantor is not pursuing such defense in a manner that will maximize the recovery to Attorney, and settle, compromise or adjust any suit, action, or proceeding described above and, in connection therewith, give such discharges or releases as Attorney may deem reasonably appropriate; (e) file or prosecute any claim, litigation, suit or proceeding in any court of competent jurisdiction or before any arbitrator, or take any other action otherwise deemed appropriate by Attorney for the purpose of collecting any and all such moneys due to Grantor

whenever payable and to enforce any other right in respect of Grantor's property; (f) cause the chartered accountants then engaged by Grantor to prepare and deliver to Attorney at any time and from time to time, promptly upon Attorney's request, the following reports: (1) a reconciliation of all accounts; (2) an aging of all accounts, (3) trial balances, (4) test verifications of such accounts as Attorney may request, and (5) the results of each physical verification of inventory if any; (g) communicate in its own name with any party to any Contract with regard to the assignment of the right, title and interest of Grantor in and under the Contracts and other matters relating thereto; (h) to file such financing statements with respect to the Security Agreement, with or without Grantor's signature, or to file a photocopy of the Security Agreement in substitution for a financing statement, as the Agent may deem appropriate and to execute in Grantor's name such financing statements and financing change statements which may require Grantor's signature; and (i) execute, in connection with any sale provided for in any Loan Document, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral and to otherwise direct such sale or resale, all as though Attorney were the absolute owner of the property of Grantor for all purposes, and to do, at Attorney's option and Grantor's expense, at any time or from time to time, all acts and other things that Attorney reasonably deems necessary to perfect, preserve, or realize upon Grantor's property or assets and Attorney's Liens thereon, all as fully and effectively as Grantor might do. Grantor hereby ratifies, to the extent permitted by law, all that said Attorney shall lawfully do or cause to be done by virtue hereof.

THIS POWER OF ATTORNEY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ONTARIO APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT PROVINCE.

IN WITNESS WHEREOF, this Power of Attorney is executed by Grantor pursuant to the authority of its board of directors this _____ day of _____, _____.

PRACS INSTITUTE CANADA B.C. LTD.,

By: _____

Name: _____

Title: _____

SCHEDULE I
FINANCING STATEMENTS

Jurisdiction	Secured Party	Debtor	Reference File No. & Registration No.	Expiry
Ontario	Freeport Financial LLC	PRACS Institute Canada B.C. Ltd.	679072698 - 20120611 1028 1590 2369	June 11, 2017
British Columbia	Freeport Financial LLC	PRACS Institute Canada B.C. Ltd.	787729G	June 11, 2017

SCHEDULE II
INSTRUMENTS AND CHATTEL PAPER

None.

SCHEDULE III

NAME; JURISDICTION OF INCORPORATION; CHIEF EXECUTIVE OFFICE; PRINCIPAL PLACE OF BUSINESS; REGISTERED OFFICE AND CORPORATE OFFICES; LOCATIONS OF ASSETS

Incorporated Name	Jurisdiction of Incorporation	Chief Executive Office	Principal Place of Business	Registered Office	Corporate Offices	Locations of Assets	Locations of Books and Records
PRACS INSTITUTE CANADA B.C. LTD.	British Columbia	4801 Amber Valley Parkway, Fargo, ND 58104	1290 Ellesmere Rd., Toronto, Ontario M1P 2X9	1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, BC, V6E 4N7	4801 Amber Valley Parkway, Fargo, ND 58104 1290 Ellesmere Rd., Toronto, Ontario M1P 2X9 4520 Dixie Rd., Mississauga, Ontario L4W 1N2 4540 Dixie Rd., Unit C, Mississauga, Ontario L4W 1N2 4500 Dixie Rd., Mississauga, Ontario L4W 1N2 1310 Fewster Dr., Mississauga, Ontario L4W 1N2	Ontario	1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, BC, V6E 4N7 4801 Amber Valley Parkway, Fargo, ND 58104 1290 Ellesmere Rd., Toronto, Ontario M1P 2X9

SCHEDULE IV

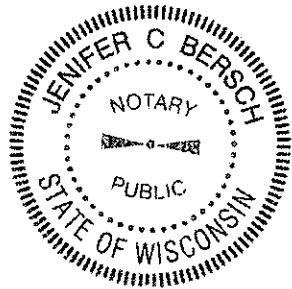
PATENTS; TRADEMARKS; DESIGNS; COPYRIGHTS

None.

TAB 4

This is Exhibit "4" referred to in the
Affidavit of Anthony Marino
Sworn before me, this 22nd day of
March, 2013.

Jenifer C. Bersch
A Commissioner for Taking Affidavits
Notary Public, State of Wisconsin



Personal Property Registry

For: [PZ69191] [MCMILLAN LLP]

Selection List

Mar 21, 2013

02:16:33 PM

Folio: 204850

Business Name: PRACS
INSTITUTE CANADA BC LTD

→ **Exact Matches: 1**

Local Print Limit: 200

BSR101 - NO MORE INFORMATION TO DISPLAY

Debtor Name

→ PRACS INSTITUTE CANADA BC LTD

PPRS_Search_Result (4)

Page: 1

Lterm: XPSP0050 BC OnLine: PPRS SEARCH RESULT 2013/03/21
For: PZ69191 MCMILLAN LLP 14:16:56

Index: BUSINESS DEBTOR

Search Criteria: PRACS INSTITUTE CANADA BC LTD

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUN 11, 2012 Reg. Length: 5 YEARS
Reg. Time: 09:38:52 Expiry Date: JUN 11, 2017
Base Reg. #: 787729G Control #: D1220968

Block#

S0001 Secured Party: FREEPORT FINANCIAL LLC
500 W. MADISON ST., SUITE 1710
CHICAGO IL 60661

General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.
THE DEBTOR'S FULL MAILING ADDRESS IS:
1500 ROYAL CENTRE,
1055 WEST GEORGIA STREET,
VANCOUVER, BRITISH COLUMBIA V6E 4N7

Registering

Party: MCMILLAN LLP
BOX 11117, 1500 1055 W. GEORGIA
VANCOUVER BC V6E 4N7

Some, but not all, tax liens and other Crown claims are registered at the Personal Property Registry (PPR) and if registered, will be displayed on this search result. **HOWEVER**, it is possible that a particular chattel is subject to a Crown claim that is not registered at the PPR. Please consult the Miscellaneous Registrations Act, 1992 for more details. If you are concerned that a particular chattel may be subject to a Crown claim not registered at the PPR, please consult the agency administering the type of Crown claim.



**PERSONAL PROPERTY SECURITY
REGISTRATION SYSTEM (ONTARIO)
ENQUIRY RESULTS**

Prepared for : MCMILLAN LLP (SW)
Reference :
Docket : 204850
Search ID : 483365
Date Processed : 3/21/2013 3:57:30 PM
Report Type : PPSA Electronic Response
Search Conducted on : PRACS INSTITUTE CANADA B.C. LTD.
Search Type : Business Debtor

DISCLAIMER :

This report has been generated using data provided by the Personal Property Registration Branch, Ministry of Government Services, Government of Ontario. No liability is undertaken regarding its correctness, completeness, or the interpretation and use that are made of it.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PRACS INSTITUTE CANADA B.C. LTD.

FILE CURRENCY: March 20, 2013

RESPONSE CONTAINS: APPROXIMATELY 1 FAMILIES and 2 PAGES.

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS
WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME
IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE
OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT
ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: PRACS INSTITUTE CANADA B.C. LTD.
FILE CURRENCY: March 20, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 1 ENQUIRY PAGE : 1 OF 2

SEARCH : BD : PRACS INSTITUTE CANADA B.C. LTD.

00 FILE NUMBER : 679072698 EXPIRY DATE : 11JUN 2017 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20120611 1028 1590 2369 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: PRACS INSTITUTE CANADA B.C. LTD.
OCN :
04 ADDRESS : 1500 ROYAL CENTRE, 1055 WEST GEORGIA
CITY : VANCOUVER PROV: BC POSTAL CODE: V6E 4N7
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

FREEPORT FINANCIAL LLC

09 ADDRESS : 500 WEST MADISON STREET, SUITE 1710
CITY : CHICAGO, ILLINOIS PROV: USA POSTAL CODE: 60661
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: MCMILLAN LLP [RDJR/PB/00204850]

17 ADDRESS : 181 BAY ST, SUITE 4400, BROOKFIELD PLACE

CITY : TORONTO PROV: ON POSTAL CODE: M5J 2T3

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: PRACS INSTITUTE CANADA B.C. LTD.
FILE CURRENCY: March 20, 2013

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 1 ENQUIRY PAGE : 2 OF 2

SEARCH : BD : PRACS INSTITUTE CANADA B.C. LTD.

00 FILE NUMBER : 679072698 EXPIRY DATE : 11JUN 2017 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20120611 1028 1590 2369 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS : STREET
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:
LAST SCREEN

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

RUN NUMBER : 066
RUN DATE : 2013/03/07
ID : 20130307102558.63

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(7533)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

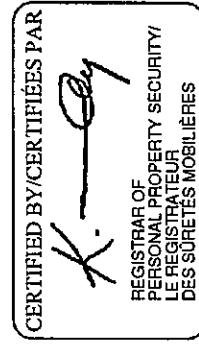
TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : PRACS INSTITUTE CANADA B.C. LTD.

FILE CURRENCY : 06MAR 2013

ENQUIRY NUMBER 20130307102558.63 CONTAINS 4 PAGE(S), 1 FAMILY (IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.



MCMILLAN LLP - CHRIS GARRAH
4400 - 181 BAY STREET, BROOKFIELD PLACE
TORONTO ON M5J 2T3

CONTINUED... .



RUN NUMBER : 066
RUN DATE : 2013/03/07
FILE CURRENCY : 06MAR 2013

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(7534)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : PRACS INSTITUTE CANADA B.C. LTD.
FILE CURRENCY : 06MAR 2013

Form 10 FINANCING STATEMENT / CLAIM FOR LBN

FILE NUMBER
679072698

CAUTION FILING NO.	PAGE NO. OF PAGES	TOTAL SCHEDULE	MOTOR VEHICLE NUMBER	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	2	20120611 1028 1590 2369	P	PPSA	5
02 DEBTOR NAME	DATE OF BIRTH	PRINCIPAL GIVEN NAME	INITIAL	SURNAME		
03	BUSINESS NAME	PRACS INSTITUTE CANADA B.C. LTD.			ONTARIO CORPORATION NO.	
04	ADDRESS	1500 ROYAL CENTRE, 1055 WEST GEORGIA			BC	V6E 4N7
05 DEBTOR NAME	DATE OF BIRTH	PRINCIPAL GIVEN NAME	INITIAL	SURNAME		
06	BUSINESS NAME				ONTARIO CORPORATION NO.	
07	ADDRESS					
08 SECURED PARTY / LBN CLAIMANT	ADDRESS	FREEPORT FINANCIAL LLC				
09		500 WEST MADISON STREET, SUITE 1710			CHICAGO, ILLINOIS	USA 60661
COLLATERAL CLASSIFICATION		AMOUNT	DATE OF MATURED	NO FIXED Maturity OR Maturity DATE		
10 CONSUMER GOODS	INVENTORY, EQUIPMENT, ACCOUNTS OTHER INCLUDED	X	X	X		
11 MOTOR VEHICLE	YEAR	MAKE	MODEL			
12						
13 GENERAL COLLATERAL						
14						
15 DESCRIPTION						
16 REGISTERING AGENT	ADDRESS	MCMILLIAN LLP (RDJR/PB/00204850)			ON	M5J 2T3
17		181 BAY ST, SUITE 4400, BROOKFIELD PLACE	TORONTO			
*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY: ***						
CONTINUED... 3						

CERTIFIED BY/CERTIFIÉES PAR
K. Jay
REGISTRAR OF
PERSONAL PROPERTY SECURITY
LE REGISTRATEUR
DES BIEN MOBILIERS
(effet 11/2008)


Ontario

RUN NUMBER : 066
RUN DATE : 2013/03/07
ID : 20130307102558.63

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 4
(7536)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : PRACS INSTITUTE CANADA B.C. LTD.
FILE CURRENCY : 06MAR 2013

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER REGISTRATION NUMBER REGISTRATION NUMBER REGISTRATION NUMBER

679072698 20120611 1028 1590 2369

CERTIFIED BY/CERTIFIÉES PAR
K. Oy
REGISTRAR OF
PERSONAL PROPERTY SECURITY
LE REGISTRATEUR
DES BIENES MOBILIERS
(eff 11/2008)

1 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



TAB C

DRAFT

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) FRIDAY, THE 22nd DAY
)
JUSTICE WILTON-SIEGEL) OF MARCH, 2013

B E T W E E N :

FREEPORT FINANCIAL LLC

Applicant

- and -

PRACS INSTITUTE CANADA B.C. LTD.

Respondents

APPLICATION UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*, RSO 1990, c C43, AS AMENDED and SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED

ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing PricewaterhouseCoopers Inc. ("PwC") as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and property of PRACS Institute Canada B.C. LTD. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Anthony Marino sworn March 22, 2013 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and Respondent, and on reading the consent of PwC to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and Application Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, PwC is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to file an assignment in bankruptcy or to consent to the making of a Bankruptcy Order under the BIA against the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on

whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

4. THIS COURT ORDERS that the Receiver shall not manage, operate, or carry on the business of the Debtor.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use

of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall be deemed to be terminated immediately upon the appointment of the Receiver. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all

other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the

"Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

GENERAL

25. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

26. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

27. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

28. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

29. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

30. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the _____ day of _____, 20____ (the "Order") made in an action having Court file number _____-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

[RECEIVER'S NAME], solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

TAB D

DRAFT

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) FRIDAY, THE 22nd DAY
)
JUSTICE WILTON-SIEGEL) OF MARCH, 2013

B E T W E E N :

FREEPORT FINANCIAL LLC
Applicant
- and -

PRACS INSTITUTE CANADA B.C. LTD.
Respondents

APPLICATION UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*, RSO 1990, c C43, AS AMENDED and SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED

ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing PricewaterhouseCoopers Inc. ("PwC") as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and property of PRACS Institute Canada B.C. LTD. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Anthony Marino sworn March 22, 2013 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and Respondent, and on reading the consent of PwC to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and Application Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, PwC is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (b)(c) to file an assignment in bankruptcy or to consent to the making of a Bankruptcy Order under the BIA against the Debtor;
- (e) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary

~~course of business, cease to carry on all or any part of the business, or
cease to perform any contracts of the Debtor;~~

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~for section 31 of the Ontario Mortgages Act, as the case may be,~~ shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

4. THIS COURT ORDERS that the Receiver shall not manage, operate, or carry on the business of the Debtor.

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DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4.5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5.6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6.7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7.8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8.9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9.10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10.11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11.12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including

without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12.13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13.14. THIS COURT ORDERS that all employees of the Debtor shall be deemed to be terminated immediately upon the appointment of the Receiver remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14.15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15.16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16.17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17.18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18.19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19.20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20.21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21.22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22.23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23.24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

GENERAL

24.25. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

25.26. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26.27. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

27.28. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

28.29. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

29.30. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of ____, 20____ (the "Order") made in an action having Court file number ____-CL-____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20 ____.

[RECEIVER'S NAME], solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

TAB E

IN THE MATTER OF THE RECEIVERSHIP OF
PRACS INSTITUTE CANADA B.C. LTD.
OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO

PRICEWATERHOUSE COOPERS INC., hereby consents to act as Receiver of PRACS Institute Canada B.C. Ltd.

PricewaterhouseCoopers Inc.
Per:

March 22, 2013

Michelle Pickett
Vice-President

FREEPORT FINANCIAL LLC
Applicant and Respondent

Court File No:

PRACS Institute Canada B.C. Ltd.

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST

Proceeding commenced at Toronto

APPLICATION RECORD

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