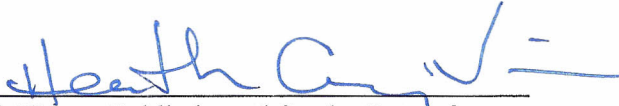


This is exhibit "H" referred to in the Affidavit of Howard Elliott sworn before me on March 13, 2013 at the City of Ann Arbor, Michigan.


A Notary Public in and for the State of
Michigan, United States of America

HEATHER CONWAY-VISSER
NOTARY PUBLIC, STATE OF MI
COUNTY OF WASHTENAW
MY COMMISSION EXPIRES Aug 12, 2017
ACTING IN COUNTY OF *Washtenaw*



March •, 2013

RS Technologies Inc.
233 Mayland Place NE
Calgary, Alberta T2E 7Z8

Attention: Howard Elliott, President and Chief Executive Officer

Dear Sirs:

Re: Interim Financing of RS Technologies Inc. during its proceedings under the Companies' Creditors Arrangement Act

Subject to the terms, covenants and conditions set out below, Werklund Capital Corporation and Melbye Skandinavia AS (collectively, the "**Lenders**") agree to provide non-revolving, secured, super-priority interim financing to RS Technologies Inc. (the "**Borrower**") to finance its operations and costs during the proceedings it intends to initiate under the *Companies' Creditors Arrangement Act* (the "**CCAA**") and the *Business Corporations Act* of Alberta (the "**ABCA**").

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless otherwise defined in this Agreement, the following capitalized terms have the following meanings:

- (a) "**ABCA**" is defined in the introductory paragraph of this Agreement.
- (b) "**Administration Charge**" is defined in Section 6.1(b).
- (c) "**Advance**" is defined in Section 3.3(a).
- (d) "**Advance Request**" means a notice from the Borrower to the Lenders, *inter alia*, requesting an Advance and stating the amount required, and certifying that all conditions to obtaining such Advance in this Agreement have been satisfied, the Borrower is in compliance with all Orders, all representations and warranties under Section 8.1 continue to be correct and accurate, no Default or Event of Default has occurred and is continuing, and otherwise complying with Sections 3.3(c) and 3.3(d), which notice will be substantially in the form set out on Schedule "A".
- (e) "**Applicable Law**" means (i) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise), (ii) any judgment, order, writ, injunction, decision, ruling, decree or award, (iii) any regulatory policy, practice, guideline or directive, or (iv) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental

Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of that Person.

- (f) “**Borrower**” is defined in the introductory paragraph of this Agreement.
- (g) “**Business Day**” means any day other than a Saturday, Sunday or day on which banks are authorized to be closed in the Province of Alberta.
- (h) “**13 Week Cash Flow Projections**” means the statement prepared by the Borrower with the assistance of the Monitor that is required under the CCAA and that sets out the projected cash flow and cash requirements of the Borrower for a period of 13 weeks following the date of the Initial Order, which will be in form and content satisfactory to the Lenders.
- (i) “**Cash Flow Projection**” and “**Cash Flow Projections**” are defined in Section 9.3(a).
- (j) “**CCAA**” is defined in the introductory paragraph of this Agreement.
- (k) “**CCAA Charges**” means, collectively, the Interim Facility Charge, the Administration Charge and the KERP Charge.
- (l) “**CCAA Plan**” means a plan of compromise or arrangement filed in the CCAA Proceedings under the CCAA and/or ABCA.
- (m) “**CCAA Proceedings**” means the proceedings of the Borrower under the CCAA and ABCA.
- (n) “**Collateral**” is defined in Section 6.1(a).
- (o) “**Commitment**” means the commitment of each Lender under the Interim Facility to make available to the Borrower an amount equal to 50% of the Maximum Amount in accordance with the provisions of this Agreement.
- (p) “**Communication**” means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party.
- (q) “**Confidential Sales Information**” is defined in Section 5.3.
- (r) “**Court**” means the Court of Queen’s Bench of Alberta.
- (s) “**CRO**” is defined in Section 7.2(h).
- (t) “**CWB**” means Canadian Western Bank.
- (u) “**Debenture**” means the secured convertible debenture dated July 2011 (and executed on or about July 5, 2011) by the Borrower in favour of the Lenders.

- (v) “**Debenture Defaults**” is defined in section 2.1(a).
- (w) “**Debenture Obligations**” means the Obligations of the Borrower to the Lenders under the Debenture.
- (x) “**Default**” means any event which, with the passage of time or the giving of notice could be an Event of Default.
- (y) “**Directors**” means the directors of the Borrower.
- (z) “**Encumbrance**” means any Security Interest, lien (statutory, common law, equitable or otherwise), privilege, charge, trust deemed to exist under any Applicable Law or other encumbrance of any kind, or any other agreement or arrangement creating in favour of any claimant or creditor a right relating to any particular property that is in priority to the right of any ordinary creditors relating to that property, and including the right of a lessor under a capital lease or operating lease.
- (aa) “**Environmental Laws**” means all Applicable Laws with respect to the environment or environmental or public health and safety matters contained in statutes, regulations, rules, ordinances, orders, judgments, approvals, notices, permits or policies, guidelines or directives whether or not having the force of law.
- (bb) “**Environmental Orders**” includes all applicable orders, directives, judgments, decisions or the like rendered by any Governmental Authority or court of competent jurisdiction pursuant to Environmental Laws or Environmental Permits.
- (cc) “**Environmental Permits**” includes all permits, certificates, approvals, registrations, licences or other instruments issued by any Governmental Authority and relating to or required for the Borrower to carry on its business, activities and operations in compliance with all Environmental Laws and Environmental Orders.
- (dd) “**Event of Default**” means:
 - (i) the issuance of an order terminating the CCAA Proceedings or lifting the stay in the CCAA Proceedings to permit the enforcement of any security against the Borrower, or the appointment of a receiver, receiver and manager, interim receiver or similar official or the making of a bankruptcy order against the Borrower;
 - (ii) the issuance of an Order granting a charge ranking equal or superior to the Interim Facility Charge;
 - (iii) the issuance of an Order staying, reversing, vacating or otherwise modifying the Initial Order in any manner that adversely impacts the

- rights and interests of the Lender, or the interests of the Lenders in any Collateral, without the consent of the Lenders;
- (iv) the failure to make any payment of principal, interest or fees under the Interim Facility;
 - (v) any representation or warranty proves to have been incorrect in any material respect when made or deemed to be made;
 - (vi) the failure to comply with any covenant or other provision of this Agreement;
 - (vii) any filing by the Borrower of a CCAA Plan that is not acceptable to the Lenders;
 - (viii) the bringing of an application by the Borrower, the issuance and entry of an Order or ruling or any other action to obtain additional financing, to grant an Encumbrance other than a Permitted Encumbrance, or adverse to the Lenders or their rights and remedies under the Loan Documents or their interest in the Collateral;
 - (ix) an Order is made, a liability arises or an event occurs, including any change in the business, assets or conditions, financial or otherwise, of the Borrower, that has or is reasonably expected to have a Material Adverse Effect; or
 - (x) any material violation or breach of any Order.
- (ee) “**Filing Date**” means the date on which the Initial Order is made by the Court in the CCAA Proceedings.
- (ff) “**Governmental Authority**” means any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory, or taxing authority or power of any nature; and any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.
- (gg) “**Initial Order**” means the order of the Court in the CCAA Proceedings declaring that the Borrower is a company to which the CCAA applies, authorizing the Borrower to file a CCAA Plan subject to further order of the Court, authorizing the Interim Facility on the terms and conditions summarized in the letter to which this Schedule is attached and creating the Interim Facility Charge with the priority contemplated herein, and providing other relief under the CCAA, as amended, varied, modified or restated from time to time.

- (hh) “**Interim Facility**” is defined in Section 3.1(a).
- (ii) “**Interim Facility Charge**” is defined in Section 6.1(a).
- (jj) “**Interim Facility Obligations**” means the aggregate principal amount owing under the Interim Facility, all accrued and unpaid interest, and all fees and expenses incurred by the Lenders in connection with the Interim Facility and the CCAA Proceedings, together with all other indebtedness, liabilities and obligations of the Borrower under the Loan Documents.
- (kk) “**KERP**” means a key employee retention plan.
- (ll) “**KERP Charge**” means a charge created by Order of the Court securing the obligations of the Borrower under the KERP.
- (mm) “**Lenders**” is defined in the introductory paragraph of this Agreement.
- (nn) “**Loan Documents**” means this Agreement and such other agreements, consents, waivers or other documents as are required by the Lenders.
- (oo) “**Material Adverse Effect**” means, other than the events leading up to the filing of the CCAA Proceedings that have been disclosed to the Lenders prior to closing which will be deemed not to constitute or give rise to a Material Adverse Effect, and the granting of the Initial Order, an effect that results in or causes, or could reasonably be expected to result in or cause, a material adverse change in any of (i) the condition (financial or otherwise), business, performance, prospects, operations or property of the Borrower, taken as a whole, (ii) the ability of the Borrower to perform its obligations under any Loan Document, or (iii) the validity or enforceability of any Loan Document or the rights and remedies of the Lenders under any Loan Document.
- (pp) “**Maturity Date**” is defined in Section 4.1(a).
- (qq) “**Maximum Amount**” is defined in Section 3.1(a).
- (rr) “**Monitor**” means FTI Consulting Canada Inc., in its capacity as the Court appointed monitor of the Borrower in the CCAA Proceedings.
- (ss) “**Obligations**” means any indebtedness, liabilities and obligations, whether present and future, direct and indirect, or liquidated and contingent, owed by the Borrower to any Person.
- (tt) “**Order**” means any Order of the Court made in the CCAA Proceedings.
- (uu) “**Parties**” means collectively the Borrower and the Lenders, and “**Party**” means any one of them.
- (vv) “**Permitted Encumbrances**” means:

- (i) inchoate or statutory liens or trust claims for taxes, assessments and other governmental charges or levies which are not delinquent or the validity of which are currently being contested in good faith by appropriate proceedings, provided that there will have been set aside a reserve to the extent required by GAAP in an amount which is reasonably adequate with respect thereto;
- (ii) the right reserved to, or vested in, any municipality or Governmental Authority by the terms of any lease, license, franchise, grant, or permit acquired by the Borrower, or by any statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition of its continuance;
- (iii) inchoate or statutory liens of builders, contractors, subcontractors, mechanics, suppliers, materialmen and others in respect of construction, maintenance, repair or operation of assets or properties, or other like possessory liens and public utility liens provided the same are not registered as encumbrances against the title to any real or personal property of the Borrower;
- (iv) an Encumbrance granted by the Borrower to a public utility or other Governmental Authority when required by that utility or municipality or other authority in connection with the operations of the Borrower in the ordinary course of business;
- (v) title defects which are of a minor nature and in the aggregate will not materially impair the value or the use of property for the purposes for which it is held;
- (vi) the reservations, limitations, provisos and conditions, if any, expressed in any original grants from the Crown;
- (vii) Encumbrances securing appeal bonds or similar Encumbrances arising in connection with court proceedings (including surety bonds, security for costs of litigation where required by law and letters of credit) or any other instrument serving a similar purpose;
- (viii) Security Interests securing the Obligations of the Borrower to CWB, provided that the principal amount of such Obligations is not increased by any advance by CWB to the Borrower after the Filing Date;
- (ix) Charge/mortgage in favour of The Corporation of the Municipality of Chatham-Kent in the original principal amount of \$1,403,500 against the real property legally described as Part Lot 15, Concession 4, Geographic Township of Tilbury East in the Municipality of Chatham-Kent and municipally known as 22 Industrial Park Road, Tilbury, Ontario, containing 9.8 acres more or less;

- (x) a Security Interest granted by the Borrower in favour of Royal Bank Mortgage Corporation and Royal Bank of Canada (the “**RBC Security**”) in certain monies on deposit with them registered under the *Personal Property Security Act* (Alberta);
 - (xi) the Interim Facility Charge;
 - (xii) the Administration Charge, provided that the amount secured thereby does not exceed \$250,000;
 - (xiii) the KERP Charge, provided that the amount secured thereby does not exceed \$495,775;
 - (xiv) Purchase Money Security Interests provided that the Obligations secured thereby or of the Borrower thereunder do not exceed \$250,000 in aggregate, including the a lease by Roynat Inc. in favour of RS Advanced Structures Inc. of a Clark standard upright lift truck; and
 - (xv) Security Interests, other than those described in this Section, the existence of which have been disclosed in writing to the Lenders and consented to by the Lenders in writing.
- (ww) “**Person**” will be broadly interpreted and includes: a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person; a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind; and a Governmental Authority.
- (xx) “**Priority Payables**” means any Obligations of the Borrower secured by any Encumbrance that ranks in priority to the Interim Facility Charge.
- (yy) “**Purchase Money Security Interest**” means:
- (i) a Security Interest taken or reserved in property and its proceeds to secure payment of all or part of its purchase price or the cost of construction of any improvement thereon; and
 - (ii) a Security Interest taken in property and its proceeds by a Person who gives value for the purpose of enabling the Borrower to acquire rights in such property, to the extent that the value is applied to acquire those rights, including the interest of a lessor in property leased to the Borrower.

- (zz) “**Security Interest**” means any mortgage, charge, pledge, assignment, hypothecation, title retention, finance lease or security interest, including any trust obligations, creating in favour of any creditor a right in respect of any property.
- (aaa) “**SISP**” is defined in Section 5.1.
- (bbb) “**SISP Order**” is defined in Section 5.1.

1.2 **Certain Rules of Interpretation**

- (a) In this Agreement, words signifying the singular number include the plural and *vice versa*, and words signifying gender include all genders. Every use of the words “**including**” or “**includes**” in this Agreement is to be construed as meaning “including, without limitation” or “includes, without limitation”, respectively.
- (b) The division of this Agreement into Articles and Sections, the insertion of headings and the inclusion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (c) Wherever in this Agreement reference is made to a calculation to be made in accordance with GAAP, the reference is to the generally accepted accounting principles in Canada, applied on a consistent basis, and statements and interpretations (if applicable) issued by the Canadian Institute of Chartered Accountants or any successor body from time to time, including International Financial Reporting Standards.
- (d) References in this Agreement to an Article, Section, Schedule or Exhibit are to be construed as references to an Article, Section, Schedule or Exhibit of or to this Agreement unless otherwise specified.
- (e) Time is of the essence in all respects of this Agreement.
- (f) All amounts referred to in this Agreement are denominated in, and all amounts payable under this Agreement are payable in, Canadian currency.
- (g) Unless otherwise specified in this Agreement, time periods within which or following which any calculation or payment is to be made, or action is to be taken, will be calculated by excluding the day on which the period begins and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.
- (h) Unless otherwise specified, any reference in this Agreement to any statute includes all regulations and subordinate legislation made under or in connection with that statute at any time, and is to be construed as a reference to that statute as amended, modified, restated, supplemented, extended, re-enacted, replaced or superseded at any time.

1.3 **Governing Law**

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

1.4 **Entire Agreement**

This Agreement, together with any other Loan Documents, constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no representations, warranties or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement. The Borrower has not been induced to enter into this Agreement or any other Loan Document in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement or in any of the other Loan Document.

1.5 **Conflicts**

In the event of a conflict in or between the provisions of this Agreement and the provisions of any other Loan Document, then, despite anything contained in that other Loan Document, the provisions of this Agreement will prevail and the provisions of that other Loan Document will be deemed to be amended to the extent necessary to eliminate the conflict. If any act or omission is expressly prohibited under a Loan Document (other than this Agreement) but this Agreement does not expressly permit that act or omission, or if any act is expressly required to be performed under a Loan Document (other than this Agreement) but this Agreement does not expressly relieve the Borrower from that performance, that circumstance will not constitute a conflict in or between the provisions of this Agreement and the provisions of that other Loan Document.

1.6 **Schedules**

The following schedules are attached to and incorporated by reference and deemed to form part of this Agreement:

Schedule "A"	Advance Request
Schedule "B"	SISP

2. **DEBENTURE DEFAULTS AND FORBEARANCE**

2.1 **Acknowledgements**

The Borrower acknowledges that:

- (a) the Borrower is insolvent, which is an event of default under section 9.1(h)(iii) of the Debenture (an event of default under the Debenture being a "**Debenture Default**");

- (b) the CCAA Proceedings is a Debenture Default under section 9.1(h)(ii) of the Debenture;
- (c) as a result of the Borrower's insolvency, a Material Adverse Change has occurred in respect of the Borrower, which is a Debenture Default under section 9.1(f) of the Debenture; and
- (d) the Borrower is not able to cure any of the Debenture Defaults listed in this Section.

2.2 Consents and Waivers

The Borrower:

- (a) waives any cure period applicable to the Debenture Defaults listed above;
- (b) effective upon the first Advance, waives demand, declaration of default and notice by the Lender and acknowledges that the Debenture Obligations are now immediately due and payable and that the Lenders are in a position to realize on the security constituted by the Debenture and enforce their rights by any method not prohibited by law, subject only to the forbearance referred to below; and
- (c) effective upon the first Advance, consents to the immediate enforcement of the rights and remedies of the Lenders under and the realization by the Lenders of the security constituted by the Debenture, subject only to the forbearance referred to below.

2.3 Forbearance

Subject to the satisfaction of the conditions in Section 7.1, the Lenders:

- (a) agree to forbear from enforcing their rights and remedies against the Borrower under the Debenture until the Maturity Date provided no Event of Default occurs and continues;
- (b) consent to the CCAA Proceedings; and
- (c) agree that entering into this Agreement, obtaining the Interim Facility and Advances thereunder, and the creation of the Interim Facility Charge do not constitute Debenture Defaults.

3. INTERIM FACILITY

3.1 Creation of Interim Facility

- (a) The Lenders agree to establish in favour of the Borrower a non-revolving, secured, super-priority, interim credit facility (the "**Interim Facility**") of a nature

contemplated by section 11.2 of the CCAA in the aggregate principal amount not to exceed \$2,750,000 (the “**Maximum Amount**”).

- (b) No Lender will be responsible for the obligations of the other Lender under this Agreement. The failure of a Lender to make available its share of any Advance in accordance with this Agreement will not release any other Lender from its obligations hereunder. Notwithstanding anything to the contrary in this Agreement, no Lender will be obligated to make Advances in excess of its Commitment, and with respect to any particular Advance, will only be responsible for its pro rata share of such Advance. The obligation of each Lender to make its Commitments available to the Borrower is a separate obligation between that Lender and the Borrower and such obligation is not the joint or the joint and several obligation of the other Lender.

3.2 Purpose

The Interim Facility is for the purpose of funding:

- (a) transaction costs and expenses incurred by the Lenders in connection with this Agreement, the other Loan Documents and the Interim Facility Charge;
- (b) professional fees and expenses incurred by the Borrower and the Monitor and their respective legal counsel in the CCAA Proceedings and with respect to this Agreement, the other Loan Documents and the Interim Facility Charge; and
- (c) the Borrower’s operating costs, expenses and liabilities (including, without limitation, wages and active employee benefits and critical capital expenditures) during the CCAA Proceedings in accordance with the Cash Flow Projections.

3.3 Availability

- (a) Subject to the satisfaction of the conditions summarized in this Agreement, and compliance with the Initial Order, advances (each, an “**Advance**”) under the Interim Facility will be made available by the Lenders to the Borrower on a bi-weekly basis on the last Business Day of every second week during the CCAA Proceedings, in an amount not greater than the amount shown for the next following two weeks on the Cash Flow Projections, as reviewed by the Monitor.
- (b) Individual Advances will be in an amount equal to \$50,000 or a multiple of \$50,000, and will be advanced by wire transfer into an account designated in writing by the Borrower.
- (c) The Borrower will deliver an Advance Request to the Lenders, setting out the amount of the Advance requested and attaching the most recent Cash Flow Projections on which such amount is based, three (3) Business Days prior to the date on which an Advance is scheduled.

- (d) Notwithstanding Sections 3.3(a) or (b), to the extent that the Borrower requires emergency funding for expenditures that not are contemplated by or payable in the manner, at the time or in the amount contemplated by, the Cash Flow Projections, then the Borrower may request an Advance of the amount required. The Advance Request delivered to the Lenders in respect thereof will provide particulars of the emergency and the expenditure, together with an explanation for why it is not contemplated by the Cash Flow Projections. Provided that the Lenders are satisfied with such particulars and the Monitor has approved such Advance, and subject to the satisfaction of the conditions in Sections 7.1 and 7.2 and compliance with the Initial Order, the Lenders will make available to the Borrower the Advance.
- (e) For greater certainty, the aggregate amount of Advances under the Interim Facility will not exceed the Maximum Amount.

4. PAYMENTS

4.1 Repayment

- (a) The Commitments of the Lenders will expire, and the Interim Facility will terminate, on the earlier of:
 - (i) the occurrence of any Event of Default which is continuing and has not been cured;
 - (ii) the termination of the CCAA Proceedings;
 - (iii) the completion of a sale or other transaction under the SISF in accordance with an order approving such transaction; and
 - (iv) June 15, 2013,(the earlier of such date being the “**Maturity Date**”).
- (b) The Lenders will have the option at any time, and in their absolute discretion, to extend the Maturity Date on such terms as they deem appropriate upon the written request by the Borrower or otherwise.
- (c) On the Maturity Date, the Interim Facility Obligations will become immediately due and payable, and the Borrower will repay to the Lenders in full all unpaid Interim Facility Obligations, without the Lenders being required to make demand upon the Borrower or give notice that the Interim Facility has terminated or that the Interim Facility Obligations are due and payable.

4.2 Payments

- (a) The Borrower may make payments on account of the Interim Facility Obligations at any time and from time to time without bonus or penalty but on two days

written notice to the Lenders.

- (b) Subject to any Order of the Court, any cash proceeds received by the Borrower from any insurance of any Collateral will be paid to the Monitor and held in a segregated account and will be distributed in accordance with a further Order of the Court in accordance with the priorities established by the Initial Order.
- (c) All payments received by the Lenders under this Agreement will, in the discretion of the Lenders, be applied first to any fees due to the Lenders and any expenses of the Lenders, then to accrued and unpaid interest, and then to principal.
- (d) The Lenders will maintain accounts and records evidencing the Advances made by the Lender under this Agreement and all other Interim Facility Obligations owed by the Borrower to the Lender under this Agreement. The Lender's accounts and records will constitute prima facie evidence of the indebtedness of the Borrower to the Lender under the Loan Documents in the absence of manifest error.

4.3 **Interest and Fees**

- (a) The outstanding principal amount of all Advances will bear interest at the rate of 17% per annum, calculated bi-weekly in arrears. Interest on each Advance will accrue from day to day and will be calculated from and after the advance of such Advance to, but excluding, the date of repayment, as well as after as before the Maturity Date, the occurrence of an Event of Default and demand and both before and after judgment, and will be calculated on a weekly basis on the principal amount of such Advance, and any interest accruing thereon from time to time, and on the basis of the actual number of days elapsed in a year of 365 days. All accrued interest will be payable in full by the Borrower to the Lenders on the Maturity Date.
- (b) As consideration for the Lenders making the Interim Facility available to the Borrower during the CCAA proceedings, the Borrower will pay to the Lenders the following fees:
 - (i) non-refundable commitment fee in the amount of \$137,500, which fee will become due and payable in full on the Maturity Date; and
 - (ii) a loan administration fee in the amount of \$3,000 per month, which fee will become and payable on the last Business Day of each month.
- (c) The annual rate of interest referred to in this Agreement is based on a calendar year of 365 or 366 days, as the case may be. For purposes of the *Interest Act* (Canada), the principle of deemed reinvestment of interest will not apply to any interest rate calculation under this Agreement, and the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

- (d) In the event that any provision of this Agreement would oblige the Borrower to make any payment of interest or any other payment which is construed by a court of competent jurisdiction to be interest in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lenders of interest at a criminal rate (as those terms are construed under the *Criminal Code* (Canada)), then notwithstanding that provision, that amount or rate will be deemed to have been adjusted *nunc pro tunc* to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lenders of interest at a criminal rate, that adjustment to be effected, to the extent necessary, as follows:
- (i) first, by reducing the amount or rate of interest required to be paid under this Agreement; and
 - (ii) second, by reducing any fees, commissions, premiums and other amounts which would constitute interest for the purposes of Section 347 of the *Criminal Code* (Canada).
- (e) If, despite giving effect to all adjustments contemplated by 4.3(d), the Lenders have received an amount in excess of the maximum permitted by that clause, then that excess will be applied by the Lenders to the reduction of the principal balance of the Interim Facility Obligations and not to the payment of interest, or if that excessive interest exceeds that principal balance, that excess will be refunded to the Borrower.

5. SALE AND INVESTOR SOLICITATION PROCEDURES

5.1 SISP Order

The Borrower will within 15 days of the commencement of the CCAA Proceedings, or such further period as reasonably acceptable to the Lenders, file an application for an Order of the Court approving the sale and investor solicitation procedures substantially in the form set out on Schedule “B” (such Order being the “**SISP Order**” and such procedures being the “**SISP**”), subject to such modifications that the Lenders agree to in writing. The SISP will provide for a stalking horse credit bid by the Lenders pursuant to which the Lenders (or their assigns) agree to purchase and the Borrower agrees to sell all of the shares in the capital of the Borrower (conditional, *inter alia*, upon the approval and implementation of a CCAA Plan acceptable to the Lenders) or all of the property and assets of the Borrower. The bid price under such stalking horse credit bid will be the aggregate of the Interim Facility Obligations, the Debenture Obligations, amounts secured by the Administration Charge and the KERP Charge, and any Priority Payables, together with any cash element determined by the Lenders.

5.2 Administration of the SISP

The SISP will be administered by the Monitor. The Borrower will take all actions necessary or desirable to implement the SISP or required by the Monitor, within the time periods set out in the SISP (subject to such variations in such time periods as agreed to by the Monitor which do not unreasonably delay the implementation of the SISP and the completion of a sale thereunder).

The Monitor will have the discretion to amend the SISP provided that any such amendment will not unreasonably prejudice the Lenders or any other bidders.

5.3 **Confidential Sales Information**

The Lenders will not be entitled to receive any information obtained by the Monitor in administering the SISP that, in the opinion of the Monitor acting reasonably, if disclosed to the Lenders, would give the Lenders an unfair advantage over other bidders, which information for greater certainty will include the terms and conditions of other bids, other bid prices and the identity of other bidders, but for greater certainty (all such information being collectively referred to as “**Confidential Sales Information**”, which term, for greater certainty will not include information relating to any Default or Event of Default).

6. **SECURITY**

6.1 **Interim Facility Charge**

- (a) The payment and performance of the Interim Facility Obligations will be secured and assured by a super priority charge in favour of the Lenders created by the Initial Order of the Court in the CCAA Proceedings under section 11.2(1) of the CCAA (the “**Interim Facility Charge**”) over all of the present and after acquired real and personal property, assets and undertakings of the Borrower, including all proceeds therefrom and all causes of action of the Borrower (collectively, the “**Collateral**”).
- (b) The Interim Facility Charge will rank in priority to all other Encumbrances of any kind whatsoever except for (i) a Court ordered administration charge to secure payment of professional fees of the Borrower, the Monitor and its legal counsel in a principal amount not to exceed \$250,000 (the “**Administration Charge**”), and (ii) any Purchase Money Security Interests created prior to the Filing Date.
- (c) The CCAA Charges will rank in the following order of priority:
 - first, the Administration Charge
 - second, the Interim Facility Charge
 - third, the KERP Charge

7. **CONDITIONS PRECEDENT**

7.1 **Conditions Precedent to the Effectiveness of the Interim Facility**

The Interim Facility will become effective upon the satisfaction of the following conditions:

- (a) the Initial Order, in form and content satisfactory to the Lenders, will have been obtained;

- (b) the representations and warranties in Section 8.1 are true and correct in every material respect;
- (c) the Lenders will be satisfied with the terms of the KERP prepared by the Borrower with the assistance of the Monitor;
- (d) the Lenders will have received the duly executed Loan Documents in form and substance satisfactory to the Lenders and their counsel;
- (e) the Lenders will have received, duly executed and in form and substance satisfactory to them:
 - (i) a copy of the constating documents and borrowing by laws of the Borrower, and a copy of the resolutions of the board of directors of the Borrower authorizing the execution, delivery and performance of the Loan Documents, certified in each case by a senior officer of the Borrower;
 - (ii) a certificate as to general corporate information and other matters for the Borrower, which will contain a statement of the names of the officers and directors of the Borrower and the specimen signatures of those officers who will execute and deliver the Loan Documents to the Lenders; and
 - (iii) any additional supporting documents that the Lenders or its counsel may reasonably request;
- (f) the Lenders will have received a satisfactory legal opinion from counsel to the Borrower in connection with the existence and authority of the Borrower and the due authorization, execution and delivery of the Loan Documents, and any other matters that may be reasonably requested by the Lenders;
- (g) the Lenders will have completed and been satisfied with the results of their financial, business, legal and other due diligence enquires;
- (h) the Lenders will have received a satisfactory certificate of insurance issued by the Borrower's insurance broker in respect of all policies of insurance maintained by the Borrower which are to name the Lenders as first mortgagee and first loss payee as applicable, and as additional insured in respect of all liability policies; and
- (i) the Lenders will be satisfied with a communication strategy with customers and suppliers developed by the Borrower with the assistance of the Monitor in respect of the CCAA Proceedings.

7.2 **Conditions to Advances**

The ability of the Borrower to obtain Advances in accordance with this Agreement will be subject to the satisfaction of the following conditions:

- (a) the delivery to the Lenders, with a copy to the Monitor, of an Advance Request;
- (b) neither the Initial Order nor, when obtained, the SISP Order, will have been vacated, stayed or otherwise caused to become ineffective, or will have been amended in a manner prejudicial to the Lenders;
- (c) there will be no pending appeals, injunctions or other legal impediments relating to the completion of the Interim Facility or, after the SISP Order is made, the SISP, or pending litigation seeking to restrain or prohibit the completion of the Interim Facility or the SISP (or the transactions contemplated thereby);
- (d) the Lenders will have received the most recent Cash Flows Projections in form and substance satisfactory to the Lenders;
- (e) no event, circumstance or condition will have occurred, in the period between the Filing Date and the date of the relevant Advance, that has or would constitute a Material Adverse Effect;
- (f) the representations and warranties of the Borrower in Section 8.1 are true and correct in every material respect;
- (g) no Default or Event of Default will have occurred or be continuing;
- (h) if required by the Lenders, a chief restructuring officer of the Borrower (the “CRO”) acceptable to the Lenders will have been appointed on terms satisfactory to the Lenders and will not have been terminated or resigned;
- (i) at least 50% of the members of the board of directors of the Borrower will continue to be nominees of the Lenders, with one of the nominees of the Lenders being the chair and having the casting vote.

7.3 **Waiver**

The conditions set forth in Sections 7.1 and 7.2 are inserted for the sole benefit of the Lenders and may be waived by the Lenders, in whole or in part (with or without terms or conditions) without prejudicing the right of the Lenders at any time to assert such waived conditions in respect of any subsequent Advance.

8. REPRESENTATIONS AND WARRANTIES

8.1 **Representations and Warranties**

To induce the Lenders to make the Interim Facility available to the Borrower and make Advances under this Agreement, the Borrower hereby represents and warrants to the Lenders the following (which representations and warranties will be deemed to be repeated upon each Advance being made to the Borrower):

- (a) after the issuance of the Initial Order, and pursuant to and to the extent permitted in the Initial Order, the Interim Facility Obligations will be secured by the Interim Facility Charge;
- (b) the Cash Flow Projections include all payments that are or could be Priority Payables and that, if not paid, could result in statutory Encumbrances ranking in priority to the Interim Facility Charge;
- (c) all factual information provided by or on behalf of the Borrower to the Lenders for the purposes of or in connection with the Interim Facility is true and accurate in all material respects on the date as of which such information is dated or certified and remains true as of the date provided and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided
- (d) the Borrower is a corporation duly incorporated, and validly existing under the laws of Alberta and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary;
- (e) subject to the Initial Order, the Borrower has all requisite power and authority to own and operate its properties, assets and business, and to enter into and perform its obligations under the Loan Documents;
- (f) subject to the Initial Order, the execution and delivery of the Loan Documents by the Borrower and the performance by the Borrower of its obligations thereunder have been duly authorized by all necessary corporate action and no authorization under any applicable law, and no registration, qualification, designation, declaration or filing with any Governmental Authority, is necessary therefor;
- (g) subject to the Initial Order, each Loan Document has been duly executed and delivered by the Borrower and constitutes legal, valid and binding obligations of the Borrower, enforceable against it in accordance with its terms, subject only to applicable laws relating to bankruptcy, insolvency, reorganization, moratorium or creditors rights generally, and the discretion that a court may exercise in granting equitable remedies;
- (h) subject to the Initial Order, the execution and delivery of the Loan Documents by the Borrower and the performance by the Borrower of its obligations thereunder and compliance with the terms, conditions and provisions thereof, will not conflict with or result in a breach of:
 - (i) its constating documents or by-laws;
 - (ii) any Applicable Laws;

- (iii) any material agreement to which the Borrower is a party other than the loan and security documentation in favour of CWB or any material license or permit held by the Borrower;
- (i) the business and operations of the Borrower has been and will continue to be conducted in compliance with all the Applicable Laws of each jurisdiction in which the Borrower is carrying on business;
- (j) the Borrower has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect, and no proceedings have been commenced or threatened to revoke or amend any such licenses or permits which have not been stayed by the Initial Order;
- (k) the Borrower has good and valid title to all of its real property, a valid leasehold interest in all property leased by it, and a valid license to all property licensed by it, and owns all personal property that is purported to be owned by it (including any personal property reflected on its most recent financial statements), and no such property is subject to any Encumbrance other than Permitted Encumbrances;
- (l) other than the events leading up to the CCAA Proceedings or as disclosed to the Lenders prior to closing, there are no pending (or, to the knowledge of the Borrower, threatened) actions, investigations, suits, proceedings, audits, claims, demands, orders or disputes affecting the Borrower with, by or before any Governmental Authority other than those that (i) do not individually represent any claim in excess of \$50,000, (ii) cannot reasonably be expected to affect the ability of the Borrower to pay and perform the Interim Facility Obligations and the Loan Documents, and (iii) would not, in the aggregate, have a Material Adverse Effect;
- (m) no Default or Event of Default has occurred and is continuing
- (n) the information prepared or furnished by or on behalf of the Borrower in connection with any Loan Document, the SISF and the CCAA Proceedings, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances when made, not misleading; provided, however, that projections contained therein are not to be viewed as factual and that actual results during the periods covered thereby may differ from the results set forth in such projections by a material amount. All projections that are part of such information (including those set forth in any Cash Flow Projections provided to the Lenders) are based upon good faith estimates and stated assumptions believed to be reasonable and fair as of the date made in light of conditions and facts then known and, as of such date, reflect good faith, reasonable and fair estimates of the information projected for the periods set forth therein. All facts known to the Borrower and material to an understanding of the financial condition, business, property or prospects of the Borrower have been disclosed to the Lenders;
- (o) except as disclosed to the Lenders in writing,

- (i) the Borrower and its property, assets and undertakings taken as a whole comply in all respects, and the business, activities and operations of the Borrower and the use of such property, assets and undertakings, and the processes and undertakings performed thereon, comply in all respects with all Environmental Laws except to the extent that failure to so comply would not have a Material Adverse Effect; and
- (ii) the Borrower (1) has not received written notice and, except as previously disclosed to the Lenders in writing, the Borrower has no knowledge, of any facts which could give rise to any notice of non-compliance with any Environmental Laws, which non-compliance has or would have a Material Adverse Effect and (2) has not received any notice from any Governmental Authority that the Borrower is a potentially responsible party for a clean-up order or for corrective action in connection with its property, assets and undertakings where such clean up order or corrective action would have a Material Adverse Effect;
- (p) the Borrower has made available to the Lenders copies of all existing environmental reports, reviews and audits and all documents pertaining to actual or potential environmental liabilities, in each case to the extent such reports, reviews, audits and documents are in their possession, custody or control;
- (q) neither RS Advanced Structures Inc. nor Resin Systems (USA) Inc. have any material assets or liabilities, other than a standard upright lift truck leased by RS Advanced Structures Inc. from Roynat Inc.;
- (r) all federal, provincial, local and foreign income and franchise and other tax returns (or information returns), reports and statements (collectively, the “**Tax Returns**”) required to be filed have been filed with the appropriate Governmental Authorities in all jurisdictions in which such Tax Returns are required to be filed, all such Tax Returns are true and correct in all material respects, and all taxes, charges and other impositions reflected therein or otherwise due and payable have been paid prior to the date on which any liability may be added thereto for non-payment thereof except for those contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves are maintained on the books of the Borrower in accordance with GAAP and for which no collection action has been undertaken or threatened by any Governmental Authority. No Tax Return is under audit or examination by any Governmental Authority and no notice of such an audit or examination or any assertion of any claim for Taxes has been given or made by any Governmental Authority. Proper and accurate amounts have been withheld by the Borrower for payments to its employees and any person which is non resident for all periods in full and complete compliance with the tax, social security and unemployment withholding provisions of applicable requirements of law and such withholdings have been timely paid to the respective Governmental Authorities;

- (s) subsequent to the Filing Date, the Borrower has withheld from its employees, customers and other applicable payees (and timely paid to the applicable Governmental Authority) the proper and accurate amount of all Taxes and other amounts required to be withheld or collected and remitted in compliance with all Applicable Laws, where the failure to pay or withhold such amounts would result in such amounts being Priority Payables; and
- (t) there are no strikes, work stoppages, slowdowns or lockouts existing, pending (or, to the knowledge of the Borrower, threatened) against or involving the Borrower, except, for those that would not, in the aggregate, have a Material Adverse Effect, there are no collective bargaining or similar agreement with any union, labour organization, works council or similar representative covering any employee of the Borrower, there are no petitions for certification or election of any such representative is existing or pending with respect to any employee of the Borrower, and no such representative has sought certification or recognition with respect to any employee of the Borrower.

8.2 Nature and Effective Time of the Representations and Warranties

- (a) All representations and warranties, when repeated or deemed to be repeated under this Agreement, will be construed with reference to the facts and circumstances existing at the time of repetition, unless they are stated herein to be made as of a specific date only.
- (b) The representations and warranties set out in, or deemed to be made pursuant to, this Agreement will survive the execution and delivery of this Agreement and the making of any Advance, notwithstanding any investigations or examinations that may be made by the Lenders or their counsel. Such representations and warranties will survive until this Agreement has been terminated.

9. COVENANTS

9.1 Positive Covenants

Until the Interim Facility Obligations have been repaid in full and the Interim Facility terminated, the Borrower covenants and agrees to do or cause to be done the following:

- (a) the Lenders will be unaffected creditors in the CCAA Proceedings in respect of the Interim Facility Obligations, and the Interim Facility Obligations will not be subject to any compromise or arrangement under any CCAA Plan;
- (b) comply with all Orders made in the CCAA Proceedings except to the extent such Orders have been in whole or in part stayed, reversed, modified or amended;
- (c) keep the Lenders apprised on a timely basis of all material developments with respect to the business and affairs of the Borrower other than anything that constitutes Confidential Sales Information;

- (d) use the Advances under the Interim Facility only for the purposes contemplated in Section 3.2 and, except as provided for under Section 3.2(a) or Section 3.3(d), to meet the expenditures contemplated in the Cash Flow Projections;
- (e) maintain its corporate existence;
- (f) maintain, operate and use its property and assets, and carry on and conduct its business, in a proper and efficient manner and in accordance with the Initial Order
- (g) pay promptly when due all Priority Payables that the Company is permitted or required to pay under the Initial Order to the extent provided for in the Cash Flow Projections;
- (h) insure and keep insured its property and assets and maintain all risk insurance on terms acceptable to the Lenders, naming the Lenders mortgagees, loss payees and additional insured;
- (i) maintain records and books of accounts in accordance with GAAP, recording true and correct entries of all dealings and transactions relating to its business;
- (j) permit the Lenders and their representatives or consultants access at any reasonable time to the premises, books, records, information or data of the Borrowers and to make copies of and abstracts from such records, information or data;
- (k) carry on and conduct its business, and keep, maintain and operate its assets and properties, in accordance with all Applicable Laws and prudent industry practice, except where the failure to do so would not result in a Material Adverse Effect;
- (l) observe and conform to all requirements of any approval by any Governmental Authority relative to any of its properties and assets and all covenants, terms and conditions of all agreements upon or under which any of such properties or assets are held, except where the failure to do so would not result in a Material Adverse Effect;
- (m) conduct their business and operations so as to so comply at all times with all Environmental Laws, Environmental Permits and Environmental Orders, unless the failure to do so would not have a Material Adverse Effect;
- (n) promptly cure any default by it in the execution and delivery of this Agreement or of any of the other Loan Documents, and after notice thereof from the Lenders, promptly take all such further action, do all such further things and execute and deliver all such other and further deeds, agreements, opinions, certificates, instruments, affidavits, registration materials and other documents reasonably necessary for compliance with, or accomplishment of, the covenants and agreements hereunder or to more fully state the obligations set out herein.

9.2 Negative Covenants

Until the Interim Facility Obligations have been repaid in full and the Interim Facility terminated, the Borrower covenants and agrees not to do or cause to be done the following:

- (a) apply for or consent to any change, amendment or modification to the Initial Order or SISP Order without the prior written consent of the Lenders, or fail to oppose any application or motion for a change, amendment or modification to such Orders opposed by the Lenders;
- (b) file with the Court or support any CCAA Plan other than a CCAA Plan that is in form and substance acceptable to the Lenders;
- (c) make any payments or expenditures contrary to or not contemplated by the Cash Flow Projections, or make any payment or expenditure that exceeds the amount contemplated by the Cash Flow Projections by more than 10%, without the consent of the Lenders;
- (d) permit actual ending cash, tested as of the last Business Day of any measurement period, to be less than the amount set forth for such date in the Cash Flow Projections, with a permitted variance of 20% without the consent of the Lenders;
- (e) without the prior written consent of the Lenders, after the Filing Date incur any Obligations other than the Interim Facility Obligations, indebtedness permitted by the Initial Order, trade payables incurred in the ordinary course after the date of the Initial Order and other indebtedness permitted by the Lenders;
- (f) make any payment of Obligations outstanding on the date of the Initial Order other than as may be permitted by the Initial Order and contemplated by the Cash Flow Projections, or otherwise as may be permitted by the Lender;
- (g) without the prior written consent of the Lenders, create, assume, incur or suffer to exist any Encumbrance during the CCAA Proceedings other than the Interim Facility Charge, the Administration Charge and the KERP Charge, provided that the Borrower may suffer to exist Permitted Encumbrances existing prior to the Filing Date so long as the Obligations secured thereby do not increase or, in the case of the RBC Security, exceed \$147,000;
- (h) without the prior written consent of the Lenders, and except as expressly permitted by the Initial Order and as contemplated in the Cash Flow Projections, make any payments or distributions of any kind whatsoever to any director, officer, shareholder or affiliate of the Borrower;
- (i) without the prior written consent of the Lenders, sell, assign, transfer, convey, lease (as lessor), contribute or otherwise dispose of, or grant options, warrants or other rights with respect to, any of its properties or assets other than sales of inventory in the ordinary course of business; and

- (j) without the prior written consent of the Lenders, cancel, terminate, amend or otherwise modify any material contract.

9.3 Reporting Covenants

Until the Interim Facility Obligations have been repaid in full and the Interim Facility terminated, the Borrower covenants and agrees to do, or deliver to the Lenders, the following:

- (a) with the assistance of the Monitor, keep the Lenders informed on a bi-weekly basis of its cash flow requirements by providing cash flow and cash requirement projections together with actual cash flow results from 2 weeks prior, in form consistent with the 13 Week Cash Flow Projections and in content satisfactory to the Lenders and the Monitor, which projections will be provided by no later than 5:00 p.m. (Calgary time) on the Tuesday of every second week (individually, a “**Cash Flow Projection**”, and together with the 13 Week Cash Flow Projection, collectively, the “**Cash Flow Projections**”), together with a memorandum in writing from a senior officer of the Borrower explaining any changes in the actual cash flow from the 13 Week Cash Flow Projections or previous Cash Flow Projections in excess of a 20% variance;
- (b) as soon as practicable and in any event by no later than the last Business Day of each week, a statement listing all new sales in the past week together with the status of each of the sales contracts to which the Borrower is party, in form and content satisfactory to the Lenders;
- (c) as soon as practicable and in any event by no later than the last Business Day of every second week, a statement summarizing the status of the Borrower’s operations, in form and content satisfactory to the Lenders;
- (d) as soon as practicable and in any event by no later than the last Business Day of the next following calendar month, financial information for the Borrower in the form of the trial balance for the immediately preceding month, together with comparative figures for the corresponding period in the previous fiscal year;
- (e) evidence of payment of all Priority Payables in accordance with Section 9.1(g), in each case within 15 Business Days of the due date;
- (f) prompt written notice of any Material Adverse Effect, of any Default or Event of Default, or any breach of any Order;
- (g) prompt written notice of any action, investigation, suit, proceeding, claim or dispute before any Governmental Authority affecting the Borrower not stayed in the CCAA Proceedings;
- (h) every second week, on a date and at a time convenient to the Lenders, acting reasonably, and starting on March 15, 2013, senior management of the Borrower will make itself available on a conference call, in which the CRO (if one has been appointed), the Monitor and the Lenders will participate, where the Lenders will

be updated with respect to developments relating the Borrower and the CCAA Proceedings, provided that no Person will be obliged to disclose Confidential Sales Information in such calls; and

- (i) forthwith deliver to the Lenders any financial statements and other information concerning the Borrower (other than Confidential Sales Information) that the Lenders may request, in a form which is acceptable to the Lenders.

10. REMEDIES

10.1 Remedies for an Event of Default

Upon the occurrence and during the continuance of any Event of Default, the Lenders may do any one or more of the following, all of which is authorized by the Borrower:

- (a) by written notice to the Borrower, declare the Interim Facility and the Commitments to be terminated, at which time they will terminate immediately and the Lenders will have no further obligation to make any Advance available to the Borrower under the Interim Facility;
- (b) by written notice to the Borrower, declare all of the Interim Facility Obligations to be immediately due and payable without further demand, presentation, protest or other notice of any kind, all of which are expressly waived by the Borrower;
- (c) apply to the Court to enforce the Interim Facility Charge and/or for the appointment of any receiver, receiver and manager of the undertaking, property and assets of the Borrower; and
- (d) exercise any other action, suit, remedy or proceeding authorized or permitted by the Loan Documents or by Applicable Law, including specifically performing any covenant or agreement contained in the Loan Documents, enjoining any violation of any of the terms of the Loan Documents, exercising any power granted by the Loan Documents or by Applicable Law, or obtaining judgment for and recovering all amounts due and owing relating to the Interim Facility Obligations.

10.2 Waivers

No delay on the part of a Lender in exercising any power, right or remedy under any Loan Document will operate as a waiver of that power, right or remedy, no waiver of any Default or Event of Default will operate as a waiver of that Default or Event of Default unless made in writing and signed by an authorized officer of the Lender, and any single or partial exercise by a Lender of any power, right or remedy for a Default or Event of Default will not be deemed to be a waiver of or to alter, affect or prejudice any other power, right or remedy to which a Lender may be lawfully entitled relating to that Default or Event of Default. No written waiver will preclude the exercise by a Lender of any power, right or remedy under any Loan Document other than relating to the specific action or inaction covered by that waiver and strictly in accordance with the terms of that waiver, or extend to or apply to any other Default or Event of Default. A Lender will not be deemed to have waived, by reason of making available any Advance, any

Default or Event of Default, including any Default or Event of Default arising from any representation or warranty made or deemed to have been made in any Loan Document proving to be false or incorrect.

10.3 **Non-Merger**

Obtaining any judgment, or taking any action or proceeding, by the Lenders under any Loan Document will not operate as a merger of any Interim Facility Obligations, or in any way suspend payment or affect or prejudice the powers, rights and remedies, legal or equitable, which the Lenders may have in connection with the Interim Facility Obligations. The surrender or cancellation of, or any other dealings with, any security will not release or affect the Interim Facility Obligations.

10.4 **Lenders May Perform Covenants**

If the Borrower fails to perform any covenant on its part in this Agreement, the Lenders may, but are not required to, perform that covenant if it is capable of being performed by the Lenders and, if that covenant requires the payment of money, the Lenders may, but are not required to, make that payment with their own funds. All amounts paid by the Lenders under this Section will be repaid by the Borrower on demand for payment, will bear interest at the rate stipulated and in the manner calculated in Section 4.3(a), commencing on the day of payment of those amounts by the Lenders, and form part of the Interim Facility Obligations and be secured by the Interim Facility Charge.

13.8 **Remedies Cumulative**

The rights, powers and remedies under the Loan Documents and the Interim Financing Charge are cumulative and are in addition to and not in substitution for any other rights, powers and remedies available at law or in equity or otherwise. No single or partial exercise by the Lenders of any right, power or remedy precludes or otherwise affects the exercise of any other right, power or remedy to which the Lenders may be entitled.

11. **MISCELLANEOUS PROVISIONS**

11.1 **Expenses**

The Borrower will reimburse the Lender for all reasonable fees (including legal and professional fees on a full indemnity basis), disbursements and out-of-pocket expenses incurred by the Lenders in any manner in connection with the CCAA Proceedings, the Loan Documents, any borrowings and any enforcement of the Loan Documents and Interim Facility Charge. All such fees, disbursements and expenses will be included in the Interim Facility Obligations and secured by the Interim Facility Charge.

11.2 **Notices**

Except as otherwise expressly provided for in this Agreement, any Communication must be in writing and either delivered personally or by courier, sent by prepaid registered mail, or transmitted by facsimile, e-mail or functionally equivalent electronic means of transmission,

charges (if any) prepaid. Any Communication must be sent to the intended recipient at its address as follows:

(a) to the Borrower at:

RS Technologies Inc.
233 Mayland Place NE
Calgary, Alberta T2E 7Z8

Attention: Howard Elliott, President and Chief Executive Officer
Tel. No.: (734) 508-6483
Facsimile No.: (519) 682-3786
E-mail: HRE@rspoles.com

with a copy to:

Blake Cassels & Graydon LLP
855 - 2nd Street S.W.
Suite 3500, Bankers Hall East Tower
Calgary AB T2P 4J8

Attention: Kelly J. Bourassa and Ryan Zahara
Tel. No.: (403) 260-9697/(403) 260-9628
Facsimile No.: (403) 260-9700
E-mail: kelly.bourassa@blakes.com / ryan.zahara@blakes.com

(b) to the Lenders at:

Werklund Capital Corporation
4500 Devon Tower
400 - 3rd Avenue SW
Calgary AB T2P 4H2

Attention: Stefan Erasmus, President
Tel. No.: (403) 231-2086
Facsimile No.: (403) 231-6549
E-mail: stefan.erasmus@werklund.com

Melbye Skandinavia AS
Prost Stabelsvei 22
2021 Skedsmokorset
Norway

Attention: Christian Aasheim, President
Tel. No.: 011-47-63-87-0150
Facsimile No.: 011-47-63-87-0151

E-mail: cha@melbye.no

with a copy to:

Gowling Lafleur Henderson LLP
1400, 700 - 2 Street SW
Calgary, Alberta T2P 4V5

Attention: Tom Cumming and Jeff Oliver
Tel. No.: (403) 298-1938 / (403) 298-1818
Facsimile No.: (403) 695-3538
E-mail: tom.cumming@gowlings.com /
jeffrey.oliver@gowlings.com

or at any other address as any Party may at any time advise the others by Communication given or made in accordance with this Section 11.2. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given or made and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given or made and received on the next Business Day. Any Communication sent by prepaid registered mail will be deemed to have been given or made and received on the fifth Business Day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be delivered personally or by courier or transmitted by facsimile, e-mail or functionally equivalent electronic means of transmission. Any Communication transmitted by facsimile, e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the Communication is transmitted on a day which is not a Business Day or after 5:00 p.m. (local time of the recipient), the Communication will be deemed to have been given or made and received on the next Business Day.

11.3 Severability

Each Section of this Agreement is distinct and severable. If any Section of this Agreement, in whole or in part, is or becomes illegal, invalid, void, voidable or unenforceable in any jurisdiction by any court of competent jurisdiction, the illegality, invalidity or unenforceability of that Section, in whole or in part, will not affect the legality, validity or enforceability of the remaining Sections of this Agreement, in whole or in part, or the legality, validity or enforceability of that Section, in whole or in part, in any other jurisdiction.

11.4 Amendment and Waiver

No amendment, discharge, modification, restatement, supplement, termination or waiver of this Agreement or any Section of this Agreement is binding unless it is in writing and executed by the Party to be bound. No waiver of, failure to exercise, or delay in exercising, any Section of this Agreement constitutes a waiver of any other Section (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

11.5 **Assignment**

- (a) None of this Agreement, the other Loan Documents or any rights, remedies or obligations under them may be assigned by the Borrower without the prior written consent of the Lenders.
- (b) Each Lender will have the right to assign, sell or participate its rights and obligations in the Interim Facility to one or more Persons (“**Participants**”) without the consent of the Borrower. For this purpose, such Lender may disclose, on a confidential basis, to a potential Participant any information concerning the Borrower as such Lender considers appropriate. The Borrower will execute any documentation and take any actions as such Lender may reasonably request in connection with any assignment or participation.

11.6 **Enurement**

This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

11.7 **Counterparts and Electronic Delivery**

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

If the terms, provisions and conditions set out in this Agreement are acceptable to you, please execute the acceptance set out below.

Werklund Capital Corporation

Melbye Skandinavia AS

By: _____
Name:
Title:

By: _____
Name:
Title:

The undersigned accepts and agrees to the terms, provisions and conditions set out in this Agreement this 11th day of March, 2013.

RS Technologies Inc.

By: _____
Name:
Title:

Schedule "A"
Advance Request

TO: Werklund Capital Corporation and Melbye Skandinavia AS, as Lenders

RE: Credit Agreement dated as of March 11, 2013 between Werklund Capital Corporation and Melbye Skandinavia AS as Lenders and RS Technologies Inc. as Borrower (as confirmed, amended, supplemented or restated at any time, the "Credit Agreement")

1. Capitalized terms not otherwise defined in this Advance Request have the meanings given to them in the Credit Agreement.

2. Except as described in an Appendix ____ to this Advance Request, the Borrower certifies that:

- (a) no Default or Event of Default has occurred and is continuing;
- (b) all representations and warranties of the Borrower in Section 8.1 of the Credit Agreement continue to be true and correct in every material respect as if made on the date of this Advance Request;
- (c) the Borrower is in compliance with all Orders; and
- (d) the Cash Flow Projections attached as Appendix ____ to this Advance Request are the most recent Cash Flow Projections prepared by the Borrower, are in compliance with the requirements set out in the Credit Agreement, and have been approved by the Monitor.

3. The date on which the Advance requested in this Advance Request is required is _____, 2013.

4. The amount of the Advance requested in this Advance Request is \$_____.

5. To the extent that the Advance requested in this Advance Request is an emergency Advance contemplated by Section 3.3(d), set out on Appendix ____ to this Advance Request is the information required by that Section, which information the Borrower certifies is true and correct in every material respect.

DATED _____, 2013, at _____ .m., _____ time.

RS Technologies Inc.

By: _____
Name:
Title:

**Schedule “B”
SISP**

See the attached.