

CIT BUSINESS CREDIT CANADA INC.

as ABL Agent

and

1685970 ONTARIO INC.

as Term Agent

and

**BNY TRUST COMPANY OF CANADA AND
THE BANK OF NEW YORK**

as Secured Notes Trustees

and

STELCO INC.

as Borrower

and

CERTAIN SUBSIDIARIES OF STELCO

as Guarantors

INTER-CREDITOR AGREEMENT

March 31, 2006

STIKEMAN ELLIOTT LLP

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ADDENDA

SCHEDULE “A” AGREEMENT TO BE BOUND

INTER-CREDITOR AGREEMENT

THIS INTER-CREDITOR AGREEMENT, dated as of the 31st day of March, 2006, by and among CIT Business Credit Canada Inc., in its capacity as administrative agent for itself and the lenders from time to time party to the ABL Credit Agreement (as hereinafter defined) (the “**ABL Agent**”), 1685970 Ontario Inc. in its capacity as agent for itself and the lenders from time to time party to the Term Credit Agreement (as hereinafter defined) (the “**Term Agent**”), BNY Trust Company of Canada (the “**Canadian Trustee**”) and The Bank of New York (the “**U.S. Trustee**”, and together with the Canadian Trustee, the “**Secured Notes Trustees**”), as co-trustees under the Secured Notes Trust Indenture (as hereinafter defined) (collectively, the “**Secured Notes Trustees**”), Stelco Inc., as borrower (the “**Borrower**”), Hamilton Steel Limited Partnership, Hamilton Steel GP Inc., Lake Erie Steel Limited Partnership, Lake Erie Steel GP Inc., Hamilton Coke Limited Partnership, Hamilton Coke GP Inc., Lake Erie Coke Limited Partnership, Lake Erie Coke GP Inc., HMLTN Energy Limited Partnership, HMLTN Energy GP Inc., Lake Erie Energy Limited Partnership, Lake Erie Energy GP Inc., HLE Mining Limited Partnership, HLE Mining GP Inc., Hamilton Land Limited Partnership, Hamilton Land GP Inc., Lake Erie Land Limited Partnership, Lake Erie Land GP Inc., CHT Steel Company Inc., 6076483 Canada Inc., Welland Pipe Ltd., 6076475 Canada Inc., Stelpipe Ltd., Stelcam Holdings Inc., Camrose Tubes Limited, Commercial Distribution Services, Inc., Stelco Holding Company, Ontario Hibbing Company, Stelco Coal Company, Chisholm Coal Company, Ontario Eveleth Company, Stelco Erie Corporation, Kanawha Coal Company, Ontario Coal Company, Ontario Tilden Company and Stelco USA, Inc. (collectively, the “**Guarantors**”).

RECITALS:

- (a) The Borrower has entered into a credit agreement dated as of March 31, 2006 (as the same may be amended, amended and restated, renewed, extended, altered, restructured, supplemented, modified and/or replaced from time to time, the “**ABL Credit Agreement**”) with the ABL Agent and the ABL Lenders (as hereinafter defined) pursuant to which the ABL Lenders have made available to the Borrower a revolving credit facility in a maximum amount of \$600,000,000, plus Protective Advances (as hereinafter defined);
- (b) The ABL Agent has obtained a Lien (as hereinafter defined) over all of the assets, property and undertaking of the Credit Parties;
- (c) The Borrower has entered into a credit agreement dated as of March 31, 2006 (as the same may be amended, amended and restated, renewed, extended, altered, restructured, supplemented, modified and/or replaced from time to time, the “**Term Credit Agreement**”) with the Term Agent and the Term Credit Lenders (as hereinafter defined)

pursuant to which the Term Credit Lenders have made available to the Borrower a revolving term credit facility in a maximum amount not to exceed \$375,000,000 (plus any Term Credit Capitalized Interest Payments (as hereinafter defined));

- (d) The Term Agent has obtained a Lien over all of the assets, property and undertaking of the Credit Parties;
- (e) The Borrower and the Secured Notes Trustees have entered into a trust indenture (the "**Platform Trust Indenture**") and a first supplemental trust indenture (the "**Supplemental Trust Indenture**") (each as the same may be amended, amended and restated, renewed, extended, altered, restructured, supplemented, modified and/or replaced from time to time, collectively the "**Secured Notes Trust Indenture**") each dated as of March 31, 2006 providing for the issuance of the Secured Notes (as hereinafter defined) by the Borrower in an aggregate principal amount of up to the United States Dollar equivalent of \$275,000,000 (plus any Secured Notes Capitalized Interest Payments (as hereinafter defined));
- (f) The Secured Notes Trustees have obtained a Lien over all of the assets, property and undertaking of the Credit Parties;
- (g) Each of the Guarantors has granted an unconditional guarantee to each of the ABL Agent, the Term Agent and the Secured Notes Trustees of all liabilities, indebtedness and obligations of the Borrower under or in respect of the ABL Credit Documents, the Term Credit Documents and the Secured Notes Credit Documents, as the case may be (each as hereinafter defined); and
- (h) The ABL Agent, the Term Agent, the Secured Notes Trustees and the Credit Parties wish to enter into this Agreement setting forth their agreement with respect to (i) the relative priorities of the respective Liens granted to the ABL Agent, the Term Agent and the Secured Notes Trustees and the enforcement of such Liens, (ii) the right to receive payments under the ABL Credit Documents, the Term Credit Documents and the Secured Notes Credit Documents (each as hereinafter defined), and (iii) certain related matters.

In consideration of the premises and the mutual covenants and conditions herein contained, the ABL Agent, for itself and on behalf of the ABL Lenders, the Term Agent, for itself and on behalf of the Term Credit Lenders, the Secured Notes Trustees, for themselves and on behalf of the holders of the Secured Notes, and the Credit Parties, intending to be legally bound, agree as follows:

SECTION 1 DEFINITIONS

The following terms, as used herein, have the following meanings:

“**ABL Agent**” has the meaning ascribed thereto in the Recitals, its successors and assigns.

“**ABL Credit Agreement**” has the meaning ascribed thereto in the Recitals.

“**ABL Credit Documents**” means (i) the ABL Credit Agreement, (ii) the ABL Security Documents and any other “Loan Documents” as defined in the ABL Credit Agreement, and (iii) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, replace, refinance or refund in whole or in part the indebtedness and other obligations outstanding under the ABL Credit Agreement or any other agreement or instrument referred to in clause (ii) or this clause (iii).

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

“**ABL Event of Default**” means an “Event of Default” as such term is defined in the ABL Credit Agreement.

“**ABL Facility**” means the revolving credit facility established by the ABL Lenders in favour of the Borrower under the ABL Credit Documents in a maximum principal amount not to exceed \$600,000,000 (plus Protective Advances).

“**ABL Lenders**” means CIT Business Credit Canada Inc., GE Canada Finance Holding Company, any other lender who becomes a lender pursuant to the terms of the ABL Credit Agreement and their respective successors and assigns.

“**ABL Lien**” means any Lien granted or purported to be granted to any ABL Secured Party as security for any ABL Obligation.

“**ABL Obligations**” means (i) all principal of and interest and premium (if any) on all loans made pursuant to the ABL Credit Documents, (ii) all reimbursement obligations (if any) and interest thereon with respect to any letter of credit or similar instruments issued pursuant to the ABL Credit Documents, (iii) all Cash Management Obligations of any Credit Party, and (iv) all fees, costs, expenses, indemnification obligations and other amounts payable from time to time pursuant to the ABL Credit Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect

to any ABL Obligation (whether by or on behalf of any Credit Party, as proceeds of security, enforcement of any right of set-off or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to any Term Credit Secured Party, Secured Notes Secured Party, any receiver or any other Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the ABL Secured Parties, the Term Credit Secured Parties and the Secured Notes Secured Parties be deemed to be reinstated and outstanding as if such payment had not occurred.

“ABL Obligations Payment Date” means the first date on which (i) the ABL Obligations (other than those that constitute Unasserted Contingent Obligations) have been indefeasibly paid in cash in full (or cash collateralized or defeased in accordance with the terms of the ABL Credit Documents), (ii) all commitments to extend credit under the ABL Credit Documents have been terminated, and (iii) there are no outstanding letters of credit or similar instruments issued under the ABL Credit Documents (other than such as have been cash collateralized or defeased in accordance with the terms of the ABL Credit Documents).

“ABL Priority Collateral” means all present and future:

- (a) Accounts, Inventory (including any and all returned or repossessed merchandise or other goods which by sale resulted in Accounts) and Other Collateral of the Credit Parties;
- (b) books, records, ledger cards, files, correspondence, invoices, documents, papers, electronically recorded data, computer programs, tapes, disks and related software (owned by any Credit Party or in which any Credit Party has an interest, including any and all access codes in respect thereof) that at any time evidence or contain information relating to any Accounts, Inventory, Other Collateral or Policies (as defined below) of the Credit Parties or are otherwise necessary in the collection thereof or realization thereupon;
- (c) guarantees, letters of credit, letters of guarantee, encumbrances on real or personal property, leases and other agreements and property of any Person other than a Credit Party that at any time in any way secure or relate to any Accounts, Inventory, Other Collateral or Policies of the Credit Parties, or are acquired for the purpose of securing any item thereof, but only to the extent that such item(s) relate to ABL Priority Collateral and excluding any portion thereof that relates to Term Priority Collateral;

- (d) chattel paper, instruments and Documents of Title at any time evidencing or to the extent pertaining to any Accounts, Inventory, Other Collateral or Policies of the Credit Parties and all rights of any Credit Party thereunder;
- (e) policies and certificates of insurance pertaining to the items covered by clauses (a) through (d) above, including business interruption insurance relating to the Credit Parties' respective businesses and credit/receivables insurance, all policies issued by the Export Development Corporation and any other export insurer to the extent relating to the items covered by clauses (a) through (d) above, together with any and all schedules and endorsements thereto from time to time and any and all monies and other sums payable to or receivable by any Credit Party from time to time under any of the foregoing, together with any and all present and future rights and benefits of any Credit Party under and in connection with any of the foregoing and all agreements, permissions, approvals and consents from time to time granted to any Credit Party under any or in connection with any of the foregoing, and all covenants, terms, conditions, representations and warranties made or expressed therein or implied by law in relation thereto, and all rights granted to each Credit Party under any of the foregoing to make claims, enforce performance, sue for and collect amounts owing, give consents or approvals, make selections, exercise options, participate in arbitration or other legal proceedings and/or give notices and declare defaults thereunder (collectively, the "**Policies**"); and
- (f) proceeds of (a) to (e) above and all claims of any Credit Party against third parties for loss of, damage to, or destruction of, and payments due or to become due under leases, rentals and hires of, any or all of (a) to (e) above and proceeds payable under, or unearned premiums with respect to the Policies.

"ABL Priority Collateral Enforcement Request Notice" has the meaning given to the term in Section 3.1(1).

"ABL Secured Parties" means (i) the ABL Agent on behalf of itself and the ABL Lenders, and (ii) the ABL Lenders.

"ABL Security Documents" means any of the Loan Documents (as defined in the ABL Credit Agreement) which creates an ABL Lien, including without limitation the Mortgages (as defined in the ABL Credit Agreement).

"ABL Term Priority Collateral Capped Amount" means \$300,000,000 or such lesser amount as may be agreed to by the ABL Agent or its successor in its sole discretion from time to time.

“Accounts” means any and all of the Credit Parties’ existing and future: (a) accounts (as defined in the PPSA), and any and all other receivables (whether or not specifically listed on schedules furnished to the ABL Secured Parties), including all accounts created by, or arising from, any of the Credit Parties’ sales, leases, rentals of goods or renditions of services to its customers, including those accounts arising under the Credit Parties’ trade names or styles, or through the Credit Parties’ divisions; (b) indemnification rights in respect of other ABL Priority Collateral (but only to the extent such rights relate to ABL Priority Collateral) and tax refunds; (c) proceeds or royalties of any and all licensing agreements or arrangements between the Credit Parties and any licensee of the Credit Parties’ General Intangibles so long as such General Intangibles are or relate to ABL Priority Collateral; (d) credit balances arising in connection with or pursuant to any of the foregoing; (e) General Intangibles pertaining to and to the extent necessary for the collection, realization, processing, sale or recovery in respect of any of the foregoing (including, without limitation, all rights to payment in respect of the foregoing, including, without limitation, those arising in connection with bank and non-bank credit cards) and including, without limitation, books and records and any electronic media and software relating to any and all of the foregoing (including any access codes in respect thereof); (f) notes, deposits or property of account debtors securing the obligations of any such account debtors to any Credit Party; (g) cash and non-cash proceeds of any and all of the foregoing; (h) all demands, monies, choses in action and claims for monies now or hereafter due and payable in connection with any and all of the foregoing or otherwise; and (i) all unpaid sellers or lessors rights (including rescission, replevin, reclamation, repossession and stoppage in transit) relating to the foregoing or arising therefrom and all rights to any goods represented by any of the foregoing, including rights to returned, reclaimed or repossessed goods.

“Affiliate” means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with, such Person.

“Agreement” means this inter-creditor agreement, as the same may be amended, amended and restated, renewed, extended, altered, restructured, supplemented, modified and/or replaced from time to time.

“Asset Sale Proceeds” means proceeds of any sale or other disposition of any Collateral (but excluding sales of Inventory in the ordinary course of business) received by a Credit Party net of (i) commissions and other reasonable and customary transaction costs, fees and expenses properly attributable to such transaction and payable by or on behalf of the applicable Credit Party in connection therewith, (ii) transfer taxes, goods and services taxes and sales taxes, as applicable, (iii) amounts payable to holders of Liens on such property or

assets, if any, that rank ahead of the Liens in favour of the Secured Party entitled to such proceeds hereunder (for greater certainty, without prejudice to the rights and remedies of such Secured Party under its Credit Documents to the extent such Liens are not permitted thereunder) (iv) claims of any other affected creditors (to the extent required to be satisfied by and subject to applicable laws), and (v) an appropriate reserve for taxes, if any, in accordance with applicable tax laws in connection therewith.

"Availability" has the meaning given to the term in the ABL Credit Agreement as in effect on the date hereof.

"Bankruptcy Act" means the *Bankruptcy and Insolvency Act* (Canada), as amended from time to time.

"Borrower" has the meaning ascribed thereto in the Recitals, its successors and assigns.

"Business Day" means any day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario.

"Capitalized Interest Payments" means Term Credit Capitalized Interest Payments and Secured Notes Capitalized Interest Payments.

"Cash Management Obligations" means, with respect to any Credit Party, any obligations of such Credit Party owed to any ABL Secured Party (or any of its Affiliates) in respect of treasury management arrangements, depository or other cash management services.

"CCAA" means the *Companies' Creditors Arrangement Act* (Canada), as amended from time to time.

"chattel paper" has the meaning given to the term in the PPSA.

"Collateral" means, as the context requires, ABL Priority Collateral, Term Priority Collateral, or both.

"Commencement Date" has the meaning given to the term in Section 3.10 of this Agreement.

"Credit Documents" means the ABL Credit Documents, the Term Credit Documents and the Secured Notes Credit Documents.

"Credit Party" means the Borrower, each Guarantor and any other Person from time to time after the date hereof who provides an ABL Lien, a Term Credit Lien

or a Secured Notes Lien, as the case may be, and their respective successors and assigns and “Credit Parties” means all of the foregoing.

“Credit Party Real Property” means:

- (i) all lands and premises in which any Credit Party has any legal or beneficial interest, including without limitation any leasehold interest, together with all rights-of-way, easements, licences and privileges appurtenant or appertaining thereto;
- (ii) all buildings, erections, structures and improvements now or hereafter constructed or placed in, under or on the said lands and premises; and
- (iii) all fixed machinery, plant, apparatus and fittings and other fixtures now or hereafter, constructed or placed on or attached to the said lands and premises or used in connection therewith.

“Default” means an ABL Default, Term Default or Secured Notes Default, as the case may be.

“Disposition” means, with respect to any property or asset of any Person, any direct or indirect sale, assignment, cession, transfer (including any transfer of title or possession), exchange, conveyance, release or gift of such property or asset, including by means of a sale-leaseback transaction (unless accounted for as a capital lease obligation) and including any such transfer arising on liquidation, dissolution or winding up of such Person; and **“Dispose”** and **“Disposed”** have meanings correlative thereto.

“Documents of Title” means all present and future documents of title (as defined in the PPSA), and any and all warehouse receipts, bills of lading, shipping documents, and similar documents, all whether negotiable or not and all goods relating thereto and all cash and non-cash proceeds of the foregoing.

“Enforcement Action” means, with respect to the ABL Obligations, the Term Credit Obligations and the Secured Notes Obligations, as the case may be, the commercially reasonable exercise of any rights and remedies with respect to any Collateral or the commercially reasonable commencement and prosecution of enforcement of any of the rights and remedies under, as applicable, the ABL Credit Documents, the Term Credit Documents or the Secured Notes Credit Documents, as the case may be, or under applicable law, in each case after an applicable Event of Default, including without limitation the exercise of any rights and remedies of secured creditors under the CCAA, the Bankruptcy Act or the PPSA.

“Equipment” means all “equipment,” as such term is defined in the PPSA, now owned or hereafter acquired or leased by any Credit Party, wherever located and, in any event, including all such Credit Party’s machinery and equipment, including processing equipment, conveyors, machine tools, data processing and computer equipment, including embedded software and peripheral equipment and all engineering, processing and manufacturing equipment, office machinery, furniture, materials handling equipment, tools, attachments, accessories, automotive equipment, trailers, trucks, forklifts, molds, dies, stamps, motor vehicles, rolling stock and other equipment of every kind and nature, trade fixtures and fixtures not forming a part of real property, together with all General Intangibles related thereto, additions and accessions thereto, replacements therefor, all parts therefor, all substitutes for any of the foregoing, fuel therefor, and all manuals, drawings, instructions, warranties and rights with respect thereto, and all products and proceeds thereof and condemnation awards and insurance proceeds with respect thereto.

“Event of Default” means an ABL Event of Default, Term Event of Default or Secured Notes Event of Default, as the case may be.

“Excess Interest” has the meaning given to the term in the Term Credit Agreement.

“Exchange Notes” means the senior exchange notes issued by the Borrower pursuant to the Exchange Note Indenture as contemplated by the Term Credit Agreement.

“Exchange Note Indenture” means the note indenture to be entered into with respect to the Exchange Notes to be issued by the Borrower as contemplated by the Term Credit Agreement.

“Exchange Note Trustee” means the trustee under the Exchange Note Indenture.

“General Intangibles” means all present and hereafter acquired intangibles, and shall include all present and future right, title and interest in and to: (a) all trademarks, tradenames, corporate names, business names, logos and any other designs or sources of business identities; (b) patents, together with any improvements on said patents, utility models, industrial models, and designs; (c) copyrights; (d) trade secrets; (e) licenses, permits and franchises; (f) all applications with respect to the foregoing; (g) all right, title and interest in and to any and all extensions and renewals; (h) all goodwill with respect to any of the foregoing; (i) any other forms of similar intellectual property; and (j) all customer lists, distribution agreements, supply agreements and blueprints.

“General Partners” means Hamilton Steel GP Inc., Lake Erie Steel GP Inc., Hamilton Coke GP Inc., Lake Erie Coke GP Inc., HMLTN Energy GP Inc., Lake Erie Energy GP Inc., HLE Mining GP Inc., Hamilton Land GP Inc. and Lake Erie Land GP Inc.

“Governmental Authority” means the Government of Canada, the government of any other nation or any political subdivision thereof, whether provincial, state, territorial or local, and any agency, authority, instrumentality, regulatory body, court, central bank, fiscal or monetary authority or other authority regulating financial institutions, and any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including the Basel Committee on Banking Supervision of the Bank for International Settlements.

“Guarantors” has the meaning given to that term in the Recitals, and their respective successors and assigns.

“Insolvency Proceeding” means any proceeding in respect of bankruptcy, insolvency, winding up, receivership, dissolution or assignment for the benefit of creditors, including the Bankruptcy Act, the CCAA or any similar Canadian or foreign bankruptcy, insolvency, reorganization, receivership or similar law.

“instrument” has the meaning given to the term in the PPSA.

“Insurance Proceeds” means insurance proceeds or other awards payable to any of the Credit Parties (including, without limitation, by the Export Development Corporation) in connection with the loss, destruction or condemnation of any Collateral of the Credit Parties, net of (i) reasonable costs, fees and expenses for repairing or replacing any such property or assets, and (ii) amounts payable to holders of Liens, if any, that rank ahead of the Liens in favour of the Secured Party entitled to such proceeds or other awards hereunder (for greater certainty, without prejudice to the rights and remedies of such Secured Party under its Credit Documents to the extent that such Liens are not permitted thereunder).

“intangibles” has the meaning given to the term in the PPSA.

“Inventory” means any and all of the Credit Parties’ present and hereafter acquired inventory (as defined in the PPSA), including, without limitation, all additions, substitutions and replacements thereof, wherever located, together with all goods and materials (in each case excluding Equipment) used or usable in manufacturing, processing, reprocessing, packaging or shipping same in all stages of production from raw materials through work-in-process to finished goods and all General Intangibles pertaining to and to the extent necessary for the collection, realization, processing, sale or recovery in respect of any of the

foregoing, and proceeds thereof of whatever sort together with any unpaid seller's or lessor's rights (including rescission, replevin, reclamation, repossession and stoppage in transit relating to any of the foregoing or arising therefrom) to reclaim or repossess goods.

"Lake Erie Steel Entities" means Lake Erie Steel GP Inc. and Lake Erie Steel Limited Partnership.

"Licences" has the meaning given to the term in the definition of "Term Priority Collateral" in this Agreement.

"Limited Partnerships" means Hamilton Steel Limited Partnership, Lake Erie Steel Limited Partnership, Hamilton Coke Limited Partnership, Lake Erie Coke Limited Partnership, HMLTN Energy Limited Partnership, Lake Erie Energy Limited Partnership, HLE Mining Limited Partnership, Hamilton Land Limited Partnership and Lake Erie Land Limited Partnership.

"Lien" means, (a) with respect to any asset, any mortgage, deed of trust, trust or deemed trust, lien, pledge, assignment, hypothecation, encumbrance, charge, security interest, royalty interest, claim, right of detention or seizure, right of distraint, easement, defect of title or right of set off in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to any asset, (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities, (d) any netting arrangement, deposit arrangement, defeasance arrangement or reciprocal fee arrangement, (e) the filing of, or agreement to give, any financing statement perfecting a security interest under the PPSA or comparable law of any jurisdiction, and (f) any other preference, priority or arrangement having the effect of providing security.

"Liquidation Period" has the meaning given to the term in Section 3.10.

"Main Pension Plans" means (i) Stelco Inc. and Participating Subsidiaries Retirement Plan for Salaries Employees (Registration Number 0338509), (ii) Stelco Inc. Bargaining Unit Pension Plan for Members of United Steelworkers of America (Registration Number 0354878), (iii) the Stelco Inc. Retirement Plan for Lake Erie Steel Company Salaries Employees (Registration Number 0698753), and (iv) Stelco Inc. Bargaining Unit Pension Plan for Lake Erie Steel Company Members of United Steelworkers of America (Registration Number 0698761).

"Manufacturing Liquidation Period" has the meaning given to the term in Section 3.10.

“money” has the meaning given to the term in the PPSA.

“Non-ABL Secured Parties” means the Term Credit Secured Parties and the Secured Notes Secured Parties.

“Non-ABL Credit Documents” means the Term Credit Documents and the Secured Notes Credit Documents.

“Non-ABL Obligations” means the Term Credit Obligations and the Secured Notes Obligations.

“Obligations” means the ABL Obligations, the Term Credit Obligations and the Secured Notes Obligations.

“Obligations Payment Dates” means the ABL Obligations Payment Date, the Term Credit Obligations Payment Date and the Secured Notes Obligations Payment Date.

“Other Collateral” means, subject to Section 2.7, (i) all cash of any Credit Party including all money or other property at any time on deposit with or held by any financial institution for the account of any Credit Party (whether for safekeeping, custody, pledge, transmission or otherwise), (ii) all present and future accounts of any Credit Party, including without limitation deposit accounts (whether time or demand or interest or non-interest bearing) of any Credit Party with any financial institution including those to which any such cash may at any time and from time to time be credited, (iii) without limiting the generality of the foregoing, all now owned and hereafter acquired lockbox, blocked accounts and any other deposit accounts of the Credit Parties maintained with any bank or financial institutions into which the proceeds of any ABL Priority Collateral are or may be deposited and all cash and other monies and properties of the Credit Parties in the possession or control of the ABL Agent, (iv) all investments and reinvestments (however evidenced) of amounts from time to time credited to any of the aforementioned accounts, and (v) all interest, dividends, distributions and other proceeds payable on or with respect to (x) such investments and reinvestments, and (y) such accounts.

“Person” includes any natural person, sole proprietorship, corporation, company, limited liability company, trust, joint venture, association, unincorporated organization, institution, public benefit corporation, partnership, Governmental Authority or other entity.

“Policies” has the meaning given to the term in the definition of “ABL Priority Collateral”.

“Post-ABL Permitted Payments” means (i) regularly scheduled payments (including arrears) by the Borrower of interest (including, for greater certainty, Secured Notes Capitalized Interest Payments), and (ii) fees, indemnification, gross-up and reasonable expense reimbursement, in each case, under and in accordance with the Secured Notes Indenture and the Secured Notes, as applicable.

“PPSA” means the *Personal Property Security Act* as in effect from time to time in the Province of Ontario.

“proceeds” has the meaning given to the term in the PPSA.

“Protective Advances” means (i) advances made by the ABL Lenders to the Borrower, or (ii) payments made by the ABL Agent and/or any other ABL Secured Party on behalf of any Credit Party, in each case, to the extent made for the purpose of protecting the Collateral, any ABL Secured Party’s interests therein or any ABL Lien, including without limitation payments on account of insurance premiums, security costs and employee costs. For greater certainty, “Protective Advances” shall not exceed (including all amounts previously advanced or paid for the purposes specified above) \$30,000,000 if the principal amount drawn by the Borrower under the ABL Credit Agreement is at \$600,000,000.

“Receivables Transaction” has the meaning given to the term in the Supplemental Trust Indenture.

“Receiver” means any receiver, manager, receiver-manager, receiver and manager or interim receiver appointed by or upon the application of the ABL Agent, the Term Agent or the Secured Notes Trustees, as applicable.

“Recovery” has the meaning given to the term in Section 5.3.

“Secured Notes” means the secured floating rate notes issued in the aggregate principal amount of up to the United States Dollar equivalent of Cdn\$275,000,000 (together with any Secured Notes Capitalized Interest Payments) pursuant to the Secured Notes Trust Indenture.

“Secured Notes ABL Priority Collateral Enforcement Request Notice” has the meaning given to the term in Section 3.1(1).

“Secured Notes Capitalized Interest Payments” means any payment of in-kind interest in the form of the issuance of additional Secured Notes in accordance with Section 8.01 of the Supplemental Trust Indenture or any successor provision thereof effected in compliance with Section 6.1.

“Secured Notes Credit Documents” means, collectively, (i) the Secured Notes, (ii) the Secured Notes Trust Indenture, (iii) the Secured Notes Security Documents, and (iv) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, replace, refinance or refund in whole or in part the indebtedness and other obligations outstanding under the Secured Notes or any other agreement or instrument referred to in clauses (ii) or (iii) or this clause (iv).

“Secured Notes Default” means any event that, with the passage of time or giving of notice or both, would, unless cured or waived, become a Secured Notes Event of Default.

“Secured Notes Event of Default” means an “Event of Default” as such term is defined in the Secured Notes Trust Indenture.

“Secured Notes Lien” means any Lien granted or purported to be granted to the Secured Notes Trustees or any other Secured Notes Secured Party as security for any Secured Notes Obligation.

“Secured Notes Obligations” means (i) all principal of and interest and premium (if any) on all Secured Notes, (ii) all reimbursement obligations (if any) and interest thereon, and (iii) all fees, costs, expenses, indemnification obligations and other amounts payable from time to time pursuant to the Secured Notes Credit Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any Secured Notes Obligation (whether by or on behalf of any Credit Party, as proceeds of security, enforcement of any right of set-off or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to any ABL Secured Party, Term Credit Secured Party, a receiver or any other Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the ABL Secured Parties, the Term Credit Secured Parties and the Secured Notes Secured Parties be deemed to be reinstated and outstanding as if such payment had not occurred.

“Secured Notes Obligations Payment Date” means the first date on which (i) the Secured Notes Obligations (other than those that constitute Unasserted Contingent Obligations) have been indefeasibly paid in cash in full (or cash collateralized or defeased in accordance with the terms of the Secured Notes Credit Documents), and (ii) all commitments to extend credit under the Secured Notes Credit Documents have been terminated.

“Secured Notes Permitted Payments” means (i) regularly scheduled payments (including arrears) by the Borrower of interest (including, without limitation, Secured Notes Capitalized Interest Payments), and (ii) fees, indemnification, gross-up and reasonable expense reimbursement, in each case, under and in accordance with the Secured Notes Credit Documents, as applicable.

“Secured Notes Secured Parties” means (i) the Secured Notes Trustees and (ii) any holder of a Secured Note, and their respective successors and assigns.

“Secured Notes Security Documents” means the “Security Documents” as defined in the Supplemental Trust Indenture which create a Secured Notes Lien.

“Secured Notes Term Priority Collateral Enforcement Request Notice” has the meaning given to the term in Section 3.1(3).

“Secured Notes Trust Indenture” has the meaning given to the term in the Recitals.

“Secured Notes Trustees” has the meaning given to the term in the Recitals, and each of their respective successors and assigns.

“Secured Parties” means the ABL Secured Parties, the Term Credit Secured Parties and the Secured Notes Secured Parties.

“Secured Parties Liens” means the ABL Liens, the Term Credit Liens and the Secured Notes Liens.

“security” has the meaning given to the term in the PPSA.

“Security Documents” means the ABL Security Documents, Term Credit Security Documents and Secured Notes Security Documents.

“Supplemental Trust Indenture” has the meaning given to the term in the Recitals.

“Term Agent” has the meaning given to the term in the Recitals, its successors and assigns, and after Exchange Notes are issued, means the Exchange Note Trustee.

“Term Credit Agreement” has the meaning given to the term in the Recitals.

“Term Credit Blockage Period” means each of the following periods:

- (a) each period commencing on the issuance by the ABL Agent of a notice of an ABL Default or ABL Event of Default pursuant to Section 3.2(1) and a further notice to the Term Agent exercising the right to block payments

under Section 3.3(3) and ending on the earlier of the curing or waiver of such ABL Default or ABL Event of Default and 90 days from the issuance of the later of such notices; provided that, for the purpose of establishing Term Credit Blockage Periods under this clause (a), the ABL Agent may not rely on any ABL Default or ABL Event of Default that was the basis of, or that existed at the commencement of, a prior Term Credit Blockage Period established under this clause (a), and the ABL Agent may not establish more than two Term Credit Blockage Periods pursuant to this clause (a) in any period of 365 days.

- (b) any period of time when each of the following conditions is satisfied:
 - (x) an Enforcement Action has been commenced and is continuing or an Insolvency Proceeding in respect of any Credit Party is continuing,
 - (y) the ABL Agent has provided notice to the Term Agent exercising its right to block payments under Section 3.3(3), and
 - (z) each of (A) Availability and (B) projected Availability on a rolling 13-week basis (based on consolidated cash flow projections prepared by the Borrower for such rolling 13 week period in form and content satisfactory to the ABL Agent and/or the ABL Secured Parties in accordance with the ABL Credit Agreement) are less than \$100,000,000 (and in such cases, would remain less than \$100,000,000 if a Term Credit Permitted Payment were made to a Term Secured Party).

“Term Credit Capitalized Interest Payments” means payment of any Excess Interest in accordance with Section 1.4(d) of the Term Credit Agreement or any successor provision thereof effected in compliance with Section 6.1.

“Term Credit Documents” means, collectively, (i) the Term Credit Agreement, (ii) the Exchange Notes, (iii) the Exchange Note Indenture, (iv) the Term Credit Security Documents and any other “Loan Documents” as defined in the Term Credit Agreement, and (v) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, replace, refinance or refund in whole or in part the indebtedness and other obligations outstanding under the Term Credit Agreement or any other agreement or instrument referred to in clauses (ii) through (iv) above or this clause (v).

“Term Credit Lenders” means the Term Agent and any other Person who becomes either a lender pursuant to the terms of the Term Credit Agreement or the holder of an Exchange Note, in each case, in their capacities as such, and their respective successors and assigns.

“Term Credit Lien” means any Lien granted or purported to be granted to any Term Credit Secured Party as security for any Term Credit Obligation.

“Term Credit Obligations” means (i) all principal of and interest and premium (if any) on all loans made pursuant to the Term Credit Agreement or as evidenced by the Exchange Notes, (ii) all reimbursement obligations (if any) and interest thereon, and (iii) all fees, expenses, costs, indemnification obligations, and other amounts payable from time to time pursuant to the Term Credit Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any Term Credit Obligation (whether by or on behalf of any Credit Party, as proceeds of security, enforcement of any right of set-off or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to any ABL Secured Party, Secured Notes Secured Party, any receiver or any other Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the ABL Secured Parties, the Term Credit Secured Parties and the Secured Notes Secured Parties be deemed to be reinstated and outstanding as if such payment had not occurred.

“Term Credit Obligations Payment Date” means the first date on which (i) the Term Credit Obligations (other than those that constitute Unasserted Contingent Obligations) have been indefeasibly paid in cash in full (or cash collateralized or defeased in accordance with the terms of the Term Credit Documents), and (ii) all commitments to extend credit under the Term Credit Documents have been terminated.

“Term Credit Permitted Payments” means (i) payments of principal by the Borrower under the Term Credit Agreement or any outstanding Exchange Notes (A) from and after the date that is three months after the date hereof, and (B) any time prior to the date which is three months after the date hereof when Availability is in excess of \$100,000,000 (and, in such case, only to the extent that Availability would remain in excess of \$100,000,000 after the making of such payment), (ii) regularly scheduled payments (including arrears) by the Borrower of interest (including, without limitation, Term Credit Capitalized Interest Payments), and (iii) fees, indemnification, gross-up and reasonable expense reimbursement, in each case for (ii) and (iii) above, under and in accordance with the Term Credit Documents, or any outstanding Exchange Notes, as applicable.

“Term Credit Secured Parties” means (i) the Term Agent on behalf of itself and the Term Credit Lenders, and (ii) the Term Credit Lenders.

“Term Credit Security Documents” means the “Security Agreements” and the “Mortgages” each as defined in the Term Credit Agreement or the Exchange Indenture, as the case may be.

“Term Default” means any event that, with the passage of time or giving of notice or both, would unless cured or waived, become a Term Event of Default.

“Term Event of Default” means an “Event of Default” as such term is defined in the Term Credit Agreement or the Exchange Indenture, as the case may be.

“Term Facility” means, as the case may be, the \$375,000,000 revolving term facility established by the Term Credit Lenders in favour of the Borrower under the Term Credit Documents, and/or the Exchange Notes issued by the Borrower to the Term Credit Lenders (provided that the aggregate principal amount outstanding under the Term Credit Agreement and/or the Exchange Notes shall not exceed \$375,000,000 (plus the amount of any Term Credit Capitalized Interest Payments that have been made)).

“Term Priority Collateral” means, subject to the proviso at the end of this definition, all present and future property and assets of any nature or kind of any Credit Party and wheresoever located and including, without limitation, all:

- (a) Equipment;
- (b) General Intangibles (except as provided in the definitions of “Accounts” and in the definition of “Inventory”);
- (c) permits, licences, approvals, consents, orders, rights, certificates, writs, injunctions, determinations, directions, decrees, authorizations, franchises, privileges, grants, waivers, exemptions and other concessions, whether or not having the force of law, of, by or from any Governmental Authority, relating to or in connection with any of the Credit Party Real Property, including any and all present and future leases and licences of aquatic lands or water lots, conditional or other water rights, permits or licences and road or road building rights, permits or licences (the **“Licences”**);
- (d) Credit Party Real Property, including any aquatic lands or waterlots and related Licences;
- (e) policies and certificates of insurance of the Credit Parties pertaining to the assets and properties listed in clauses (a) through (c) inclusive, (but

excluding, for greater certainty, any insurance referred to in subsection (e) of the definition of “ABL Priority Collateral”);

- (f) proceeds, products and Accounts from time to time owing to or received by any Credit Party in respect of any disposition of, or any expropriation, condemnation or casualty involving an actual or constructive loss of, indemnification rights in respect of, all or any portion of any of the assets and properties listed in clauses (a) through (e) inclusive above;
- (g) Documents of Title to the extent evidencing or pertaining to any of the foregoing;
- (h) securities; and
- (i) all proceeds of (a) to (h) above;

provided, however, that the Term Priority Collateral shall not include any ABL Priority Collateral.

“**Term Priority Collateral Enforcement Request Notice**” has the meaning given to the term in Section 3.1(3).

“**Unasserted Contingent Obligations**” means, at any time, any of the respective Obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities (excluding (i) the principal of, and interest and premium (if any) on, and fees and expenses relating to, any respective Obligations, and (ii) contingent reimbursement obligations in respect of amounts that may be drawn under outstanding letters of credit) in respect of which no written assertion of liability and no written claim or demand for payment has been made at such time (and, in the case of Obligations for indemnification, no written claim or demand for indemnification has been issued by the indemnitee at such time).

“**Warehouse Liquidation Period**” has the meaning given to the term in Section 3.10.

SECTION 2 SUBORDINATION AND POSTPONEMENTS

2.1 Consent to Liens and Credit Documents.

Notwithstanding any other term or provision contained in any of the Credit Documents, each Secured Party hereby consents to the existence of the Obligations of the other respective Secured Parties. Each Secured Party further consents to the execution and delivery of the Credit Documents of the other respective Secured Parties and the creation, registration, filing and perfection of the respective Security Documents in favour of the respective Secured Parties. Each Secured Party further agrees not to object to or contest, or support any other Person in contesting or objecting to, in any

proceeding (including without limitation, any Insolvency Proceeding), the validity, scope, perfection, priority or enforceability of (i) any Secured Party Lien in the ABL Priority Collateral or the Term Priority Collateral, or (ii) any Credit Documents of any other Secured Party. Notwithstanding any failure by any Secured Party to perfect its Liens in the ABL Priority Collateral or the Term Priority Collateral or any avoidance, invalidation or subordination by any third party or court of competent jurisdiction of the Liens in (i) the ABL Priority Collateral granted to the applicable Secured Parties or (ii) the Term Priority Collateral granted to the applicable Secured Parties, the validity and priority of the Liens of the Secured Parties and rights as between the Secured Parties with respect to the ABL Priority Collateral and the Term Priority Collateral shall be as set forth herein.

2.2 Priority of Liens.

- (1) Subject to the terms of this Agreement, each of the Secured Parties expressly and irrevocably agrees that the Secured Parties Liens in the ABL Priority Collateral shall, as between the Secured Parties, have the following priorities:
 - (a) Until the ABL Obligations Payment Date has occurred, (A) the ABL Liens shall be first priority Liens and shall have full and absolute priority over the Term Credit Liens and the Secured Notes Liens, each of which shall in all respects and for all purposes be subordinated and postponed and rank junior to the ABL Liens, (B) the Term Credit Liens shall be second priority Liens and shall have full and absolute priority over the Secured Notes Liens, which shall in all respects and for all purposes be subordinated and postponed and rank junior to the Term Credit Liens, and (C) the Secured Notes Liens shall be third priority Liens;
 - (b) Provided the ABL Obligations Payment Date has occurred and until the Term Credit Obligations Payment Date has occurred, (A) the Term Credit Liens shall be first priority Liens and shall have full and absolute priority over the Secured Notes Liens which shall in all respects and for all purposes be subordinated and postponed and rank junior to the Term Credit Liens, and (B) the Secured Notes Liens shall be second priority Liens; and
 - (c) Provided each of the ABL Obligations Payment Date and the Term Credit Obligations Payment Date has occurred, the Secured Notes Liens shall be first priority Liens and shall have full and absolute priority over the ABL Priority Collateral until the Secured Notes Obligations Payment Date has occurred.
- (2) Subject to the terms of this Agreement, each of the Secured Parties expressly and irrevocably agrees that the Secured Parties Liens in the Term Priority Collateral shall, as between the Secured Parties, have the following priorities:

- (a) Until the Term Credit Obligations Payment Date has occurred, (A) the Term Credit Liens shall be first priority Liens and shall have full and absolute priority over the ABL Liens and the Secured Notes Liens, each of which shall in all respects and for all purposes be subordinated and postponed and rank junior to the Term Credit Liens, (B) the ABL Liens shall be second priority Liens and shall have full and absolute priority over the Secured Notes Liens up to, the ABL Term Priority Collateral Capped Amount, and the Secured Notes Liens shall be subordinated and postponed and rank junior to the ABL Liens to such extent, and (C) the Secured Notes Liens shall be third priority Liens and shall have full and absolute priority over the ABL Liens in excess of the ABL Term Priority Collateral Capped Amount, and the ABL Liens shall be subordinated and postponed and rank junior to the Secured Notes Liens to such extent until the Secured Notes Obligations Payment Date has occurred. Thereafter the ABL Liens in excess of the ABL Term Priority Collateral Capped Amount shall be first priority Liens;
- (b) Provided the Term Credit Obligations Payment Date has occurred and until the ABL Obligations Payment Date has occurred, (A) the ABL Liens shall be first priority Liens and shall have full and absolute priority over the Secured Notes Liens up to the ABL Term Priority Collateral Capped Amount, and the Secured Notes Liens shall be subordinated and postponed and rank junior to the ABL Liens to such extent, (B) the Secured Notes Liens shall be second priority Liens and shall have full and absolute priority over the ABL Liens in excess of the ABL Term Priority Collateral Capped Amount, and the ABL Liens shall be subordinated and postponed and rank junior to the Secured Notes Liens to such extent until the Secured Notes Obligations Payment Date has occurred. Thereafter the ABL Liens in excess of the ABL Term Priority Collateral Capped Amount shall be first priority Liens; and
- (c) Provided each of the Term Credit Obligations Payment Date and the earlier to occur of (i) the ABL Obligations Payment Date has occurred or (ii) the ABL Term Priority Collateral Capped Amount shall have been applied in full to the ABL Obligations or shall have been reduced to zero, the Secured Notes Liens shall be first priority Liens and shall have full and absolute priority over the Term Priority Collateral until the Secured Notes Obligations Payment Date has occurred.

2.3 No Effect on Priority.

The subordinations and postponements provided for in this Agreement and all other rights and benefits established in, altered by or specified in this Agreement shall be effective, irrespective of:

- (a) the time or order of creation, execution, delivery, attachment or perfection of any of the Security Documents or any of the Secured Parties Liens;
- (b) the place, jurisdiction, method of perfection or reperfecton of all or any of the Security Documents and/or any of the Secured Parties Liens;
- (c) the giving of or failure to give notice of the acquisition of any additional Security Documents or Secured Party Lien;
- (d) the date or dates of any existing or future advance or advances made or other credit accommodation granted by any Secured Party to any Credit Party pursuant to any of the Credit Documents, including the time of any advance made or other credit accommodation given under any line of credit made available under the ABL Credit Agreement or Term Credit Agreement or as evidenced by the Exchange Notes;
- (e) any lack of validity or enforceability of any Credit Document;
- (f) any change in the time, place or manner of payment of, or in any other term of, all or any portion of any of the Obligations, or any amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of any Credit Document;
- (g) any exchange, release, voiding, avoidance or non-perfection of any Lien in any Collateral or any other collateral, or any release, amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of all or any portion of any of the Obligations or any guarantee or guaranty thereof;
- (h) the provisions of the instruments creating any of the Security Documents;
- (i) the date or dates of any default by any Credit Party in respect of or any default under any of the Credit Documents or any demand for repayment arising therefrom;
- (j) the date of crystallization of any floating charge contained in any of the Security Documents;
- (k) the date of commencement of any Enforcement Action under any of the Security Documents;
- (l) any other matter which may affect the relative priorities of any of the Obligations, any of the Security Documents and/or any of the Secured Parties Liens;

- (m) the priorities otherwise accorded to any of the Security Documents or any of the Secured Parties Liens by any applicable laws or by equity; or
- (n) any other circumstances that otherwise might constitute a defence available to, or a discharge of, any Credit Party in respect of any of the Obligations, or of any other Secured Party or any Credit Party, to the extent applicable, in respect of this Agreement.

2.4 Nature of ABL Obligations.

- (1) Each of the Non-ABL Secured Parties acknowledges that the ABL Obligations represent debt that is revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently re-borrowed, and that the terms of the ABL Obligations may be modified, extended or amended from time to time, and that the aggregate amount of the ABL Obligations may be increased by the ABL Secured Parties, in each event, in accordance with and subject to the provisions of Section 6.1 hereof. The Lien priorities provided in Section 2.2 shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment, re-borrowing or increase, or by any replacement, renewal, restatement or refinancing of the ABL Obligations or any portion thereof.
- (2) The ABL Agent and each of the Secured Notes Trustees acknowledges that the Term Credit Obligations represent debt that is, revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently re-borrowed, and that the terms of the Term Credit Obligations may be modified, extended or amended from time to time by the Term Credit Secured Parties, in each event, in accordance with and subject to the provisions of Section 6.1 hereof. The Lien priorities provided in Section 2.2 shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment or re-borrowing or by any replacement, renewal, restatement or refinancing of the Term Credit Obligations or any portion thereof.

2.5 Agreements Regarding Actions to Perfect Liens.

Each Secured Party hereby acknowledges that, to the extent that it holds, or a third party holds on its behalf, physical possession of Collateral pursuant to any of its Security Documents (in this Section 2.5, the “**Possessing Secured Party**”), such possession is also for the benefit of the other Secured Parties solely to the extent required to perfect their Liens in such Collateral. Nothing in the preceding sentence shall be construed to impose any duty on the Possessing Secured Party (or any third party acting on their behalf) with respect to such Collateral or provide any other Secured Party with any rights with respect to such Collateral beyond those specified in this Agreement, provided that if the Possessing Secured Party is not, or ceases to be, the

Secured Party entitled to priority with respect to such Collateral pursuant to Section 2.2 hereof, the Possessing Secured Party shall, at the request of the Secured Party entitled to priority to such Collateral pursuant to Section 2.2 (in this Section 2.5 the “**Entitled Secured Party**”) and at the sole cost and expense of the Credit Parties (x) deliver to the Entitled Secured Party, the Collateral together with any necessary endorsements to the extent required by the applicable Credit Documents, or (y) deliver such Collateral as a court of competent jurisdiction may otherwise direct.

2.6 No New Liens.

- (1) So long as the ABL Obligations Payment Date has not occurred, the parties hereto agree that, if any Term Credit Secured Party or Secured Notes Secured Party shall acquire or hold any Lien on any assets of any Credit Party constituting ABL Priority Collateral and securing any Term Credit Obligation or Secured Notes Obligation, as the case may be, and such assets are not also subject to the first-priority Lien of the ABL Secured Parties in the ABL Priority Collateral under the ABL Security Documents, then the Term Agent and/or the Secured Notes Trustees, as applicable, upon demand by the ABL Agent, will, without the need for any further consent of any other Term Credit Secured Party or Secured Notes Secured Party, and notwithstanding anything to the contrary in any other Term Credit Document or Secured Notes Credit Document, either (i) release such Lien, or (ii) cause the applicable Credit Party to forthwith provide such Lien over such ABL Priority Collateral to the ABL Agent subject to the priorities of this Agreement (in which case the Term Agent and/or the Secured Notes Trustees, as applicable, may retain a Term Credit Lien or Secured Notes Lien, as applicable, on such assets subject to the terms hereof). To the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available to the ABL Agent, the Term Agent and each of the Secured Notes Trustees agrees that any amounts received or distributed by it pursuant to or as a result of Liens granted in contravention of this Section 2.6(1) shall be subject to Section 3.4 and Section 4.1(1).
- (2) Provided the ABL Obligations Payment Date has occurred but so long as the Term Credit Obligations Payment Date has not occurred, the parties hereto agree that if any Secured Notes Secured Party shall acquire or hold any Lien on any assets of any Credit Party constituting ABL Priority Collateral and securing any Secured Notes Obligation and such assets are not also subject to the Lien of the Term Credit Secured Parties in the ABL Priority Collateral under the Term Credit Documents, then the Secured Notes Trustees upon demand by the Term Agent, will without the need for any further consent of any other Secured Notes Secured Party, and notwithstanding anything to the contrary in any other Secured Notes Credit Document, either (i) release such Lien, or (ii) cause the applicable Credit Party to forthwith provide such Lien over such ABL Priority

- Collateral to the Term Agent subject to the priorities of this Agreement (in which case the Secured Notes Trustees may retain a Secured Notes Lien on such assets subject to the terms hereof). To the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available to the Term Agent, each of the Secured Notes Trustees agrees that any amounts received or distributed by it pursuant to or as a result of Liens granted in contravention of this Section 2.6(2) shall be subject to Section 3.4 and Section 4.1(1).
- (3) So long as the Term Credit Obligations Payment Date has not occurred, the parties hereto agree that if any ABL Secured Party or Secured Notes Secured Party shall acquire or hold any Lien on any assets of any Credit Party constituting Term Priority Collateral and securing any ABL Obligation or Secured Notes Obligation, as the case may be, and such assets are not also subject to the first-priority Lien of the Term Credit Secured Parties in the Term Priority Collateral under the Term Credit Documents, then the ABL Agent and/or the Secured Notes Trustees, as applicable, upon demand by the Term Agent, will without the need for any further consent of any other ABL Secured Party or Secured Notes Secured Party, and notwithstanding anything to the contrary in any other ABL Credit Document or Secured Notes Credit Document, either (i) release such Lien, or (ii) cause the applicable Credit Party to forthwith provide such Lien over such Term Priority Collateral to the Term Agent subject to the priorities of this Agreement (in which case the ABL Agent and/or the Secured Notes Trustees, as applicable, may retain an ABL Lien or Secured Notes Lien, as applicable, on such assets subject to the terms hereof). To the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available to the Term Agent, the ABL Agent and each of the Secured Notes Trustees agrees that any amounts received or distributed by it pursuant to or as a result of Liens granted in contravention of this Section 2.6(3) shall be subject to Section 3.4 and Section 4.1(2).
- (4) Provided the Term Credit Obligations Payment Date has occurred but so long as the ABL Obligations Payment Date has not occurred, the parties hereto agree that, if any Secured Notes Secured Party shall acquire or hold any Lien on any assets of any Credit Party constituting Term Priority Collateral and securing any Secured Notes Obligation and such assets are not also subject to the Lien of the ABL Secured Parties in the Term Priority Collateral under the ABL Credit Documents, then each of the Secured Notes Trustees, upon demand by the ABL Agent, will without the need for any further consent of any other Secured Notes Secured Party, and notwithstanding anything to the contrary in any other Secured Notes Credit Document, either (i) release such Lien, or (ii) cause the applicable Credit Party to forthwith provide such Lien over the Term Priority Collateral to the ABL Agent subject to the priorities of this Agreement (in which

case the Secured Notes Trustees may retain a Secured Notes Lien on such assets subject to the terms hereof). To the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available to the Secured Notes Trustees, the ABL Agent agrees that any amounts received or distributed by it pursuant to or as a result of Liens granted in contravention of this Section 2.6(4) shall be subject to Section 3.4 and Section 4.1(2).

2.7 Accounts and Cash.

- (1) The parties acknowledge that from time to time, cash proceeds of Term Priority Collateral may be deposited into accounts which, subject to this Section 2.7, are included in ABL Priority Collateral and thereby become commingled with proceeds of ABL Priority Collateral. The Term Agent or, if the Term Credit Obligations Payment Date has occurred, the Secured Notes Trustees, shall be entitled to recover such proceeds of Term Priority Collateral:
 - (a) prior to any Enforcement Action by the ABL Agent or the commencement of any Insolvency Proceeding, from a Credit Party or the ABL Agent if, within five (5) Business Days of such cash proceeds being deposited into the account, the ABL Agent is provided with written notice of the deposit providing reasonable particulars thereof; or
 - (b) after any Enforcement Action by the ABL Agent or the commencement of any Insolvency Proceeding, from a Credit Party or the ABL Agent if, within thirty (30) days of such cash proceeds being deposited into the account, the ABL Agent is provided with written notice of the deposit providing reasonable particulars thereof.
- (2) In addition and for greater certainty, (i) Term Credit Permitted Payments and Secured Notes Permitted Payments made in accordance with Section 3.3 to any Non-ABL Secured Party shall not be included in ABL Priority Collateral, and (ii) any proceeds of Term Priority Collateral so deposited into accounts as aforesaid are subject to the provisions of Sections 3.4 and 4.1(2).

SECTION 3 ENFORCEMENT RIGHTS RESPECTING THE COLLATERAL

3.1 Exclusive Enforcement against the Collateral.

- (1) Until the ABL Obligations Payment Date has occurred, whether or not an Insolvency Proceeding has been commenced by or against any Credit Party, the ABL Agent shall, subject to the remainder of this paragraph, have the exclusive right (i) to take and continue any Enforcement Action with respect to the ABL Priority Collateral in such order and manner as the ABL Agent may determine in its sole discretion, and (ii) to refrain from taking or continuing any such

- Enforcement Action, in each case, without any consultation with or consent of any other Secured Party, but subject to the proviso set forth in Section 5.1(1). If a Term Event of Default has occurred and is continuing, the Term Agent shall have the right to issue a notice to the ABL Agent (the “**ABL Priority Collateral Enforcement Request Notice**”) requesting the ABL Agent to take and continue an Enforcement Action within a period of 90 days from the receipt of the ABL Priority Collateral Enforcement Request Notice by the ABL Agent, failing which, subject to the application of proceeds required by Section 4.1(1), the Term Agent may take and continue an Enforcement Action with respect to the ABL Priority Collateral in such order and manner as it may so determine in its sole discretion, provided there shall have occurred and be continuing a Term Credit Event of Default (which has not been waived in accordance with the Term Credit Documents). If a Secured Notes Event of Default has occurred and is continuing, the Secured Notes Trustees shall have the right to issue a notice to the ABL Agent and the Term Agent (the “**Secured Notes ABL Priority Collateral Enforcement Request Notice**”) requesting the ABL Agent and/or the Term Agent to take and continue an Enforcement Action within a period of 210 days from receipt of the Secured Notes ABL Priority Collateral Enforcement Request Notice by the ABL Agent and the Term Agent, failing which, subject to the application of proceeds required by Section 4.1(1), the Secured Notes Trustees may take and continue an Enforcement Action with respect to the ABL Priority Collateral in such order and manner as they may so determine in their sole discretion, provided there shall have occurred and be continuing a Secured Notes Event of Default (which has not been waived in accordance with the Secured Notes Credit Documents).
- (2) Provided the ABL Obligations Payment Date has occurred and until the Term Credit Obligations Payment Date has occurred, whether or not an Insolvency Proceeding has been commenced by or against any Credit Party, the Term Agent shall have the exclusive right (i) to take and continue any Enforcement Action with respect to the ABL Priority Collateral in such order and manner as the Term Agent may determine in its sole discretion, and (ii) to refrain from taking or continuing any such Enforcement Action, in each case, without any consultation with or consent of any Secured Notes Secured Party, but subject to the proviso set forth in Section 5.1(2). If a Secured Notes Event of Default has occurred and is continuing, the Secured Notes Trustees shall have the right to issue a Secured Notes ABL Priority Collateral Enforcement Request Notice (to the Term Agent only) requesting the Term Agent to take and continue an Enforcement Action within a period of 210 days from receipt of the Secured Notes Term Priority Collateral Enforcement Request Notice by the Term Agent, failing which, subject to the application of proceeds required by Section 4.1(1) , the Secured Notes Trustees may take and continue an Enforcement Action with respect to the ABL Priority Collateral in such order and manner as they may so determine in their

- sole discretion, provided there shall have occurred and be continuing a Secured Notes Event of Default (which has not been waived in accordance with the Secured Notes Credit Documents).
- (3) Until the Term Credit Obligations Payment Date has occurred, whether or not an Insolvency Proceeding has been commenced by or against any Credit Party, the Term Agent shall, subject to the remainder of this paragraph, have the exclusive right (i) to take and continue any Enforcement Action with respect to the Term Priority Collateral in such order and manner as the Term Agent may determine in its sole discretion, and (ii) to refrain from taking or continuing any such Enforcement Action, in each case, without any consultation with or consent of any other Secured Party, but subject to the proviso set forth in Section 5.1(2). If an ABL Event of Default has occurred and is continuing, the ABL Agent shall have the right to issue a notice to the Term Agent (the “**Term Priority Collateral Enforcement Request Notice**”) requesting the Term Agent to take and continue an Enforcement Action within a period of 30 days from receipt of the Term Priority Collateral Enforcement Request Notice by the Term Agent, failing which, subject to the application of proceeds required by Section 4.1(2), the ABL Agent may, subject to the next sentence, take and continue an Enforcement Action with respect to the Term Priority Collateral in such order and manner as it may so determine in its sole discretion, provided there shall have occurred and be continuing an ABL Event of Default (which has not been waived in accordance with the ABL Credit Documents). If a Secured Notes Event of Default has occurred and is continuing, the Secured Notes Trustees shall have the right to issue a notice to the Term Agent and the ABL Agent (the “**Secured Notes Term Priority Collateral Enforcement Request Notice**”) requesting the Term Agent and/or the ABL Agent to take and continue an Enforcement Action within a period of 210 days from receipt of the Secured Notes Term Priority Collateral Enforcement Request Notice by the Term Agent and the ABL Agent, failing which, and subject to the application of proceeds required by Section 4.1(2), the Secured Notes Trustees may take and continue an Enforcement Action with respect to the Term Priority Collateral in such order and manner as they may so determine in their sole discretion, provided there shall have occurred and be continuing a Secured Notes Event of Default (which has not been waived in accordance with the Secured Notes Credit Documents).
- (4) Provided the Term Credit Obligations Payment Date has occurred and until the ABL Obligations Payment Date has occurred, whether or not an Insolvency Proceeding has been commenced by or against any Credit Party, the ABL Agent shall, subject to the next sentence, have the exclusive right (i) to take and continue any Enforcement Action with respect to the Term Priority Collateral in such order and manner as the ABL Agent may determine in its sole discretion, and (ii) to refrain from taking or continuing any such Enforcement Action, in

each case, without any consultation with or consent of any Secured Notes Secured Party, but subject to the proviso set forth in Section 5.1(1). If a Secured Notes Event of Default has occurred and is continuing, the Secured Notes Trustees shall have the right to issue a Secured Notes Term Priority Collateral Enforcement Request Notice requesting the ABL Agent to take and continue an Enforcement Action within a period of 210 days from receipt of the Secured Notes Term Priority Collateral Enforcement Request Notice by the ABL Agent, failing which and subject to the application of proceeds required by Section 4.1(2), the Secured Notes Trustees may take and continue an Enforcement Action with respect to the Term Priority Collateral in such order and manner as they may so determine in their sole discretion, provided there shall have occurred and be continuing a Secured Notes Event of Default (which has not been waived in accordance with the Secured Notes Credit Documents).

- (5) For greater certainty, in all cases in this Section 3.1, proceeds of Collateral shall be distributed in accordance with Section 4.1 and the priorities set forth in Section 2.2 shall apply.

3.2 Notices of Default.

- (1) Each of the ABL Agent, the Term Agent and the Secured Notes Trustees shall give each other prompt written notice of any notice of any Default or Event of Default delivered by it to, or received from, any Credit Party no later than three (3) Business Days after receiving or giving same; provided, however, that no adverse consequence (including no liability) to any Secured Party shall result from any inadvertent failure to provide any notice contemplated by this Section 3.2(1).
- (2) Each of the ABL Agent, the Term Agent and the Secured Notes Trustees shall give each other prior written notice of its intention to commence any Enforcement Action. For greater certainty, no Enforcement Action may be taken or commenced under Section 3.1(1) on any ABL Priority Collateral by any ABL Secured Party unless the ABL Agent provides the Term Agent and the Secured Notes Trustees with the same notice of commencement of such Enforcement Action as has been provided to the Borrower. For greater certainty, no Enforcement Action may be taken or commenced under Section 3.1(3) on any Term Priority Collateral by any Term Credit Secured Party unless notice of such Enforcement Action shall have been given to the ABL Agent and the Secured Notes Trustees prior to the earlier of (i) five (5) days prior to the issuance of a notice of intention to enforce under Section 244 of the Bankruptcy Act, or (ii) fifteen (15) days prior to the commencement of any other Enforcement Action. No adverse consequences (including no liability) to any Secured Party shall result from any inadvertent failure to provide any notice contemplated by this Section 3.2(2).

3.3 Permitted Payments.

- (1) Subject to Section 3.3(2) and except as otherwise provided in accordance with Sections 4.1(2) and 4.1(3), at any time prior to the occurrence of the ABL Obligations Payment Date, no payments shall be made by the Borrower or any other Credit Party or received by any Secured Notes Secured Party on account of, or in respect of, the Secured Notes Obligations (as principal, interest, fees, gross-up, indemnification, expense reimbursement or otherwise), except for Secured Notes Permitted Payments.
- (2) After notice of an ABL Default or ABL Event of Default has been given pursuant to Section 3.2(1) above and has not been withdrawn, and until the ABL Obligations Payment Date has occurred, no Secured Notes Permitted Payments or any other direct or indirect payment (whether in cash, property, securities or otherwise or by way of set-off arising by contract, at law, in equity or otherwise or in any other manner) other than Secured Notes Capitalized Interest Payments shall be made by the Borrower or such other Credit Party or received by any Secured Notes Secured Party on account of, or in respect of, any Secured Notes Obligations owed to it. For greater certainty and notwithstanding the foregoing, no such Secured Notes Permitted Payment or any other such direct or indirect payment other than Secured Notes Capitalized Interest Payments shall be permitted in respect of the Secured Notes Obligations if the ABL Default or ABL Event of Default has been so waived is following the occurrence of an Insolvency Proceeding which is continuing, in which event no such payments shall be permitted until the ABL Obligations Payment Date has occurred or such Insolvency Proceeding has terminated.
- (3)
 - (a) Subject to Section 3.3(3)(b) and except as otherwise provided in accordance with Sections 4.1(2) and 4.1(3), at any time prior to the occurrence of the ABL Obligations Payment Date, no payments shall be made by the Borrower or any other Credit Party or received by any Term Credit Secured Party on account of, or in respect of, the Term Credit Obligations (as principal, interest, fees, gross-up, indemnification, expense reimbursement or otherwise), except for Term Credit Permitted Payments.
 - (b) No Term Credit Permitted Payments or any other direct or indirect payment (whether in cash, property, securities or otherwise or by way of set-off arising by contract, at law, in equity or otherwise or in any other manner) other than Term Credit Capitalized Interest Payments shall be made by the Borrower or such other Credit Party or received by any Term Credit Secured Party on account of, or in respect of, any Term Credit Obligations during any Term Credit Blockage Period.

- (c) The Term Agent acknowledges that nothing in this Agreement shall in any way restrict or limit the right of the ABL Secured Parties to terminate their commitments or reduce the amount of their commitments under the ABL Credit Agreement or to otherwise suspend the revolving line of credit under the ABL Credit Agreement.
- (4) Provided the ABL Obligations Payment Date has occurred, after notice of a Term Default or Term Event of Default has been given pursuant to Section 3.2(1) above and has not been withdrawn and until the Term Credit Obligations Payment Date has occurred, no Post-ABL Permitted Payments or any other direct or indirect payment (whether in cash, property, securities or otherwise or by way of set-off arising by contract, at law, in equity or otherwise or in any other manner) other than Secured Notes Capitalized Interest Payments, shall be made by the Borrower or such other Credit Party or received by any Secured Notes Secured Party on account of, or in respect of, any Secured Notes Obligations.
- (5) For greater certainty, other than as provided in accordance with Sections 4.1(2) and 4.1(3) in respect of Dispositions of Term Priority Collateral, there shall be no restrictions on the ability of any Credit Party to make any payments at any time to the ABL Secured Parties (or on the ability of any ABL Secured Party to receive any such payment) pursuant to the ABL Credit Documents.
- (6) Notwithstanding anything to the contrary contained herein, there shall be no restrictions on the ability of any Credit Party to pay over, and of the Term Agent to receive, (i) proceeds of Dispositions of Term Priority Collateral in accordance with Sections 4.1(2) and 4.1(3), and to apply such proceeds to the Term Credit Obligations, (ii) any repayment of the Term Credit Obligations from advances under the Term Credit Agreement, or (iii) proceeds, dividends, distributions or any other payments from any plan of compromise, arrangement and/or reorganization implemented pursuant to an Insolvency Proceeding, and to apply such proceeds to the Term Credit Obligations.
- (7) Notwithstanding anything to the contrary contained herein, there shall be no restrictions on the ability of any Credit Party to pay over, and of the Secured Notes Trustees to receive, proceeds of Dispositions of Term Priority Collateral in accordance with Sections 4.1(2) and 4.1(3), and to apply such proceeds to the Secured Notes Obligations.

3.4 Payments Held in Trust.

If any payment is made to or received by any Secured Party in contravention of this Agreement and which is to have been made to any other Secured Party, whether or not an Insolvency Proceeding shall have occurred and be continuing, such receiving Secured Party will hold such payment in trust for the Secured Party otherwise entitled to receive such payment and will forthwith pay such payment to the ABL Agent, Term

Agent or Secured Notes Trustees, as applicable, for application against its Obligations of the Credit Parties or as otherwise required by this Agreement. Each Secured Party agrees that if all or any part of any payment made on account of any Obligations of any other Secured Party is recovered from such other Secured Party as a fraudulent preference, fraudulent conveyance, settlement or similar payment under any bankruptcy, insolvency or other law, any payment or distribution received by such first Secured Party in respect of its respective Obligations will be deemed to have been received by it in trust for such other Secured Party and will promptly be paid over to the ABL Agent, Term Agent or Secured Notes Trustees, as applicable.

3.5 Remedies Standstill.

- (1) Any provision in any Credit Document to the contrary notwithstanding, but subject to the provisions of Section 3.1 and Section 5.1 of this Agreement, until the ABL Obligations Payment Date has occurred, none of the Non-ABL Secured Parties shall:
 - (a) take or cause to be taken any action, the purpose or effect of which is to make any Lien *pari passu* with, or to give any Person any preference or priority relative to, the ABL Liens on the ABL Priority Collateral;
 - (b) seek or support any sale of any Credit Party or any division of any Credit Party as a going concern by any Receiver or other court officer or pursuant to any court-supervised process on terms that do not provide for the repayment in full of all ABL Obligations; or
 - (c) where an Insolvency Proceeding in respect of one or more Credit Parties (whether initiated by such Credit Party, a Secured Party or otherwise) has been in existence for at least six months or which otherwise has resulted in any deterioration of the "Borrowing Base" (as defined in the ABL Credit Documents) by ten percent (10%), oppose any application brought by any ABL Secured Party to (i) appoint a Receiver on behalf of the Secured Parties, or (ii) have a Receiver appointed to supervise a going concern sale of a Credit Party or certain of its assets.
- (2) Any provision in any Credit Document to the contrary notwithstanding, but subject to the provisions of Section 3.1 and Section 5.1 of this Agreement, until the Term Credit Obligations Payment Date has occurred, none of the Secured Notes Secured Parties shall:
 - (a) take or cause to be taken any action, the purpose or effect of which is to make any Lien *pari passu* with, or to give any Person any preference or priority relative to, the Term Credit Liens on the Term Priority Collateral; or

- (b) seek or support any sale of any Credit Party or any division of any Credit Party as a going concern by any Receiver or other court officer or pursuant to any court-supervised process on terms that do not provide for the repayment in full of all Term Credit Obligations.

3.6 Judgment Creditors.

In the event that any Secured Party becomes a judgment lien creditor in respect of any Collateral, such judgment lien shall be subject to the same terms of this Agreement for all purposes as the other Liens in respect of such Collateral securing its Obligations, subject to this Agreement.

3.7 Cooperation.

- (1) Until the ABL Obligations Payment Date has occurred, the Term Agent and each of the Secured Notes Trustees agrees that each of them shall take such actions, at the cost of the ABL Agent, as the ABL Agent shall reasonably request in connection with the exercise by the ABL Agent of its rights in respect of the ABL Priority Collateral, subject to and as provided herein.
- (2) Provided the ABL Obligations Payment Date has occurred and until the Term Credit Obligations Payment Date has occurred, each of the Secured Notes Trustees agrees that it shall take such actions, at the cost of the Term Agent, as the Term Agent shall reasonably request in connection with the exercise by the Term Agent of its rights in respect of the ABL Priority Collateral, subject to and as provided herein.
- (3) Until the Term Obligations Payment Date has occurred, the ABL Agent and each of the Secured Notes Trustees agrees that it shall take such actions, at the cost of the Term Agent, as the Term Agent shall reasonably request in connection with the exercise by the Term Agent of its rights in respect of the Term Priority Collateral, subject to and as provided herein.
- (4) Provided the Term Credit Obligations Payment Date has occurred and until the ABL Obligations Payment Date has occurred, each of the Secured Notes Trustees agrees that it shall take such actions, at the cost of the ABL Agent, as the ABL Agent shall reasonably request in connection with the exercise by the ABL Agent of its rights in respect of the Term Priority Collateral, subject to and as provided herein.
- (5) Until the Secured Notes Obligations Payment Date has occurred, the ABL Agent (until the ABL Obligations Payment Date has occurred) and the Term Agent (until the Term Credit Obligations Payment Date has occurred) agrees that each of them shall take such actions, at the cost of the holders of Secured Notes, as the Secured Notes Trustees shall reasonably request in connection with the exercise

by the Secured Notes Trustees of their rights in respect of the ABL Priority Collateral and the Term Priority Collateral, subject to and as provided herein.

3.8 No Additional Rights for the Credit Parties hereunder.

Except as provided in Section 3.9, if any Secured Party shall enforce its rights or remedies in violation of the terms of this Agreement, the Credit Parties shall not be entitled to use such violation as a defence to any action by any such Secured Party or any other Secured Party, nor to assert such violation as a counterclaim or basis for set-off or recoupment against any such Secured Party.

3.9 Actions Upon Breach.

- (1) Until the ABL Obligations Payment Date has occurred, if any Term Credit Secured Party or Secured Notes Secured Party, contrary to this Agreement, commences or participates in any action or proceeding against any Credit Party with respect to any ABL Priority Collateral, or against the ABL Priority Collateral, the relevant Credit Party may, in respect of such ABL Priority Collateral, interpose as a defence the making of this Agreement, and the ABL Agent may, in respect of such ABL Priority Collateral, intervene and interpose such defence in its name or in the name of the relevant Credit Party. Until the ABL Obligations Payment Date has occurred, should any Term Credit Secured Party or Secured Notes Secured Party, contrary to this Agreement, in any way take, attempt to or threaten to take any action with respect to the ABL Priority Collateral (including, without limitation, any attempt to realize upon or enforce any remedy with respect to this Agreement), or fail to take any action required by this Agreement, the ABL Agent (in its own name or in the name of the relevant Credit Party) may obtain relief against such Secured Party by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by the Term Agent and the Secured Notes Trustees that (i) the ABL Agent's damages from its actions may at that time be difficult to ascertain and may be irreparable and may not be adequately compensated in damages, and (ii) each Term Credit Secured Party and Secured Notes Secured Party waives any defence that the Credit Parties and/or the ABL Agent cannot demonstrate damage and/or be made whole by the awarding of damages; provided, however, that in such circumstances, in no event shall any Term Credit Secured Party or Secured Notes Secured Party be liable for any indirect, special, punitive or consequential loss or damage of any kind whatsoever, including, but not limited to, lost profits, even if it has been advised of the likelihood of such loss or damage and regardless of the form of action.
- (2) Provided the ABL Obligations Payment Date has occurred and until the Term Credit Obligations Payment Date has occurred, if any Secured Notes Secured Party, contrary to this Agreement, commences or participates in any action or proceeding against any Credit Party with respect to any ABL Priority Collateral,

- or against the ABL Priority Collateral, the relevant Credit Party may, in respect of such ABL Priority Collateral, interpose as a defence the making of this Agreement, and the Term Agent may, in respect of such ABL Priority Collateral, intervene and interpose such defence in its name or in the name of the relevant Credit Party. Provided the ABL Obligations Payment Date has occurred and until the Term Credit Obligations Payment Date has occurred, should any Secured Notes Secured Party, contrary to this Agreement, in any way take, attempt to or threaten to take any action with respect to the ABL Priority Collateral (including, without limitation, any attempt to realize upon or enforce any remedy with respect to this Agreement), or fail to take any action required by this Agreement, the Term Agent (in its own name or in the name of the relevant Credit Party) may obtain relief against such Secured Notes Secured Party by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by the Secured Notes Trustees that (i) the Term Agent's damages from its actions may at that time be difficult to ascertain and may be irreparable and may not be adequately compensated in damages, and (ii) each Secured Notes Secured Party waives any defence that the Credit Parties and/or the Term Agent cannot demonstrate damage and/or be made whole by the awarding of damages; provided, however, that in such circumstances, in no event shall any Secured Notes Secured Party be liable for any indirect, special, punitive or consequential loss or damage of any kind whatsoever, including, but not limited to, lost profits, even if it has been advised of the likelihood of such loss or damage and regardless of the form of action.
- (3) Until the Term Credit Obligations Payment Date has occurred, if any ABL Secured Party or Secured Notes Secured Party, contrary to this Agreement, commences or participates in any action or proceeding against any Credit Party with respect to any Term Priority Collateral, or against the Term Priority Collateral, the relevant Credit Party may, in respect of such Term Priority Collateral, interpose as a defence the making of this Agreement, and the Term Agent may, in respect of such Term Priority Collateral, intervene and interpose such defence in its name or in the name of the relevant Credit Party. Until the Term Credit Obligations Payment Date has occurred, should any ABL Secured Party or Secured Notes Secured Party, contrary to this Agreement, in any way take, attempt to or threaten to take any action with respect to the Term Priority Collateral (including, without limitation, any attempt to realize upon or enforce any remedy with respect to this Agreement), or fail to take any action required by this Agreement, the Term Agent (in its own name or in the name of the relevant Credit Party) may obtain relief against such Secured Party by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by the ABL Agent and the Secured Notes Trustees that (i) the Term Agent's damages from its actions may at that time be difficult to ascertain and may be irreparable and may not be adequately compensated in

damages, and (ii) each ABL Secured Party and Secured Notes Secured Party waives any defence that the Credit Parties and/or the Term Agent cannot demonstrate damage and/or be made whole by the awarding of damages; provided, however, that in such circumstances, in no event shall any ABL Secured Party or Secured Notes Secured Party be liable for any indirect, special, punitive or consequential loss or damage of any kind whatsoever, including, but not limited to, lost profits, even if it has been advised of the likelihood of such loss or damage and regardless of the form of action.

- (4) Provided the Term Credit Obligations Payment Date has occurred and until the ABL Obligations Payment Date has occurred, if any Secured Notes Secured Party, contrary to this Agreement, commences or participates in any action or proceeding against any Credit Party with respect to any Term Priority Collateral, or against the Term Priority Collateral, the relevant Credit Party may, in respect of such Term Priority Collateral, interpose as a defence the making of this Agreement, and the ABL Agent may, in respect of such Term Priority Collateral, intervene and interpose such defence in its name or in the name of the relevant Credit Party. Provided the Term Credit Obligations Payment Date has occurred and until the ABL Obligations Payment Date has occurred, should any Secured Notes Secured Party, contrary to this Agreement, in any way take, attempt to or threaten to take any action with respect to the Term Priority Collateral (including, without limitation, any attempt to realize upon or enforce any remedy with respect to this Agreement), or fail to take any action required by this Agreement, the ABL Agent (in its own name or in the name of the relevant Credit Party) may obtain relief against such Secured Notes Secured Party by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by each of the Secured Notes Trustees that (i) the damages of the ABL Agent from its actions may at that time be difficult to ascertain and may be irreparable and may not be adequately compensated in damages, and (ii) each Secured Notes Secured Party waives any defence that the Credit Parties and/or the ABL Agent cannot demonstrate damage and/or be made whole by the awarding of damages; provided, however, that in such circumstances, in no event shall any Secured Notes Secured Party be liable for any indirect, special, punitive or consequential loss or damage of any kind whatsoever, including, but not limited to, lost profits, even if it has been advised of the likelihood of such loss or damage and regardless of the form of action.
- (5) Until the Secured Notes Obligations Payment Date has occurred, if any ABL Secured Party (until the ABL Obligations Payment Date has occurred) and/or any Term Credit Secured Party (until the Term Credit Obligations Payment Date has occurred), contrary to this Agreement, commences or participates in any action or proceeding against any Credit Party with respect to any ABL Priority Collateral or any Term Priority Collateral, or against the ABL Priority Collateral

or the Term Priority Collateral, the relevant Credit Party may, in respect of such ABL Priority Collateral or Term Priority Collateral, as the case may be, interpose as a defence the making of this Agreement, and the Secured Notes Trustees may, in respect of such ABL Priority Collateral or Term Priority Collateral, as the case may be, intervene and interpose such defence in its name or in the name of the relevant Credit Party. Until the Secured Notes Obligations Payment Date has occurred, if any ABL Secured Party (until the ABL Obligations Payment Date has occurred) and/or any Term Credit Secured Party (until the Term Credit Obligations Payment Date has occurred) should, contrary to this Agreement, in any way take, attempt to or threaten to take any action with respect to the ABL Priority Collateral or Term Priority Collateral, as the case may be, (including, without limitation, any attempt to realize upon or enforce any remedy with respect to this Agreement), or fail to take any action required by this Agreement, the Secured Notes Trustees (in their own names or in the name of the relevant Credit Party) may obtain relief against such ABL Secured Party or Term Credit Secured Party, as the case may be, by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by each of the ABL Agent and the Term Agent that (i) the damages of the Secured Notes Trustees from their actions may at that time be difficult to ascertain and may be irreparable and may not be adequately compensated in damages, and (ii) each ABL Secured Party and Term Credit Secured Party waives any defence that the Credit Parties and/or the Secured Notes Trustees cannot demonstrate damage and/or be made whole by the awarding of damages; provided, however, that in such circumstances, in no event shall any ABL Secured Party or Term Credit Secured Party be liable for any indirect, special, punitive or consequential loss or damage of any kind whatsoever, including, but not limited to, lost profits, even if it has been advised of the likelihood of such loss or damage and regardless of the form of action.

3.10 Liquidation Period.

The ABL Agent and/or any Receiver may, upon receipt by the Term Agent and the Secured Notes Trustees of prior written notice from the ABL Agent given in accordance with Section 3.2 in connection with an Enforcement Action (such notice to be received by such Persons no later than fifteen (15) days after the Commencement Date, as hereinafter defined), and subject to the rights of applicable landlords, occupy and use the Term Priority Collateral, for the purposes set out in Section 3.11, consisting of or located within (i) each Credit Party's manufacturing facilities for up to one hundred and twenty (120) days from the Commencement Date (the "**Manufacturing Liquidation Period**"), and (ii) each Credit Party's warehouse, distribution and office facilities for up to one hundred and fifty (150) days from the Commencement Date (the "**Warehouse Liquidation Period**", and together with the Manufacturing Liquidation Period, the "**Liquidation Period**") following the earliest to occur of: (i) the commencement of an Enforcement Action by the ABL Agent in respect of the ABL

Priority Collateral; (ii) receipt by the ABL Agent of an enforcement notice from any other Secured Party; and (iii) the expiration of any period during which the ABL Agent and/or a Receiver is stayed or enjoined or precluded by statute or otherwise (through no fault of the ABL Agent or any Receiver) from taking one or more Enforcement Actions in respect of the ABL Priority Collateral (the date on which the earliest of an event described in clauses (i), (ii) or (iii) inclusive above occurs being the “**Commencement Date**”). For greater certainty, the Manufacturing Liquidation Period and the Warehouse Liquidation Period shall run concurrently and under no circumstance shall any Liquidation Period exceed a period of one hundred and fifty (150) days from the Commencement Date. During the applicable term of the Liquidation Period, the ABL Agent or any Receiver, as applicable, may use and occupy the Term Priority Collateral without force or process of law and without any obligation to pay rents, royalties or other fees to any other Secured Party or any Credit Party, except for payment or reimbursement of rents, costs and expenses as set forth in Section 3.14. During the Liquidation Period, the ABL Agent or any Receiver, as applicable, may make copies of all books, records, books of account, computer disks, printouts and tapes and other computer-generated information relating to ABL Priority Collateral. The license or lease to use and occupy the Term Priority Collateral during the Liquidation Period shall apply to and for the benefit of the ABL Agent or any Receiver, as applicable, and any agents, brokers, appraisers, auctioneers or liquidators retained by the ABL Agent or such Receiver.

3.11 Use of Term Priority Collateral.

During the Manufacturing Liquidation Period, the ABL Agent or any Receiver, as applicable, shall have access to and use and occupancy of each Credit Party’s manufacturing facilities and other Term Priority Collateral located therein to the extent necessary to convert raw materials, to complete the manufacturing of work in process, and to package, ship, sell, liquidate or otherwise dispose of Inventory. During the Liquidation Period, the ABL Agent or any Receiver, as applicable, shall have access to and use and occupancy of (i) each Credit Party’s warehouse and distribution facilities and other Term Priority Collateral located therein (and all material handling equipment comprising Term Priority Collateral whether or not located therein) and in the offices to the extent necessary to package, ship, sell, liquidate or otherwise dispose of Inventory, and (ii) the offices of each Credit Party and the Term Priority Collateral located therein, including computers and computer programs and all other office equipment and supplies, to the extent necessary to collect, sell or otherwise dispose of Accounts.

3.12 Rights During Liquidation Period.

- (1) During the Liquidation Period, the ABL Agent’s access, use and occupancy of the manufacturing facilities, warehouse and distribution facilities, offices and Term Priority Collateral shall not be exclusive and provided that none of the following interfere in any material respect in connection with the exercise by the ABL Agent or any Receiver of the rights afforded by Sections 3.10 and 3.11,

- including the liquidation, sale or other disposition of the ABL Priority Collateral by the ABL Agent or any Receiver: (i) the Term Agent or the Secured Notes Trustees, as the case may be, and its or their Receiver shall have access to the manufacturing, warehouse, distribution and office facilities, offices and Term Priority Collateral to preserve, protect, appraise and evaluate the Term Priority Collateral, to show the Term Priority Collateral to potential purchasers, to offer the Term Priority Collateral for sale, to operate the business of the Credit Parties, or any part thereof, and/or to otherwise use the Term Priority Collateral; and (ii) the Term Agent or the Secured Notes Trustees, as the case may be, and its or their Receiver may sell some or all of the Term Priority Collateral, provided to the extent such Term Priority Collateral continues to be required for the purposes set out in Section 3.11 that the purchasers of such Term Priority Collateral shall have expressly agreed in writing to be bound by the Term Agent's or Secured Notes Trustees' obligations, as the case may be, under this Agreement with respect to the purchased Term Priority Collateral until the expiration of the Liquidation Period and that to the extent so required as aforesaid, the items purchased shall remain in place and shall remain subject to the rights of use and occupancy of the ABL Agent and its Receiver, all in accordance with this Agreement.
- (2) For greater certainty, the rights of the Secured Notes Trustees as provided for in this Section 3.12 shall only apply for the benefit if the Secured Notes Trustees to the extent they are taking and continuing an Enforcement Action after the issuance of a Secured Notes Term Priority Collateral Enforcement Request Notice under Section 3.1(3) or (4), as the case may be.

3.13 Availability and Delivery of Books, Records.

During the Liquidation Period, the Term Agent or the Secured Notes Trustees, as the case may be, (to the extent that such Person or Persons is or are in a position to do so) and the Credit Parties shall make available to the ABL Agent and any Receiver at no cost to the ABL Agent or such Receiver (other than for any reasonable costs and expenses incurred by the Term Agent or the Secured Notes Trustees, as the case may be, in connection therewith) copies of all books, records, books of account, computer disks, printouts, tapes and other computer-prepared information and other information with respect to the ABL Priority Collateral, and the Term Agent shall deliver to the ABL Agent or the Receiver, as applicable at no cost to the ABL Agent or such Receiver (other than for any reasonable costs and expenses incurred by the Term Agent or the Secured Notes Trustees, as the case may be, in connection therewith) copies of all ledgers and documents, if any, held by it and related to the ABL Priority Collateral.

3.14 Expenses During Liquidation Period.

If the ABL Agent or its Receiver elects to use some or all of the Term Priority Collateral as set forth herein, to the extent and for so long as the ABL Agent or the

Receiver, as applicable, occupies or uses a manufacturing, warehouse or distribution facility or office owned or leased by a Credit Party, the ABL Agent shall be responsible for all direct expenses related thereto, including costs with respect to heat, light, electricity, water, insurance and real property taxes with respect to that portion of any building so used or occupied and payroll and related expenses for employees whose services are required by the ABL Agent or the Receiver for such use and operation of such facility or office. In addition, the ABL Agent shall, at its own cost and expense, perform, or cause to be performed, normal reasonable maintenance on those Term Priority Collateral used or occupied by the ABL Agent or the Receiver during the period of such use or occupation. The ABL Agent agrees to hold the Term Agent and the Secured Notes Trustees harmless concerning (i) any third party liability resulting from the use or operation of such facilities, offices, buildings, premises and equipment by the ABL Agent or its Receiver and (ii) for any damage to or loss of the Term Priority Collateral. In the case of Term Priority Collateral leased to a Credit Party and used or occupied by the ABL Agent or a Receiver, the ABL Agent or the Receiver, as applicable, shall assume and be directly responsible for all obligations of the lessee, including without limitation, paying the rental and other payments required to be paid to the lessor, in each case in accordance with the terms of such lease for the period of such use and occupancy of the Term Priority Collateral, unless the applicable lessor shall have otherwise agreed. The ABL Agent or the Receiver, as applicable, shall promptly repair, at the ABL Agent's or Receiver's expense, any physical damage to the Term Priority Collateral caused by the ABL Agent or the Receiver or any other Person acting under the direction of either of them during the use or occupancy of the Term Priority Collateral by or on behalf of the ABL Agent or the Receiver, as applicable, or any sale, removal or other disposition of its Collateral (ordinary wear and tear excluded) and the Term Priority Collateral so used or occupied shall be left by the ABL Agent and the Receiver at the expiration of the applicable term of the Liquidation Period in substantially the same state of repair and be in the same working order (ordinary wear and tear excluded), in each case as existed upon the commencement of the Liquidation Period.

3.15 No Obligation to Take Possession/Maintain Leases.

Nothing in this Section 3 shall obligate any Secured Party to take possession of or appoint or seek to appoint a Receiver over, the Term Priority Collateral, or to take any other enforcement step with respect to the Term Priority Collateral. In addition to the foregoing and for greater certainty, nothing in this Section 3 shall obligate any Secured Party to undertake any measures or expend or incur any amounts in order to maintain any Term Priority Collateral which has been leased by a Credit Party.

3.16 Rights Personal to ABL Agent.

The rights and obligations of Sections 3.10 to 3.14 above inclusive are personal to the ABL Agent and, notwithstanding any other provision in this Agreement, may not be assigned or otherwise transferred by the ABL Agent to any other Person or Persons,

in whole or in part, unless each such assignee provides an indemnity in favour of the Term Credit Secured Parties, on substantially the same terms as are set forth in Section 3.14.

**SECTION 4 APPLICATION OF PROCEEDS OF THE COLLATERAL;
DISPOSITIONS AND RELEASES OF THE PRIORITY COLLATERAL;
INSPECTION AND INSURANCE**

4.1 Application of Proceeds; Turnover Provisions.

- (1) All proceeds of ABL Priority Collateral resulting from the Disposition of ABL Priority Collateral in connection with or resulting from any Enforcement Action, and whether or not pursuant to an Insolvency Proceeding, shall be distributed as follows: first to the ABL Agent for application to the ABL Obligations in accordance with the terms of the ABL Documents, until the ABL Obligations Payment Date has occurred; thereafter, to the Term Agent for application to the Term Credit Obligations in accordance with the Term Credit Documents until the Term Credit Obligations Payment Date has occurred; and thereafter to the Secured Notes Trustees for application to the Secured Notes Obligations in accordance with the Secured Notes Credit Documents. Until the ABL Obligations Payment Date has occurred, any ABL Priority Collateral, including without limitation any such ABL Priority Collateral constituting proceeds, that may be received by any Term Credit Secured Party or Secured Notes Secured Party in violation of this Agreement shall be segregated and held in trust and promptly paid over to the ABL Agent in the same form as received, with any necessary endorsements, and the Term Agent and each of the Secured Notes Trustees each hereby authorizes the ABL Agent to make any such endorsements as agent for such Person (which authorization, being coupled with an interest, is irrevocable). Provided the ABL Obligations Payment Date has occurred and until the Term Credit Obligations Payment Date has occurred, any ABL Priority Collateral, including without limitation any such ABL Priority Collateral constituting proceeds, that may be received by any Secured Notes Secured Party in violation of this Agreement shall be segregated and held in trust and promptly paid over to the Term Agent in the same form as received, with any necessary endorsements, and each Secured Notes Secured Party hereby authorizes the Term Agent to make any such endorsements as agent for the Secured Notes Trustees (which authorization, being coupled with an interest, is irrevocable).
- (2) All proceeds of Term Priority Collateral resulting from the Disposition of Term Priority Collateral in connection with or resulting from any Enforcement Action, and whether or not pursuant to an Insolvency Proceeding, shall be distributed as follows: first to the Term Agent for application to the Term Credit Obligations in accordance with the terms of the Term Credit Documents, until the Term Credit

- Obligations Payment Date has occurred; thereafter, to the ABL Agent for application to the ABL Obligations in accordance with the ABL Credit Documents up to the ABL Term Priority Collateral Capped Amount; thereafter to the Secured Notes Trustees for application to the Secured Notes Obligations in accordance with the Secured Notes Credit Documents until the Secured Notes Obligations Payment Date has occurred; and thereafter to the ABL Agent for application to the ABL Obligations in accordance with the ABL Credit Documents for amounts in excess of the ABL Term Priority Collateral Capped Amount until the ABL Obligations Payment Date has occurred. Until the Term Credit Obligations Payment Date has occurred, any Term Priority Collateral, including without limitation any such Term Priority Collateral constituting proceeds, that may be received by any ABL Secured Party or Secured Notes Secured Party in violation of this Agreement shall be segregated and held in trust and promptly paid over to the Term Agent in the same form as received, with any necessary endorsements, and the ABL Agent and each Secured Notes Trustee hereby authorizes the Term Agent to make any such endorsements as agent for the ABL Agent and each Secured Notes Trustees, as the case may be (which authorization, being coupled with an interest, is irrevocable). Provided the Term Credit Obligations Payment Date has occurred, any Term Priority Collateral, including without limitation any such Term Priority Collateral constituting proceeds, that may be received by the ABL Agent or any Secured Notes Secured Party in violation of this Agreement shall be segregated and held in trust and promptly paid over to the Secured Party entitled to same in the same form as received, with any necessary endorsements, and each of such Secured Parties hereby authorizes the other to make any such endorsements as its agent (which authorization, being coupled with an interest, is irrevocable).
- (3) The provisions of Sections 4.1(1) and (2) shall also apply to Asset Sale Proceeds resulting from any Disposition of ABL Priority Collateral or Term Priority Collateral, as the case may be, prior to or not resulting from or in connection with the taking or continuing of any Enforcement Action, provided that the entitlement of the ABL Agent to receive proceeds of any Term Priority Collateral subsequent to the Term Agent and prior to the Secured Notes Trustees shall be limited to the ABL Term Priority Collateral Capped Amount for each such Disposition (and not, for greater certainty, as an aggregate entitlement of the ABL Agent to receive such amount for application to the ABL Obligations prior to the Secured Notes Trustees being entitled to apply any proceeds of Term Priority Collateral to the Secured Notes Obligations in accordance with Section 4.1(2)).

4.2 Asset Dispositions.

- (1) Until the ABL Obligations Payment Date has occurred, subject to compliance with Sections 4.1(1) or (3), as applicable, each of the Secured Notes Trustees

- agrees, it shall not, subject to Section 4.2(5) in an Insolvency Proceeding or otherwise, oppose any Disposition of any assets of any Credit Party constituting ABL Priority Collateral that is supported and consented to by the ABL Agent, and each Secured Notes Secured Party will be deemed to have consented to any such Disposition supported and consented to by the ABL Agent and to have released their Liens in such assets (but not the proceeds thereof as provided in Section 4.3), provided that the ABL Agent agrees that nothing in this Section 4.2 shall, is intended to, or shall be deemed to, constitute a waiver by any Secured Notes Secured Party or prohibit or otherwise restrict any Secured Notes Secured Party from instituting any legal proceeding against the ABL Secured Parties seeking damages on the grounds of non-compliance with applicable law or gross negligence or wilful misconduct of the ABL Agent, its Receiver, any other ABL Secured Party or any other Person acting on behalf or under the direction of any of them.
- (2) Provided the ABL Obligations Payment Date has occurred and until the Term Credit Obligations Payment Date has occurred, subject to compliance with Sections 4.1(1) or (3), as applicable, each of the Secured Notes Trustees agrees that it shall not, subject to Section 4.2(5) in an Insolvency Proceeding or otherwise, oppose any Disposition of any assets of any Credit Party constituting ABL Priority Collateral that is supported and consented to by the Term Agent, and each Secured Notes Secured Party will be deemed to have consented to any such Disposition supported and consented to by the Term Agent and to have released their Liens in such assets (but not the proceeds thereof as provided in Section 4.3), provided that the Term Agent agrees that nothing in this Section 4.2 shall, is intended to, or shall be deemed to, constitute a waiver by any Secured Notes Secured Party or prohibit or otherwise restrict any Secured Notes Secured Party, from instituting any legal proceeding against the Term Credit Secured Parties seeking damages on the grounds of non-compliance with applicable law or gross negligence or wilful misconduct of the Term Agent, its Receiver, any other Term Credit Secured Party or any other Person acting on behalf or under the direction of any of them.
- (3) Until the Term Credit Obligations Payment Date has occurred, subject to compliance with Sections 4.1(2), or (3), as applicable, each of the Secured Notes Trustees shall not, subject to Section 4.2(5), in an Insolvency Proceeding or otherwise, oppose any Disposition of any assets of any Credit Party constituting Term Priority Collateral that is supported and consented to by the Term Agent, and each Secured Notes Secured Party will be deemed to have consented to any such Disposition supported and consented to by the Term Agent and to have released their Liens in such assets (but not the proceeds thereof as provided in Section 4.3), provided that the Term Agent agrees that nothing in this Section 4.2 shall, is intended to, or shall be deemed to, constitute a waiver by any

- Secured Notes Secured Party or prohibit or otherwise restrict any Secured Notes Secured Party, from instituting any legal proceeding against the Term Credit Secured Parties seeking damages on the grounds of non-compliance with applicable law or gross negligence or wilful misconduct of the Term Agent, its Receiver, any other Term Credit Secured Party or any other Person acting on behalf or under the direction of any of them.
- (4) Provided the Term Credit Obligations Payment Date has occurred and until the ABL Obligations Payment Date has occurred, subject to compliance with Section 4.1(2) or (3), as applicable, each of the Secured Notes Trustees agrees that it shall not, subject to Section 4.2(5), in an Insolvency Proceeding or otherwise, oppose any Disposition of any assets of any Credit Party constituting Term Priority Collateral that is supported and consented to by the ABL Agent, and each Secured Notes Secured Party will be deemed to have consented to any such Disposition supported and consented to by the ABL Agent and to have released their Liens in such assets (but not the proceeds thereof as provided in Section 4.3), provided that the ABL Agent agrees that nothing in this Section 4.2 shall, is intended to, or shall be deemed to, constitute a waiver by any Secured Notes Secured Party or prohibit or otherwise restrict any Secured Notes Secured Party, from instituting any legal proceeding against the ABL Secured Parties seeking damages on the grounds of non-compliance with applicable law or gross negligence or wilful misconduct of the ABL Agent, its Receiver, any other ABL Secured Party or any other Person acting on behalf or under the direction of any of them.
- (5) Notwithstanding Sections 4.2(1), 4.2(2), 4.2(3) and (4) above but subject to compliance with Section 4.1(3), if the Secured Notes are not or have not been fully redeemed pursuant to Article 3 of the Supplemental Trust Indenture (any such redemption being subject to the prior written consent of the ABL Agent and the Term Agent which may be withheld in their sole discretion), each of the Secured Notes Trustees may oppose any Disposition of (i) all or substantially all of the assets of, or more than 49% of the equity securities of, any Lake Erie Steel Entity, or (ii) more than 50% of any of the equity securities of any of the other General Partners or Limited Partnerships (other than any of the Lake Erie Steel Entities), in each case, which is not effected with the prior written consent of the holders of the Secured Notes in accordance with Section 6.12(9) or Section 6.14 of the Supplemental Trust Indenture, as the case may be.

4.3 Releases of Secured Parties Liens.

- (1) Until the ABL Obligations Payment Date has occurred, upon any Disposition of ABL Priority Collateral subject to and in accordance with the terms of the ABL Credit Documents and this Agreement (including, without limitation, pursuant to Sections 4.1(1), 4.1(3), 4.2(5) and 4.3(5)) that results in the release of the ABL

- Lien on any ABL Priority Collateral (including without limitation any Disposition pursuant to any Enforcement Action), the Secured Notes Lien on such ABL Priority Collateral (but not on any proceeds of such ABL Priority Collateral not required by the provisions of Section 4.1 to be paid to the ABL Agent) shall be automatically and unconditionally released with no further consent or action of any Person, unless such Disposition has not been completed in compliance with applicable law or results from the gross negligence or wilful misconduct of the ABL Agent, its Receiver, any other ABL Secured Party or any other Person acting on behalf or under the direction of any of them. Subject to the foregoing, each of the Secured Notes Trustees shall promptly execute and deliver such release documents and instruments and shall take such further actions as the ABL Agent shall reasonably request to evidence any release of their Liens described above, and each of the Secured Notes Trustees hereby appoints the ABL Agent and any senior officer or duly authorized person of the ABL Agent, with full power of substitution, as its true and lawful attorney in its place and stead and in its name or in the ABL Agent's own name, from time to time, in the ABL Agent's sole discretion, acting reasonably, for the purposes of carrying out the terms of this subparagraph (1) (which appointment, being coupled with an interest, is irrevocable).
- (2) Provided the ABL Obligations Payment Date has occurred and until the Term Credit Obligations Payment Date has occurred, upon any Disposition of ABL Priority Collateral subject to and in accordance with the terms of the Term Credit Documents and this Agreement (including, without limitation, pursuant to and subject to compliance with Sections 4.1(1), 4.1(3), 4.2(5) and 4.3(5)) that results in the release of the Term Credit Lien on any ABL Priority Collateral (including without limitation any Disposition pursuant to any Enforcement Action), the Secured Notes Lien on such ABL Priority Collateral (but not on any proceeds of such ABL Priority Collateral not required by the provisions of Section 4.1 to be paid to the Term Agent) shall be automatically and unconditionally released with no further consent or action of any Person, unless such Disposition has not been completed in compliance with applicable law or results from the gross negligence or wilful misconduct of the Term Agent, its Receiver, any other Term Credit Secured Party or any other Person acting on behalf or under the direction of any of them. Subject to the foregoing, each of the Secured Notes Trustees shall promptly execute and deliver such release documents and instruments and shall take such further actions as the Term Agent shall reasonably request to evidence any release of their Liens described above, and each of the Secured Notes Trustees hereby appoints the Term Agent and any senior officer or duly authorized person of the Term Agent, with full power of substitution, as its true and lawful attorney in its place and stead and in its name or in the Term Agent's own name, from time to time, in the Term Agent's sole discretion, acting

reasonably, for the purposes of carrying out the terms of this subparagraph (2) (which appointment, being coupled with an interest, is irrevocable).

- (3) Until the Term Credit Obligations Payment Date has occurred, upon any Disposition of Term Priority Collateral subject to and in accordance with the terms of the Term Credit Documents and this Agreement (including, without limitation, pursuant to and subject to compliance with Sections 4.1(2) , 4.1(3), 4.2(5) and 4.3(5)) that results in the release of the Term Credit Lien on any Term Priority Collateral (including without limitation any Disposition pursuant to any Enforcement Action), the Secured Notes Lien on such Term Priority Collateral (but not on any proceeds of such Term Priority Collateral not required by the provisions of Section 4.1 to be paid to the Term Agent) shall be automatically and unconditionally released with no further consent or action of any Person, unless such Disposition has not been completed in compliance with applicable law or results from the gross negligence or wilful misconduct of the Term Agent, its Receiver, any other Term Credit Secured Party or any other Person acting on behalf or under the direction of any of them. Subject to the foregoing, each of the Secured Notes Trustees shall promptly execute and deliver such release documents and instruments and shall take such further actions as the Term Agent shall reasonably request to evidence any release of the Liens described above, and each of the Secured Notes Trustees hereby appoints the Term Agent and any senior officer or duly authorized person of the Term Agent, with full power of substitution, as its true and lawful attorney in its place and stead and in its name or in the Term Agent's own name, from time to time, in the Term Agent's sole discretion, acting reasonably, for the purposes of carrying out the terms of this subparagraph (3) (which appointment, being coupled with an interest, is irrevocable).
- (4) Provided the Term Credit Obligations Payment Date has occurred and until the ABL Obligations Payment Date has occurred, upon any Disposition of Term Priority Collateral subject to and in accordance with the terms of the ABL Credit Documents and this Agreement (including, without limitation, pursuant to and subject to compliance with Sections 4.1(2), 4.1(3), 4.2(5) and 4.3(5)) that results in the release of the ABL Lien on any Term Priority Collateral (including without limitation any Disposition pursuant to any Enforcement Action), subject to Section 4.3(5), the Secured Notes Lien on such Term Priority Collateral (but not on any proceeds of such ABL Priority Collateral not required by the provisions of Section 4.1 to be paid to the ABL Agent) shall be automatically and unconditionally released with no further consent or action of any Person, unless such Disposition has not been completed in compliance with applicable law or results from the gross negligence or wilful misconduct of the ABL Agent, its Receiver, any other ABL Secured Party or any other Person acting on behalf or under the direction of any of them. Subject to the foregoing, each of the Secured

Notes Trustees shall promptly execute and deliver such release documents and instruments and shall take such further actions as the ABL Agent shall reasonably request to evidence any release of the Secured Notes Lien described above, and each of the Secured Notes Trustees hereby appoints the ABL Agent and any senior officer or duly authorized person of the ABL Agent, with full power of substitution, as its true and lawful attorney in the place and stead of such Secured Notes Trustee and in the name of such Secured Notes Trustee or in the name of the ABL Agent, from time to time, in the sole discretion of the ABL Agent, acting reasonably, for the purposes of carrying out the terms of this subparagraph (4) (which appointment, being coupled with an interest, is irrevocable).

- (5) Notwithstanding Sections 4.3(1), 4.3(2), 4.3(3) and 4.3(4) above but subject to compliance with Section 4.1(3), if the Secured Notes are not or have not been fully redeemed pursuant to Article 3 of the Supplemental Trust Indenture (any such redemption being subject to the prior written consent of the ABL Agent and the Term Agent which may be withheld in their sole discretion), no Secured Notes Liens shall be so automatically released in connection with the Disposition of (i) all or substantially all of the assets of, or more than 49% of the equity securities of, any Lake Erie Steel Entity, or (ii) more than 50% of any of the equity securities of any of the other General Partners or Limited Partnerships (other than any of the Lake Erie Steel Entities), in each case, without the prior written consent of the holders of the Secured Notes in accordance with Section 6.12(9) or Section 6.14 of the Supplemental Trust Indenture, as the case may be.

4.4 Inspection Rights and Insurance.

- (1) Until the ABL Obligations Payment Date has occurred, subject to compliance with Sections 3.1, 4.1, 4.2(5) and 4.3(5), the ABL Agent and its representatives and invitees may at any time inspect, repossess, remove and otherwise deal with the ABL Priority Collateral, and the ABL Agent may advertise and conduct public or private sales of the ABL Priority Collateral, in each case without the involvement of or interference by any other Secured Party or liability to any other Secured Party, provided that the ABL Agent agrees that nothing in this Section shall, is intended to, or shall be deemed to, constitute a waiver by any other Secured Party or prohibit or otherwise restrict any other Secured Party, from instituting any legal proceeding against the ABL Agent, its representatives and invitees, seeking damages on the grounds of non-compliance with applicable law or gross negligence or wilful misconduct of any such party or any other Person acting on behalf or under the direction of any of them. Until the ABL Obligations Payment Date has occurred, subject to the terms of this Agreement each of the ABL Agent, the Term Agent and the Secured Notes Trustees will have the right to be named as additional insureds and loss payees under any insurance policies maintained from time to time by any Credit Party

- in respect of the ABL Priority Collateral provided that any payments under such insurance policies shall be made solely and exclusively to the ABL Agent until the ABL Obligations Payment Date has occurred, and until such time the ABL Agent will have the sole and exclusive right to (i) adjust or settle any insurance policy or claim covering the ABL Priority Collateral in the event of any loss thereunder, and (ii) to approve any award granted in any expropriation, condemnation or similar proceeding affecting the ABL Priority Collateral, provided that the ABL Agent agrees that nothing in this Section 4.4(1) shall, is intended to, or shall be deemed to, constitute a waiver by any Term Credit Secured Party or Secured Notes Secured Party or prohibit or otherwise restrict any Term Credit Secured Party or Secured Notes Secured Party from instituting any legal proceeding against the ABL Secured Parties seeking damages on the grounds of non-compliance with applicable law or gross negligence or wilful misconduct of the ABL Agent, its Receiver, any other ABL Secured Party or any other Person acting on behalf or under the direction of any of them.
- (2) Provided the ABL Obligations Payment Date has occurred and until the Term Credit Obligations Payment Date has occurred, subject to compliance with Sections 3.1, 4.1, 4.2(5) and 4.3(5), the Term Agent and its representatives and invitees may at any time inspect, repossess, remove and otherwise deal with the ABL Priority Collateral, and the Term Agent may advertise and conduct public or private sales of the ABL Priority Collateral, in each case without the involvement of or interference by any Secured Notes Secured Party or liability to any Secured Notes Secured Party, provided that the Term Agent agrees that nothing in this Section shall, is intended to, or shall be deemed to, constitute a waiver by any Secured Notes Secured Party or prohibit or otherwise restrict any Secured Notes Credit Secured Party, from instituting any legal proceeding against the Term Agent, its representatives and invitees, seeking damages on the grounds of non-compliance with applicable law or gross negligence or wilful misconduct of any such party or any other Person acting on behalf or under the direction of any of them. Provided the ABL Obligations Payment Date has occurred and until the Term Credit Obligations Payment Date has occurred, subject to the terms of this Agreement, the Term Agent and the Secured Notes Trustees will have the right to be named as additional insureds and loss payees under any insurance policies maintained from time to time by any Credit Party in respect of the ABL Priority Collateral provided that any payments under such insurance policies shall be made solely and exclusively to the Term Agent until the Term Credit Obligations Payment Date has occurred, and until such time the Term Agent will have the sole and exclusive right to (i) adjust or settle any insurance policy or claim covering the ABL Priority Collateral in the event of any loss thereunder, and (ii) to approve any award granted in any expropriation, condemnation or similar proceeding affecting the ABL Priority Collateral, provided that the Term Agent agrees that nothing in this Section 4.4(2) shall, is

intended to, or shall be deemed to, constitute a waiver by any Secured Notes Secured Party or prohibit or otherwise restrict any Secured Notes Secured Party from instituting any legal proceeding against the Term Credit Secured Parties seeking damages on the grounds of non-compliance with applicable law or gross negligence or wilful misconduct of the Term Agent, its Receiver, any other Term Credit Secured Party or any other Person acting on behalf or under the direction of any of them.

- (3) Until the Term Credit Obligations Payment Date has occurred, subject to compliance with Sections 3.1, 4.1, 4.3(5) and 4.3(5), the Term Agent and its representatives and invitees may, at any time inspect, repossess, remove and otherwise deal with the Term Priority Collateral, and the Term Agent may advertise and conduct public or private sales of the Term Priority Collateral, in each case without the involvement of or interference by any other Secured Party or liability to any other Secured Party, provided that the Term Agent agrees that nothing in this Section shall, is intended to, or shall be deemed to, constitute a waiver by any other Secured Party or prohibit or otherwise restrict any other Secured Party, from instituting any legal proceeding against the Term Agent, its representatives and invitees, seeking damages on the grounds of non-compliance with applicable law or gross negligence or wilful misconduct of any such party or any other Person acting on behalf or under the direction of any of them. Until the Term Credit Obligations Payment Date has occurred, subject to the terms of this Agreement, each of the Term Agent, the ABL Agent and each of the Secured Notes Trustees will have the right to be named as additional insureds and loss payees under any insurance policies maintained from time to time by any Credit Party in respect of the Term Credit Priority Collateral provided that any payments under such insurance policies shall be made solely and exclusively to the Term Agent until the Term Credit Obligations Payment Date has occurred, and until such time the Term Agent will have the sole and exclusive right to (i) adjust or settle any insurance policy or claim covering the Term Priority Collateral in the event of any loss thereunder, and (ii) to approve any award granted in any expropriation, condemnation or similar proceeding affecting the Term Priority Collateral, provided that the Term Agent agrees that nothing in this Section 4.4(3) shall, is intended to, or shall be deemed to, constitute a waiver by any ABL Secured Party or Secured Notes Secured Party or prohibit or otherwise restrict any ABL Secured Party or Secured Notes Secured Party from instituting any legal proceeding against the Term Credit Secured Parties seeking damages on the grounds of non-compliance with applicable law or gross negligence or wilful misconduct of the Term Agent, its Receiver, any other Term Credit Secured Party or any other Person acting on behalf or under the direction of any of them.

- (4) Provided the Term Credit Obligations Payment Date has occurred and until the ABL Obligations Payment Date has occurred, subject to compliance with Sections 3.1, 4.1, 4.2(5) and 4.3(5), the ABL Agent and its representatives and invitees may at any time inspect, repossess, remove and otherwise deal with the Term Priority Collateral, and the ABL Agent may advertise and conduct public or private sales of the Term Priority Collateral, in each case without the involvement of or interference by any Secured Notes Secured Party or liability to any Secured Notes Secured Party, provided that the ABL Agent agrees that nothing in this Section shall, is intended to, or shall be deemed to, constitute a waiver by any Secured Notes Secured Party or prohibit or otherwise restrict any Secured Notes Secured Party, from instituting any legal proceeding against the ABL Agent, its representatives and invitees, seeking damages on the grounds of non-compliance with applicable law or gross negligence or wilful misconduct of any such party or any other Person acting on behalf or under the direction of any of them. Provided the Term Credit Obligations Payment Date has occurred and until the ABL Obligations Payment Date has occurred, subject to the terms of this Agreement, each of the ABL Agent and the Secured Notes Trustees will have the right to be named as additional insureds and loss payees under any insurance policies maintained from time to time by any Credit Party in respect of the Term Priority Collateral provided that any payments under such insurance policies shall be made solely and exclusively to the ABL Agent until the ABL Obligations Payment Date has occurred. In addition, as long as any ABL Obligations are outstanding, the ABL Agent will have the sole and exclusive right to (i) adjust or settle any insurance policy or claim covering the Term Priority Collateral in the event of any loss thereunder, and (ii) to approve any award granted in any expropriation, condemnation or similar proceeding affecting the Term Priority Collateral, provided that the ABL Agent agrees that nothing in this Section 4.4(4) shall, is intended to, or shall be deemed to, constitute a waiver by any Secured Notes Secured Party or prohibit or otherwise restrict any Secured Notes Secured Party from instituting any legal proceeding against the ABL Secured Parties seeking damages on the grounds of non-compliance with applicable law or gross negligence or wilful misconduct of the ABL Agent, its Receiver, any other ABL Secured Party or any other Person acting on behalf or under the direction of any of them.

SECTION 5 INSOLVENCY PROCEEDINGS

5.1 Filing of Motions.

- (1) Until the ABL Obligations Payment Date has occurred, subject to Sections 3.1(1), (3) and (4), each of the Non-ABL Secured Parties agrees that no such Secured Party shall, in or in connection with any Insolvency Proceeding, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever with respect to the

determination of any Liens or claims held by any ABL Secured Party (including the validity and enforceability thereof) or the value of any claims of such parties in any such Insolvency Proceeding or otherwise; provided that such Non-ABL Secured Parties may accelerate their respective Obligations for the sole purpose of filing a proof of claim in an Insolvency Proceeding and take or participate in legal proceedings arising thereunder, and take action for the conversion of any floating charge to a fixed charge, in each case, subject to the limitations contained in this Section 5.

- (2) Until the Term Obligations Payment Date has occurred, subject to Sections 3.1(2) and (3), each of the Secured Parties (other than the Term Agent) agrees that no such Secured Party shall, in or in connection with any Insolvency Proceeding, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever with respect to the determination of any Liens or claims held by any Term Credit Secured Party (including the validity and enforceability thereof) or the value of any claims of such parties in any such Insolvency Proceeding or otherwise; provided that such other Secured Parties may accelerate their respective Obligations for the sole purpose of filing a proof of claim in an Insolvency Proceeding and take or participate in legal proceedings thereunder, and take action for the conversion of any floating charge to a fixed charge, subject to the limitations contained in Section 3.5 and this Section 5.

5.2 No Relief From Stay.

- (1) Until the ABL Obligations Payment Date has occurred, each of the Non-ABL Secured Parties agrees, subject to Section 3.1(1), that none of them will seek relief from any stay of proceedings in any Insolvency Proceeding in respect of any ABL Priority Collateral without the prior written consent of the ABL Agent.
- (2) Provided the ABL Obligations Payment Date has occurred and until the Term Credit Obligations Payment Date has occurred, each of the Secured Notes Trustees agrees, on behalf of the Secured Notes Secured Parties, that none of them will seek relief from any stay of proceedings in any Insolvency Proceeding in respect of any ABL Priority Collateral without the prior written consent of the Term Agent.
- (3) Until the Term Credit Obligations Payment Date has occurred, each of the Secured Parties (other than the Term Agent) agrees, subject to Section 3.1(3) and (4), that none of them will seek relief from any stay of proceedings in any Insolvency Proceeding in respect of any Term Priority Collateral without the prior written consent of the Term Agent.
- (4) Provided the Term Credit Obligations Payment Date has occurred and until the ABL Obligations Payment Date has occurred, subject to Section 3.1(4), each of

the Secured Notes Trustees agrees that it will not seek relief from any stay of proceedings in any Insolvency Proceeding in respect of any Term Priority Collateral without the prior written consent of the ABL Agent.

5.3 Avoidance Issues.

If any Secured Party is required in any Insolvency Proceeding or otherwise to turn over or otherwise pay to the bankruptcy trustee of any Credit Party, because the payment of such amount was declared to be a fraudulent preference, fraudulent conveyance, settlement or preference in any respect or for any other reason, any amount (a "**Recovery**"), whether received as proceeds of security, enforcement of any right of set-off or otherwise, then its respective Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and its respective Obligations Payment Date shall be deemed not to have occurred. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. Each of the Secured Parties agrees that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

5.4 Separate Grants of Security and Separate Classification.

- (1) Until the ABL Obligations Payment Date has occurred, the Term Agent and each of the Secured Notes Trustees agrees that (i) the grants of Liens over the ABL Priority Collateral pursuant to each of the Security Documents constitute separate and distinct grants of Liens and (ii) because of, among other things, their differing rights in the ABL Priority Collateral, the Term Credit Obligations and Secured Notes Obligations are fundamentally different from the ABL Obligations and must be separately classified with respect to the ABL Priority Collateral in any plan of compromise, arrangement and/or reorganization proposed or adopted in an Insolvency Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the Secured Parties in respect of the ABL Priority Collateral constitute only one secured claim (rather than separate classes of secured claims), then each of the Term Agent and the Secured Notes Trustees acknowledge and agree that all distributions shall be made as if there were separate classes of secured claims against the Credit Parties in respect of the ABL Priority Collateral (with the effect being that, to the extent that the aggregate value of the ABL Priority Collateral is sufficient (for this purpose ignoring all claims held by the Term Credit Secured Parties and Secured Notes Secured Parties), the ABL Agent shall be entitled to receive all amounts owing to the ABL

- Secured Parties before any distribution on the ABL Priority Collateral is made in respect of the claims held by the Term Credit Secured Parties and Secured Notes Secured Parties), with the Term Agent and the Secured Notes Trustees acknowledging and agreeing to turn over to the ABL Agent amounts otherwise received or receivable by them with respect to the ABL Priority Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Term Credit Secured Parties or the Secured Notes Secured Parties.
- (2) Provided the ABL Obligations Payment Date has occurred and until the Term Credit Obligations Payment Date has occurred, each of the Secured Notes Trustees agrees that (i) the grants of Liens over the ABL Priority Collateral pursuant to each of the Security Documents constitute separate and distinct grants of Liens, and (ii) because of, among other things, their differing rights in the ABL Priority Collateral, the Secured Notes Obligations are fundamentally different from the Term Credit Obligations and must be separately classified with respect to the ABL Priority Collateral in any plan of compromise, arrangement and/or reorganization proposed or adopted in an Insolvency Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the Term Credit Secured Parties and the Secured Notes Secured Parties in respect of the ABL Priority Collateral constitute only one secured claim (rather than separate classes of secured claims), then each of the Secured Notes Trustees acknowledge and agree that all distributions shall be made as if there were separate classes of secured claims against the Credit Parties in respect of the ABL Priority Collateral (with the effect being that, to the extent that the aggregate value of the ABL Priority Collateral is sufficient (for this purpose ignoring all claims held by the Secured Notes Secured Parties), the Term Agent shall be entitled to receive all amounts owing to the Term Credit Secured Parties before any distribution on the ABL Priority Collateral is made in respect of the claims held by the Secured Notes Secured Parties), with the Secured Notes Trustees acknowledging and agreeing to turn over to the Term Agent amounts otherwise received or receivable by them with respect to the ABL Priority Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Secured Notes Secured Parties.
- (3) Until the Term Credit Obligations Payment Date has occurred, the ABL Agent and each of the Secured Notes Trustees agrees that (i) the grants of Liens over the Term Priority Collateral pursuant to each of the Security Documents constitute separate and distinct grants of Liens and (ii) because of, among other things, their differing rights in the Term Priority Collateral, the ABL Obligations and Secured Notes Obligations are fundamentally different from the Term Credit Obligations and must be separately classified with respect to the Term

- Priority Collateral in any plan of compromise, arrangement and/or reorganization proposed or adopted in an Insolvency Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the Secured Parties in respect of the Term Priority Collateral constitute only one secured claim (rather than separate classes of secured claims), then the ABL Agent and each of the Secured Notes Trustees acknowledge and agree that all distributions shall be made as if there were separate classes of secured claims against the Credit Parties in respect of the Term Priority Collateral (with the effect being that, to the extent that the aggregate value of the Term Priority Collateral is sufficient (for this purpose ignoring all claims held by the ABL Secured Parties and Secured Notes Secured Parties), the Term Agent shall be entitled to receive all amounts owing to the Term Credit Secured Parties before any distribution on the Term Priority Collateral is made in respect of the claims held by the ABL Secured Parties and Secured Notes Secured Parties), with the ABL Secured Parties and Secured Notes Secured Parties acknowledging and agreeing to turn over to the Term Agent amounts otherwise received or receivable by them with respect to the Term Priority Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the ABL Secured Parties or Secured Notes Secured Parties.
- (4) Provided the Term Credit Obligations Payment Date has occurred and until the ABL Obligations Payment Date has occurred, each of the Secured Notes Trustees agrees that (i) the grants of Liens over the Term Priority Collateral pursuant to each of the Security Documents constitute separate and distinct grants of Liens and (ii) because of, among other things, their differing rights in the Term Priority Collateral, the Secured Notes Obligations are fundamentally different from the ABL Obligations and must be separately classified with respect to the Term Priority Collateral in any plan of compromise, arrangement and/or reorganization proposed or adopted in an Insolvency Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the ABL Secured Parties and Secured Notes Secured Parties in respect of the Term Priority Collateral constitute only one secured claim (rather than separate classes of secured claims), then each of the Secured Notes Trustees acknowledges and agrees that all distributions shall be made as if there were separate classes of secured claims against the Credit Parties in respect of the Term Priority Collateral (with the effect being that, to the extent that the aggregate value of the Term Priority Collateral is sufficient (for this purpose ignoring all claims held by the Secured Notes Secured Parties), the ABL Agent shall be entitled to receive all amounts owing to the ABL Secured Parties up to the ABL Term Priority Collateral Capped Amount before any distribution on the Term Priority Collateral is made in respect of the claims held by the Secured Notes Secured Parties), with the Secured Notes Secured Parties

acknowledging and agreeing to turn over to the ABL Agent amounts otherwise received or receivable by them with respect to the Term Priority Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Secured Notes Secured Parties.

5.5 No Waivers of Rights of Secured Creditors.

Nothing contained herein shall, subject to Section 3.1, prohibit or in any way limit the Secured Parties from, in respect of any Collateral, objecting in any Insolvency Proceeding or otherwise to any action taken by any other Secured Party in respect of such Collateral, including the assertion by any other Secured Party of any of its rights and remedies under its respective Credit Documents or otherwise.

5.6 Plans of Reorganization; Debtor-in-Possession Financing.

- (1) To the extent that, notwithstanding the intent of the parties as provided in Section 5.4, it is held that the claims of the Secured Parties and in respect of the ABL Priority Collateral constitute only one secured claim (rather than separate classes of secured claims), no Term Credit Secured Party or Secured Notes Secured Party shall support or vote in favour of any plan of compromise, arrangement and/or reorganization (and each shall be deemed to have voted to reject any plan of compromise, arrangement and/or reorganization) unless such plan (i) pays off, in cash in full, all ABL Obligations, (ii) is accepted by the class of holders of ABL Obligations voting thereon and is supported by the ABL Agent, or (iii) incorporates this Agreement by reference and continues the rights and priorities of the Secured Parties in the ABL Priority Collateral subsequent to the effective date of such plan.
- (2) To the extent that, notwithstanding the intent of the parties as provided in Section 5.4, it is held that the claims of the Secured Parties and in respect of the Term Priority Collateral constitute only one secured claim (rather than separate classes of secured claims), no ABL Secured Party or Secured Notes Secured Party shall support or vote in favour of any plan of compromise, arrangement and/or reorganization (and each shall be deemed to have voted to reject any plan of compromise, arrangement and/or reorganization) unless such plan (i) pays off, in cash in full, all Term Credit Obligations, (ii) is accepted by the class of holders of Term Credit Obligations voting thereon and is supported by the Term Agent, or (iii) incorporates this Agreement by reference and continues the rights and priorities of the Secured Parties in the Term Priority Collateral subsequent to the effective date of such plan.
- (3) The Term Agent agrees that (i) it shall not provide any debtor-in-possession or similar financing to the Credit Parties, and (ii) it shall support any application or other action brought or taken by the ABL Secured Parties (before any

Governmental Authority or otherwise) against the Credit Parties or any other Person as a result of the provision of any such debtor-in-possession or similar financing to any Credit Party by any Person other than the ABL Secured Parties in contravention or breach of the ABL Credit Agreement. This Section 5.6(3) shall not restrict in any way the right of the Term Agent to object to the terms of any such financing provided by the ABL Secured Parties.

5.7 Effectiveness in Insolvency Proceedings.

This Agreement shall be effective both before and after the commencement of an Insolvency Proceeding. All references in this Agreement to any Credit Party shall include such Credit Party and any receiver or trustee for such Credit Party in any Insolvency Proceeding.

SECTION 6 CREDIT DOCUMENTS

6.1 No Amendments.

- (1) Each of the Non-ABL Secured Parties and the Credit Parties agrees that it and they shall not amend, restate, modify or supplement any terms or conditions of their respective Credit Documents to:
 - (a) increase the interest rates from those in effect on the date of this Agreement (other than by automatic adjustment of any generally applicable base rates and as otherwise specifically provided for under the terms of the Term Credit Documents and/or the Secured Notes Credit Documents, as the case may be, on the date hereof) or increase any applicable margins over the said base rates from those in effect on the date of this Agreement;
 - (b) increase the amount of any fees payable thereunder or charge any new fees in connection with such Credit Documents (except for nominal fees which are reasonable in the opinion of the ABL Agent in connection with any amendments to or waivers of any provisions of any of such Credit Documents which are not inconsistent with this Agreement);
 - (c) other than in respect of Capitalized Interest Payments, increase the principal amount of any of the respective Non-ABL Obligations;
 - (d) change to an earlier date the dates or amounts of (i) the mandatory repayments or prepayments of any principal amounts of any of their respective Obligations, or (ii) any interest payments in respect of any such Obligations; or
 - (e) amend or modify the provisions of any of their respective Credit Documents in any manner which is more onerous than the provisions of

their respective Credit Documents in effect on the date of this Agreement or which would reasonably be expected to adversely affect the ABL Secured Parties (or, in the case of amendments to the Secured Notes Credit Documents, the Term Credit Secured Parties) or which violates the terms of the ABL Credit Documents as in effect on the date hereof, or which would have the effect of terminating or reducing the availability of the lending commitments under the ABL Credit Agreement or the Term Credit Agreement.

- (2) Until the ABL Obligations Payment Date has occurred, the ABL Agent and the Credit Parties agree that it and they shall not amend, restate, modify or supplement any terms or conditions of the ABL Credit Documents to:
 - (a) increase the principal amount of the ABL Obligations in excess of a further \$30,000,000 over the maximum principal amount of \$600,000,000 (subject to Section 6.1(8) hereof) for any purpose other than as Protective Advances; or
 - (b) amend or modify the provisions of any of the ABL Credit Documents in any manner which would have the effect of terminating or reducing the availability of the lending commitments under the Term Credit Agreement.

For greater certainty, but subject to the foregoing, the ABL Agent may amend, restate, modify or supplement any other terms or conditions of the ABL Credit Documents; provided, however, that the ABL Agent shall not amend, restate, modify or supplement any provision of the ABL Credit Agreement to the extent it would further restrict the ability of the Borrower to make Term Credit Permitted Payments or Secured Notes Permitted Payments hereunder, in each case without the prior written consent of the Term Agent or the Secured Notes Trustees, as the case may be, such consent not to be unreasonably withheld or delayed.

- (3) The ABL Agent agrees that it shall not at any time execute or deliver any amendment, supplement or other modification to any of the ABL Credit Documents in violation of this Agreement.
- (4) The Term Agent agrees that it shall not at any time execute or deliver any amendment, supplement or other modification to any of the Term Credit Documents in violation of this Agreement.
- (5) Each of the Term Agent and the Borrower agrees that no Exchange Notes shall be issued by the Borrower unless (i) the ABL Agent has provided it prior written consent as to the terms and conditions of the Exchange Notes and the Exchange

- Note Indenture and any related documents, it being acknowledged by the ABL Agent that such consent shall not be withheld if the terms and conditions of such Exchange Notes, the Exchange Note Indenture and any related documents are no more onerous to the Credit Parties (and no less favourable to the ABL Secured Parties) than the terms and conditions of the Term Credit Documents otherwise then in effect as permitted hereunder, (ii) the terms and conditions of such Exchange Notes, the Exchange Note Indenture and any related documents are no more onerous to the Credit Parties (and no less favourable to the Secured Notes Secured Parties) than the terms and conditions of the Term Credit Documents otherwise then in effect as permitted hereunder, and (iii) concurrently with the issuance of any such Exchange Notes, the Exchange Note Trustee has executed and delivered an agreement to be bound by this Agreement as if it were the "Term Agent" hereunder, such agreement to be in the form of Schedule "A" hereto.
- (6) Each of the Secured Notes Trustees agrees that it shall not at any time execute or deliver any amendment, supplement or other modification to any of the Secured Notes Credit Documents in violation of this Agreement.
 - (7) The ABL Agent and the Credit Parties acknowledge that the maximum principal amount of the ABL Facility is subject to reduction in connection with any Receivables Transaction as contemplated in the definition of "Permitted Indebtedness" as defined under the Supplemental Trust Indenture and any reference herein to the maximum principal amount of the ABL Facility shall be deemed to refer to same as reduced (or subsequently increased, as the case may be) in accordance with the Supplemental Trust Indenture as in effect on the date hereof.
 - (8) The Term Agent and the Credit Parties acknowledge that the maximum principal amount of the Term Facility is subject to reduction in connection with any sale of Term Priority Collateral as provided in Section 6.12(1)(ii) or (iii) of the Supplemental Trust Indenture, and any reference herein to the maximum principal amount of the Term Facility shall be deemed to refer to same as reduced (or subsequently increased, as the case may be) in accordance with the Supplemental Trust Indenture as in effect on the date hereof.
 - (9) The parties hereto acknowledge and agree that the ABL Term Priority Collateral Capped Amount is available only to the ABL Agent and the ABL Lenders or, in connection with any refinancing or replacement of the ABL Facility, one or more financial institutions who have agreed to provide such financing on the basis of an "asset based loan" or "working capital loan" in which, in each case, credit facilities are provided to a Credit Party on the basis of a formula or borrowing base calculation with reference only to the accounts receivable and/or inventory of the Credit Parties. For greater certainty this Section 6.1(9) shall in no way

restrict the ability of any such financial institutions to take Liens on any Term Priority Collateral.

SECTION 7 RELIANCE; WAIVERS; ETC.

7.1 Reliance.

- (1) The ABL Credit Documents are deemed to have been executed and delivered, and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. The Term Agent and each of the Secured Notes Trustees expressly waives all notice of the acceptance of and reliance on this Agreement by the ABL Agent.
- (2) The Term Credit Documents are deemed to have been executed and delivered and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. The ABL Agent and each of the Secured Notes Trustees expressly waives all notices of the acceptance of and reliance on this Agreement by the Term Agent.
- (3) The Secured Notes Credit Documents are deemed to have been executed and delivered, and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. The ABL Agent and the Term Agent each expressly waives all notice of the acceptance of and reliance on this Agreement by the Secured Notes Trustees.

7.2 No Warranties or Liability.

Each Secured Party acknowledges and agrees that no other Secured Party has made any representation or warranty with respect to the execution, validity, legality, completeness, collectibility or enforceability of any Credit Document. Except as otherwise provided in this Agreement, each Secured Party will be entitled to manage and supervise their respective extensions of credit to any Credit Party in accordance with law and their usual practices, modified from time to time as they deem appropriate.

7.3 No Waivers.

- (1) No right or benefit of any party hereunder shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of such party or any other party hereto or by any non-compliance by any Credit Party with the terms and conditions of any of the Credit Documents.
- (2) Without in any way limiting the generality of the foregoing, until the ABL Obligations Payment Date shall have occurred, each of the ABL Secured Parties may, at any time and from time to time in accordance with the ABL Credit Documents and/or applicable law, without the consent of, or notice to, any other Secured Party, but subject to and except as required by the terms of this

Agreement (including, without limitation, Section 3.1, Section 4.1(3) and Section 6.1) without incurring any liabilities to such other Secured Parties and without impairing or releasing the Lien priorities and other benefits provided in this Agreement do any one or more of the following:

- (a) make loans and advances to any Credit Party or issue, guarantee or obtain letters of credit for the account of any Credit Party or otherwise extend credit to any Credit Party, in any amount and on any terms, whether pursuant to a commitment or as a discretionary advance and whether or not any default or event of default or failure of condition is then continuing;
- (b) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of the ABL Obligations or any Lien on any ABL Priority Collateral or any liability of any Credit Party, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the ABL Obligations, without any restriction as to the amount, tenor or terms of any such increase or extension) or otherwise amend, renew, exchange, extend, modify or supplement in any manner any Liens held by the ABL Agent, the ABL Obligations or any of the ABL Credit Documents;
- (c) sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner or in any order any part of the ABL Priority Collateral or any liability of any Credit Party to the ABL Agent, or any liability incurred directly or indirectly in respect of the ABL Obligations;
- (d) settle or compromise any ABL Obligations of any Credit Party or any security therefor or any liability incurred directly or indirectly in respect thereof and apply any sums by whomsoever paid and however realized to the ABL Obligations in any manner or order;
- (e) exercise or delay in or refrain from exercising any right or remedy against any Credit Party or any other Person in respect of the ABL Obligations or the ABL Priority Collateral, elect any remedy and otherwise deal freely with any Credit Party or any ABL Priority Collateral and any security and any guarantor or any liability of any Credit Party to the ABL Agent or any liability incurred directly or indirectly in respect thereof;
- (f) take or fail to take any Lien securing the ABL Obligations or any other collateral security for any ABL Obligations or take or fail to take any action which may be necessary or appropriate to ensure that any ABL Security Document or any other Lien upon the ABL Priority Collateral is

duly enforceable or perfected or entitled to priority as against any other Lien; or

- (g) otherwise release, discharge or permit the lapse of any or all Liens securing the ABL Obligations or any other Liens upon the ABL Priority Collateral at any time securing any ABL Obligations,

provided that the ABL Agent agrees that nothing in this Section 7.3(2) shall, is intended to, or shall be deemed to, constitute a waiver by any other Secured Party or prohibit or otherwise restrict any other Secured Party, from instituting any legal proceeding against the ABL Secured Parties seeking damages on the grounds of non-compliance with this Agreement, applicable law or gross negligence or wilful misconduct of the ABL Agent, its Receiver, any other ABL Secured Party or any other Person acting on behalf or under the direction of any of them.

- (3) Without in any way limiting the generality of the foregoing Section 7.3(1), until the Term Credit Obligations Payment Date shall have occurred, each of the Term Credit Secured Parties may, at any time and from time to time in accordance with the Term Credit Documents and/or applicable law, without the consent of, or notice to, any other Secured Party, but subject to and except as required by the terms of this Agreement (including, without limitation, Section 3.1, Section 4.1(3) and Section 6.1), without incurring any liabilities to such other Secured Parties and without impairing or releasing the Lien priorities and other benefits provided in this Agreement do any one or more of the following:
 - (a) make loans and advances to any Credit Party or otherwise extend credit to any Credit Party, in any amount and on any terms, whether pursuant to a commitment or as a discretionary advance and whether or not any default or event of default or failure of condition is then continuing;
 - (b) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange or alter, the terms of any of the Term Credit Obligations or any Lien on any Term Priority Collateral or any liability of any Credit Party, or any liability incurred directly or indirectly in respect thereof or otherwise amend, renew, exchange, extend, modify or supplement in any manner any Liens held by the Term Agent, the Term Credit Obligations or any of the Term Credit Documents;
 - (c) sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner or in any order any part of the Term Priority Collateral or any liability of any Credit Party to the Term Agent, or any liability incurred directly or indirectly in respect of the Term Credit Obligations;

- (d) settle or compromise any Term Credit Obligations of any Credit Party or any security therefor or any liability incurred directly or indirectly in respect thereof and apply any sums by whomsoever paid and however realized to the Term Credit Obligations in any manner or order;
- (e) exercise or delay in or refrain from exercising any right or remedy against any Credit Party or any other Person in respect of the Term Credit Obligations or the Term Priority Collateral, elect any remedy and otherwise deal freely with any Credit Party or any Term Priority Collateral and any security and any guarantor or any liability of any Credit Party to the Term Agent or any liability incurred directly or indirectly in respect thereof;
- (f) take or fail to take any Lien securing the Term Credit Obligations or any other collateral security for any Term Obligations or take or fail to take any action which may be necessary or appropriate to ensure that any Term Credit Security Document or any other Lien upon the Term Priority Collateral is duly enforceable or perfected or entitled to priority as against any other Lien; or
- (g) otherwise release, discharge or permit the lapse of any or all Liens securing the Term Credit Obligations or any other Liens upon the Term Priority Collateral at any time securing any Term Credit Obligations,

provided that the Term Agent agrees that nothing in this Section 7.3(3) shall, is intended to, or shall be deemed to, constitute a waiver by any other Secured Party or prohibit or otherwise restrict any other Secured Party, from instituting any legal proceeding against the Term Credit Secured Parties seeking damages on the grounds of non-compliance with this Agreement, applicable law or gross negligence or wilful misconduct of the Term Agent, its Receiver, any other Term Credit Secured Party or any other Person acting on behalf or under the direction of any of them.

SECTION 8 MISCELLANEOUS

8.1 Conflicts.

In the event of any conflict between the provisions of this Agreement and the provisions of any Credit Document, the provisions of this Agreement shall govern; provided however and for greater certainty, the foregoing shall not be deemed to alter or amend the terms of the Credit Documents or the rights and obligations thereunder as between the Secured Parties and the Credit Parties.

8.2 Termination and Continuing Nature of Provisions.

Subject to Section 5.4, this Agreement shall continue to be effective, and shall not be revocable by any party hereto and shall not terminate (and be of no further force and

effect), until each of the ABL Obligations Payment Date, the Term Credit Obligations Payment Date and the Secured Notes Obligations Payment Date shall have occurred, as the case may be. This is a continuing agreement and the ABL Secured Parties and the Term Credit Secured Parties may continue, at any time and without notice to the other parties hereto, to extend credit and other financial accommodations, lend monies and provide indebtedness to, or for the benefit of, the Credit Parties in reliance hereon. For greater certainty, subject to Section 5.4, this Agreement shall terminate (i) as against the ABL Agent once the ABL Obligations Payment Date has occurred and all ABL Liens have been released, (ii) as against the Term Agent once the Term Credit Obligations Payment Date has occurred and all Term Credit Liens have been released, and (iii) as against the Secured Notes Trustees once the Secured Notes Obligations Payment Date has occurred and all Secured Notes Liens have been released.

8.3 Amendments; Waivers.

Subject to the second sentence of this paragraph, no amendment or modification of any of the provisions of this Agreement shall be effective unless the same shall be in writing (i) and signed by the ABL Agent, the Term Agent and each of the Secured Notes Trustees, and (ii) if the rights or duties of any Credit Party are directly affected by such amendment or modification, and also signed by such Credit Party. Notwithstanding the foregoing, all of the parties hereto acknowledge and agree that the rights of the ABL Agent set forth in Sections 3.3(3)(a) and 3.3(3)(b) are for the benefit of the ABL Agent only, and can be amended by an instrument in writing signed by the ABL Agent and the Term Agent, provided that (i) such amendment or modification does not directly affect the rights of the Secured Notes Secured Parties and (ii) copies of any such amendment are promptly delivered to the Secured Notes Trustees and the Credit Parties.

8.4 Information Concerning Financial Condition of Credit Parties.

Each of the Secured Parties hereby assumes responsibility for keeping itself informed of the financial condition of each of the Credit Parties and all other circumstances bearing upon the risk of non-payment of their respective Obligations. Each of the Secured Parties hereby agrees that no party shall have any duty to advise any other party of information known to it regarding such condition or any such circumstances. If any Secured Party, in its sole discretion, undertakes at any time or from time to time to provide any information to any other party to this Agreement, it shall be under no obligation to provide any such information to such other party or any other party on any subsequent occasion, to undertake any investigation not a part of its regular business routine, or to disclose any other information.

8.5 Acting On Behalf of Creditors.

When any reference is made herein to an action to be taken or a consent or acknowledgement to be given by or on behalf of the ABL Agent, the ABL Secured Parties, the Term Agent, the Term Credit Secured Parties, the Secured Notes Trustees or

the Secured Notes Secured Parties, the parties hereto shall be entitled to assume that such action has been taken or such consent or acknowledgement has been given (i) by the ABL Agent on behalf of the ABL Secured Parties (including, for greater certainty, Persons who become ABL Secured Parties after the date hereof), (ii) by the Term Agent on behalf of the Term Credit Secured Parties (including, for greater certainty, Persons who become Term Credit Secured Parties after the date hereof), and (iii) by the Secured Notes Trustees on behalf of the Secured Notes Secured Parties (including, for greater certainty, Persons who become Secured Notes Secured Parties after the date hereof), in each case, acting in accordance on the instructions of the required percentage of the applicable Secured Parties in accordance with the applicable Credit Documents.

8.6 No Third Party Rights Established.

Subject to Section 6.1(5), no creditor (other than a Secured Party contemplated hereby) of any Credit Party or any other Person which is not a party to this Agreement will derive or be entitled to any rights or benefits hereunder.

8.7 Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

8.8 Further Assurances.

The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof, including all acts, deeds and agreements as may be necessary or desirable for the purpose of enforcement of the applicable Credit Documents pursuant to the terms of this Agreement and registering or filing notice of the terms of this Agreement.

8.9 Communication.

Any communication required or permitted to be given under this Agreement will be in writing and will be effectively made and given if (i) delivered personally, (ii) sent by prepaid courier service, or (iii) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of the relevant party set out opposite such party's name in the execution pages of this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a Business Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such

communication will be deemed to have been given and to have been received on the following Business Day. Any party to this Agreement may from time to time change its respective address or facsimile number for notice by giving notice to the other parties hereto in accordance with the provisions of this Section 8.9.

8.10 Entire Agreement.

This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof. There are no representations, restrictions, agreements, promises, warranties, covenants, terms, conditions or undertakings between the parties hereto or relating to the subject matter hereof other than those expressly set forth in this Agreement.

8.11 Governing Law.

This Agreement shall be construed in accordance with and governed by the law of the Province of Ontario and the federal laws of Canada applicable therein, without reference to conflict of laws rules, except as otherwise required by mandatory provisions of law and except to the extent that remedies provided by the laws of any jurisdiction other than the Province of Ontario are governed by the laws of such jurisdiction. Notwithstanding the foregoing, the rights, powers, duties and responsibilities of The Bank of New York will be construed in accordance with the laws of the State of New York and the federal laws of the United States of America.

8.12 Submission to Jurisdiction.

Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Courts of the Province of Ontario, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such Ontario Court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any Secured Party may otherwise have to bring any action or proceeding relating to this Agreement or any of its respective Credit Documents, as the case may be, against any Credit Party or their respective properties in the courts of any other proper jurisdiction. Each Credit Party hereby irrevocably and unconditionally waives, to the fullest extent they may legally and effectively do so (i) any objection they may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in this Section 8.12 and (ii) the defense of an inconvenient forum to the maintenance of such action or proceeding.

8.13 Transfers of Indebtedness and Security.

- (1) The respective Obligations and Credit Documents will not be sold, assigned, transferred or refinanced in whole or in part unless and until the proposed purchaser, assignee, transferee or refinancier (or its agent or trustee) has executed and delivered either (i) an agreement to be bound by this Agreement in the form of Schedule "A" hereto, or (ii) a new intercreditor agreement in favour of all Secured Parties on the terms of this Agreement, and all such Secured Parties and Credit Parties hereby agree to execute same upon request of such purchaser, assignee, transferee or refinancier.
- (2) Other than in connection with the issuance of Exchange Notes in accordance with Section 6.1(5), if all or any of the Obligations is repaid or retired from the proceeds of any sale or issue of instruments evidencing indebtedness for borrowed money, no such sale or issue will be completed unless and until the proposed lender, purchaser or refinancier has executed and delivered either (i) an agreement to be bound by this Agreement in the form of Schedule "A" hereto, or (ii) a new intercreditor agreement in favour of all Secured Parties on the terms of this Agreement, and all such Secured Parties and Credit Parties agree to execute same upon request of such lender, purchaser or refinancier.

8.14 Successors and Assigns.

- (1) Subject to Section 3.16, this Agreement shall be binding upon and inure to the benefit of each of the parties hereto and the Secured Parties, their respective successors and assigns, and nothing herein is intended, or shall be construed, to give any other Person any right, remedy or claim under, to or in respect of this Agreement or any Collateral. All references to any Credit Party shall include any receiver or trustee for such Credit Party in any Insolvency Proceeding.
- (2) For greater certainty, upon the appointment of any successor to (or co-agent or co-trustee with) the ABL Agent, the Term Agent or the Secured Notes Trustees pursuant to the terms of their respective Credit Documents, such successor (or co-agent or co-trustee, as the case may be) shall execute and deliver an agreement to be bound by this Agreement in the form of Schedule "A" hereto.

8.15 Credit Parties Bound.

- (1) By executing this Agreement, each Credit Party acknowledges the existence of this Agreement and agrees to be bound by its terms; provided, however, that, subject to Section 6.1(5), nothing in this Agreement shall confer or be deemed to confer any right, benefit or advantage on any Credit Party.
- (2) The Borrower acknowledges and agrees that it shall cause any future guarantor of any of the Obligations to forthwith enter into an agreement to be bound by this Agreement in the form of Schedule "A" hereto.

8.16 Payment of Costs and Expenses.

Each of the Credit Parties shall pay to each of the Secured Parties on demand all of their respective reasonable costs and expenses or of their respective agents (including legal fees on a full indemnity basis) incurred in connection with the negotiation, preparation and enforcement of this Agreement.

8.17 Headings.

Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

8.18 Currency.

Unless otherwise stated herein, all references to currency and dollar amounts are references to the lawful currency of Canada.

8.19 Counterparts; Integration; Effectiveness.

This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or PDF copy via electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement shall become effective only when it shall have been executed by each party hereto.

8.20 Joint Trustees.

The Canadian Trustee and the U.S. Trustee are joint trustees under the Secured Notes Trust Indenture. As contemplated by the "Joint Trustees" provisions of the Secured Notes Trust Indenture, it is agreed that, as between the Canadian Trustee and the U.S. Trustee, the Canadian Trustee shall be responsible for the administration of this Agreement, the Secured Notes Credit Documents and the Collateral granted thereunder, except to the extent required by the U.S. Trust Indenture Act of 1939, as amended, and the rules thereunder, or by the Secured Notes Trust Indenture.

[The balance of this page is intentionally left blank; signature pages follow.]

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

**CIT BUSINESS CREDIT CANADA
INC.**, as ABL Agent for and on behalf of
the ABL Secured Parties

By: _____
Name:
Title:

By: _____
Name:
Title:

Address for Notices:

Suite 700
207 Queen's Quay West
Toronto, Ontario M5J 1A7

Attention:
Facsimile: (416) 507-5100

1685970 ONTARIO INC., as Term Agent
for and on behalf of the Term Credit
Secured Parties

By: _____

Name:

Title:

By: _____

Name:

Title:

Address for Notices:

c/o Tricap Bridge Lending Fund Inc.
Suite 300, BCE Place
181 Bay Street
Toronto, Ontario
M5J 2T3

Attention: [Mr. Cyrus Madon and](#)
[Mr. Ed Nordholm](#)

Facsimile: [\(416\) 365-9642](#)

**BNY TRUST COMPANY OF CANADA,
as Secured Notes Trustee for and on
behalf of the Secured Notes Secured
Parties**

By: _____

Name:

Title:

By: _____

Name:

Title:

Address for Notices:

4 King Street West

Suite 1101

Toronto, Ontario

M5h 1B6

Attention: **Senior Trust Officer**

Facsimile: **(416) 360-1711/1727**

**THE BANK OF NEW YORK, as Secured
Notes Trustee for and on behalf of the
Secured Notes Secured Parties**

By: _____

Name:

Title:

By: _____

Name:

Title:

Address for Notices:

101 Barclay Street

21 W

New York, New York 10286

U.S.A.

Attention: Global **Finance Unit**

Facsimile: (212) 815-5802

STELCO INC., as Borrower

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street

Hamilton, Ontario

L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**HAMILTON STEEL LIMITED
PARTNERSHIP, by its general partner
HAMILTON STEEL GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**HAMILTON STEEL GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**LAKE ERIE STEEL LIMITED
PARTNERSHIP, by its general partner
LAKE ERIE STEEL GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**LAKE ERIE STEEL GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**HAMILTON COKE LIMITED
PARTNERSHIP, by its general partner
HAMILTON COKE GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**HAMILTON COKE GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**LAKE ERIE COKE LIMITED
PARTNERSHIP, by its general partner
LAKE ERIE COKE GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**LAKE ERIE COKE GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**HMLTN ENERGY LIMITED
PARTNERSHIP, by its general partner
HMLTN ENERGY GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**HMLTN ENERGY GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**LAKE ERIE ENERGY LIMITED
PARTNERSHIP, by its general partner
LAKE ERIE ENERGY GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**LAKE ERIE ENERGY GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**HLE MINING LIMITED
PARTNERSHIP, by its general partner
HLE MINING GP INC., as Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

HLE MINING GP INC., as Guarantor

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**HAMILTON LAND LIMITED
PARTNERSHIP, by its general partner
HAMILTON LAND GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**HAMILTON LAND GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**LAKE ERIE LAND LIMITED
PARTNERSHIP, by its general partner
LAKE ERIE LAND GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**LAKE ERIE LAND GP INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**CHT STEEL COMPANY INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

891059 ONTARIO INC., as Guarantor

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

6076483 CANADA INC., as Guarantor

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

WELLAND PIPE LTD., as Guarantor

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

6076475 CANADA INC., as Guarantor

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

STELPIPE LTD., as Guarantor

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**STELCAM HOLDINGS INC., as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**CAMROSE TUBES LIMITED, as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**COMMERCIAL DISTRIBUTION
SERVICES, INC., as Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**STELCO HOLDING COMPANY, as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**ONTARIO HIBBING COMPANY, as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**STELCO COAL COMPANY, as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**CHISHOLM COAL COMPANY, as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**ONTARIO EVELETH COMPANY, as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**STELCO ERIE CORPORATION, as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**KANAWHA COAL COMPANY, as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**ONTARIO COAL COMPANY, as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

**ONTARIO TILDEN COMPANY, as
Guarantor**

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

STELCO USA, INC., as Guarantor

By: _____

Name:

Title:

Address for Notices:

386 Wilcox Street
Hamilton, Ontario
L8L 8K5

Attention: General Counsel

Facsimile: (905) 308-7007

SCHEDULE "A"
AGREEMENT TO BE BOUND

To the Intercreditor Agreement dated March 31, 2006, among CIT Business Credit Canada Inc. (the "**ABL Agent**"), 1685970 Ontario Inc. (the "**Term Agent**"), BNY Trust Company of Canada and The Bank of New York (collectively, the "**Secured Notes Trustees**"), Stelco Inc. (the "**Borrower**") and certain subsidiaries of the Borrower (the "**Guarantors**") (the "**Intercreditor Agreement**")

This Agreement to be Bound is being executed and delivered pursuant to Section [8.13/8.14/8.15] of the Intercreditor Agreement. The undersigned, having [purchased/been transferred the ABL Obligations/Term Credit Obligations/Secured Notes Obligations][become a successor ABL Agent/Term Agent/Secured Notes Trustee][become a co-agent/co-trustee][become a Guarantor of the Obligations] on the date hereof, hereby agrees to be bound by the terms and conditions of, and to become a party to, the Intercreditor Agreement (a copy of which is attached hereto) as the [ABL Agent/Term Agent/Secured Notes Trustee/Guarantor] thereunder, as if the undersigned had been a party to such agreement as of the date thereof and such terms and conditions shall enure to the benefit of and be binding upon the undersigned, its successors and permitted assigns.

IN WITNESS WHEREOF the undersigned has executed this instrument this _____ day of _____, 200●.

[●]

By: _____
Authorized Signing Officer