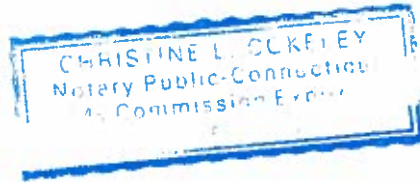


EXHIBIT 4

This is EXHIBIT "4" referred to in the Affidavit of Mark Skura sworn before me this 12 day of June, 2019.

Christine L. Cokley
Notary Public in and for the
State of Connecticut



ORIGINAL

NATIONS FUND I, LLC

TERM LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "Agreement") is made effective as of the 16th day of March 2018, by and between NATIONS FUND I, LLC ("Lender"), NEW WEST ENERGY SERVICES INC. (the "Parent") and BEARSTONE ENVIRONMENTAL SOLUTIONS INC. ("Borrower") (the Parent and the Borrower are collectively the "Loan Parties", and each a "Loan Party").

The Borrower is desirous of obtaining a loan from the Lender and the Lender is willing to make the loan to the Borrower upon the terms and conditions set forth herein.

Capitalized terms used herein without definition shall have the meanings assigned to them in Schedule A attached hereto and, for purposes of this Agreement and the other Loan Documents, the rules of construction set forth in Schedule A shall govern.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. ADVANCE OF LOAN

- (a) The Loan. On the terms and conditions hereinafter set forth, the parties agree that the Lender shall lend to the Borrower the amount of CAD\$189,000 (the "Loan") on the Closing Date.
- (b) Promissory Note. The obligation to repay the Loan hereunder shall be evidenced by a promissory note in respect of the Loan payable by the Borrower to the order of the Lender in form and substance satisfactory to Lender (the "Promissory Note").
- (c) Guarantors. In addition to providing the Guarantee, the Parent shall be required to ensure that all future subsidiaries of the Parent, within 10 days of creation or acquisition, provide a guarantee of the Obligations to the Lender, provided that, as at the Closing Date, the Lender agrees that no guarantee shall be required from Porterco Oilfield Services Inc. or Bearstone Oilfield Services Inc.
- (d) Term of Loan. The Loan shall be repaid on March 16, 2023.
- (e) Purpose. All proceeds of the Loan shall be used by the Borrower to fund the Equipment Purchase.
- (f) Single Loan. The Loan and the payment of all of the other Obligations of the Borrower to the Lender shall constitute one general obligation of the Loan Parties secured by all of the Collateral.
- (g) Currency. The Borrower shall make payment relative to each Obligation in Canadian dollars. If the Borrower makes, or is required to make payment of any amount hereunder in a currency other than Canadian dollars (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction) (the "Other Currency"), such payment shall constitute a discharge of the liability of the Borrower hereunder in respect of the applicable amount owing only to the extent of the amount of Canadian dollars owed is actually received by the Lender on the date of receipt as determined by the Lender. If the amount of Canadian dollars which the Lender is able to purchase is less than the amount of Canadian dollars originally due in respect of the applicable

payment, the Borrower shall indemnify and save the Lender harmless from and against any loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Lender and shall continue in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order. A certificate of the Lender as to any such loss or damage shall constitute prima facie evidence thereof, in the absence of manifest error.

2. PAYMENTS, PREPAYMENT OF LOAN AND COLLATERAL REPLACEMENT

- (a) Principal Payment. On each Payment Date, the Borrower shall pay the aggregate principal payments owed with respect to the Loan as set forth in the Promissory Note; provided, however, on the Stated Maturity Date or on any date of acceleration or prepayment in full of the Loan, the Borrower shall repay in full the aggregate, if any, of the then outstanding principal amount of the Loan plus all accrued and unpaid interest thereon, any Prepayment Fee applicable to the Loan and all other amounts owed hereunder and under each Loan Document related to the Loan. The Borrower shall pay accrued interest on the Loan on each Payment Date as provided in Section 2(c) hereof.
- (b) Acceleration. Upon any acceleration of the Loan pursuant to this Agreement or any other Loan Document, the Borrower shall immediately repay all (or if only a portion is accelerated thereunder, such portion of) the Loan then outstanding, including all accrued and unpaid interest thereon, plus the aggregate Prepayment Fee for the Loan and all other amounts owed under the Loan Documents.
- (c) Interest. Subject to Section 2(a) and Section 2(d) hereof, interest shall accrue at the Loan Rate on the outstanding principal balance of the Loan starting on the date of advance of the Loan to the Borrower and until all amounts under the Loan are repaid in full. Interest and repayment of the principal balance of the Loan shall be payable on each Payment Date in accordance with the terms of the Promissory Note. In no event will the Lender charge, or will the Borrower be liable to pay interest at a rate that exceeds the highest rate of interest permissible under Applicable Law, or that is not in compliance with any applicable usury laws. Any excess interest shall be adjusted as set forth in the Promissory Note. If any payment due hereunder is not received within five (5) days of its due date, the Borrower shall incur and shall be liable to pay a late charge equal to five (5) percent of the amount in arrears.
- (d) Default Rate. Effective upon the occurrence of any Default and for so long as any Default shall be continuing: (i) the Loan Rate shall automatically be increased by a nominal amount equal to two (2) percent per annum (such increased rate, the "Default Rate"); and (ii) all outstanding Obligations, including unpaid interest, shall continue to accrue interest from the date of such Default at the Default Rate applicable to such Obligations.
- (e) Payment Date. If any payment to the Lender under this Agreement becomes due and payable on a day other than a Business Day, such Payment Date shall be extended to the next succeeding Business Day (unless such next succeeding Business Day is in the next calendar month, in which case such payment date shall be the immediately preceding Business Day) and the interest portion of such payment shall be calculated at the then applicable rate during such extension, provided that for greater certainty, if such next Business Day is in the succeeding calendar month and the payment is made on the immediately preceding Business Day, there shall be no change in the payment amount.
- (f) Interest Act (Canada). Solely for purposes of the *Interest Act* (Canada): (1) whenever

interest is to be computed or expressed at any rate (the "Specified Rate") on the basis of a year of less than 365 days or any other period of time less than a calendar year hereunder, the annual rate of interest to which each such Specified Rate is equal is such Specified Rate multiplied by a fraction, the numerator of which is the actual number of days in the applicable year and the denominator of which is 360 or such other period of time, respectively; (2) the principle of deemed reinvestment of interest shall not apply to any interest calculation hereunder; and (3) the rates of interest stipulated herein are intended to be nominal rates and not effective rates or yields.

- (g) Payment by Wire Transfer. The Borrower shall make each payment under this Agreement without set-off, counterclaim or deduction and free and clear of all Taxes not later than 1:00 p.m. Eastern Standard Time, on the day when due in lawful money of Canada by wire transfer of immediately available funds to such account as the Lender shall specify from time to time in writing. If the Borrower shall be required by law to deduct any Taxes from any payment to the Lender under any Loan Document, then the amount payable to the Lender shall be increased so that, after making all required deductions, the Lender receives an amount equal to that which it could have received had no such deductions been made. For purposes of computing interest and fees, any payments received after 1:00 p.m. Eastern Standard Time, shall be deemed received by the Lender on the next Business Day.
- (h) Application of Payments. The Borrower irrevocably agrees that the Lender shall have the continuing and exclusive right to apply any and all payments against the then due and payable Obligations in such order as the Lender may deem advisable. The Lender is authorized to, and at its option may (without prior notice or precondition and at any time or times), but shall not be obligated to, make or cause to be made advances on behalf of the Borrower for: (1) payment of all reasonable fees, expenses, indemnities, charges, costs, principal, interest, or other Obligations owing by the Borrower under this Agreement or any of the other Loan Documents, (2) the payment, performance or satisfaction of any of the Borrower's obligations hereunder with respect to preservation of the Collateral, or (3) any premium in whole or in part required in respect of any of the policies of insurance required by this Agreement, even if the making of any such advance causes the outstanding balance of the Loan to exceed the Maximum Amount and the Borrower agrees to repay immediately, in cash, any amount by which the Loan exceeds the Maximum Amount.
- (i) Increased Capital Costs. If any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority affects or would affect the amount of capital required or expected to be maintained by the Lender or any Person controlling the Lender, and the Lender determines that the rate of return on its or such controlling Person's capital as a consequence of making its Loan is reduced to a level below that which the Lender or such controlling Person could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by the Lender to the Borrower, the Borrower shall immediately pay directly to the Lender additional amounts sufficient to compensate the Lender or such controlling Person for such reduction in rate of return. A statement of the Lender as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on the Borrower.

(j) Prepayments.

- (i) The Borrower shall not be permitted to prepay the Loan save and except for any prepayments permitted under Section 2(j)(ii) or required under Section 2(k)(iii).
- (ii) The Borrower may prepay the full amount of the Loan at any time, subject to payment in full of any applicable Prepayment Fee.
- (iii) The Borrower acknowledges and agrees that (i) it could be difficult or impractical to calculate the Lender's actual damages from prepayment for any reason pursuant to this Agreement, (ii) the Prepayment Fee is intended to be a fair and reasonable approximation of such damages, and (iii) the Prepayment Fee is not intended to be a penalty.
- (iv) Any prepayment made to the Loan, including repayments under Section 2(k), shall be applied to the principal repayment schedule set out in the applicable Promissory Note in inverse order of maturity.

(k) Proceeds of Disposition or Replacement of Collateral.

- (i) The Borrower may at any time and from time to time, in connection with the sale, exchange, or disposal of any item of Collateral (the "Disposed Collateral") in the ordinary course of the Borrower's business, partially prepay the Loan and obtain a discharge of the Lender's security interest in the Disposed Collateral provided that either:
 - (1) The Borrower provides the Lender with a first charge security interest (subject to Permitted Liens) in an alternative item of Collateral which is reasonably acceptable to the Lender, is free and clear of any security interests or other charges (other than Permitted Liens) with a realizable value that is equal or greater value than the Disposed Collateral; or
 - (2) The Borrower pays to the Lender the proportion attributable to the Disposed Collateral of the outstanding principal amount of the Loan, all accrued interest thereon, all other amounts then due and owing under any Loan Document and the applicable Prepayment Fee, none of which shall be refundable.

For the purposes of this Section, the proportion of the Loan attributable to the Disposed Collateral shall be equal to the proportion of the Loan initially attributed to the Disposed Collateral as set forth in the Collateral Schedule delivered in connection with the Loan.

- (ii) For the purpose determining the realizable value applicable to the Disposed Collateral, or any Collateral proposed as a substitute Collateral therefor, whether in connection with a partial prepayment or otherwise, the realizable value in each case shall be (i) in connection with Disposed Collateral, the amount actual received by the Borrower for the Disposed Collateral and (ii) in the case of substitute Collateral, 75% of the appraised forced liquidation value of the substitute Collateral.

3. SECURITY

As security for the payment as and when due of the indebtedness of the Borrower to the Lender hereunder and under the Promissory Note (and any renewals, extensions and modifications thereof) and under any other agreement or instrument, both now in existence and hereafter created (as the

same may be renewed, extended or modified), and the performance and payment as and when due of all other Obligations of the Borrower to the Lender, both now in existence and hereafter created (as the same may be renewed, extended or modified), the Borrower hereby grants to the Lender a security interest in all of its right, title and interest in and to the items of equipment described on the collateral schedule(s) in form and substance satisfactory to the Lender (hereinafter collectively referred to as the "Collateral Schedule") now or hereafter executed in connection with the Promissory Note, and all replacements, substitutions and exchanges therefor and thereof and accessions thereto (collectively, the "Equipment") and any and all insurance and/or other proceeds thereof (collectively, the "Collateral"). The Lender agrees, upon prepayment of the Loan in accordance with the terms hereof or the terms of the applicable Promissory Note or any disposition of Collateral otherwise permitted by this Agreement, and provided that no Default exists hereunder or under any other agreement between the Lender and the Borrower, that it shall forthwith release its security interest and any cross-collateralization of the applicable item of equipment. The Borrower agrees that, with respect to the Collateral, the Lender shall have all of the rights and remedies of a secured party under the PPSA. The Lender may require the Borrower, and the Borrower agrees, to execute and deliver security documents granting liens in the Collateral in favour of the Lender but the Lender shall have no obligation to formalize or perfect its security beyond this Agreement. The Borrower hereby authorizes the Lender to file financing statements under the PPSA ("Financing Statements") describing the Collateral. Without the Lender's prior written consent, the Borrower agrees not to file any corrective or termination statements or partial releases with respect to any Financing Statements filed by the Lender pursuant to this Agreement. The Borrower hereby waives any and all rights the Borrower has or may have under Section 43 of the PPSA to receive a copy of any financing statement or financing change statement filed by or for the Lender or any verification statement in respect thereof.

4. CONDITIONS PRECEDENT TO LENDER'S OBLIGATION

The obligation of the Lender to make the Loan as set forth in Section 1 hereof is expressly conditioned upon compliance by the Loan Parties, to the reasonable satisfaction of the Lender, of the following conditions precedent. On or prior to the Closing Date, the Loan Parties shall provide, or cause to be provided, to the Lender the following:

- (a) A duly executed copy of this Agreement.
- (b) Evidence satisfactory to the Lender as to due compliance by the Borrower with the insurance provisions of Section 6(g) hereof.
- (c) An original Guarantee duly executed on behalf of the Parent.
- (d) An original Promissory Note in the amount of the Loan duly executed on behalf of the Borrower, pursuant to Section 1 hereof.
- (e) A Collateral Schedule describing the Collateral to which the Loan relates.
- (f) Evidence satisfactory to the Lender that upon the Loan, all liens and security interests of any third parties against the Collateral will be terminated and discharged.
- (g) An executed bill of sale in respect of the Equipment conveyed pursuant to the Equipment Purchase.
- (h) Such bills of sale, no interest letters, authorizations to discharge and discharges or subordination agreements shall have been obtained and such filings shall have been made and other actions taken as reasonably may be required by the Lender to perfect a valid, first priority security interest granted by the Borrower to the Lender with respect to the Collateral to which the Loan relates.

5. REPRESENTATIONS AND WARRANTIES

Each Loan Party hereby represents and warrants, for and on behalf of itself, to the Lender that:

- (a) Business Existence. It has the form of business organization, and is duly organized and validly existing in good standing under the laws of the jurisdiction, specified below its signature on the signature page of this Agreement, and is duly qualified and authorized to transact business and is in good standing wherever necessary to perform its obligations under the Loan Documents to which it is a party, including each jurisdiction in which the Collateral in which it has an interest is located.
- (b) Requisite Power and Authority. It has the requisite power and authority to own or hold under lease its properties and to enter into and perform its obligations hereunder; and, in the case of the Borrower, the borrowing hereunder by the Borrower from the Lender, and the execution and delivery by it and the performance of its obligations under the Loan Documents to which it is a party: (1) have been duly authorized by all necessary action consistent with such Loan Party's form of organization; (2) do not require any approval or consent of any shareholder or holders of any indebtedness or obligations of such Loan Party except such as have been duly obtained; and (3) do not and will not contravene any law, governmental rule, regulation or order now binding on such Loan Party, or the organizational documents of such Loan Party, or contravene the provisions of, or constitute a default under, or result in the creation of any Lien upon the property of such Loan Party under any agreement to which such Loan Party is a party or by which it or its property is bound.
- (c) No Consents or Approvals. Neither the execution and delivery by it of the Loan Documents to which it is a party, nor the consummation of any of the transactions by such Loan party contemplated hereby or thereby, requires the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any federal, provincial or foreign governmental authority or agency, except as provided herein.
- (d) Enforceability. This Agreement constitutes, and all other Loan Documents to which it is a party when entered into by it will constitute, its legal, valid and binding obligations, enforceable against such Loan Party in accordance with the terms hereof and thereof, except as limited by applicable bankruptcy, insolvency, receivership, moratorium or similar laws or equitable principles relating to or affecting the enforcement of creditors' rights generally, and by Applicable Laws (including any applicable common law and equity) and judicial decisions which may affect the remedies provided herein and therein.
- (e) Litigation. There are no pending or threatened actions or proceedings to which it is a party, and there are no other pending or threatened actions or proceedings of which it has knowledge, before any court, arbitrator or administrative agency, which, either individually or in the aggregate, would have a Material Adverse Effect. Further, it is not in default under any material obligation for the payment of borrowed money, for the deferred purchase price of property or for the payment of any rent which, either individually or in the aggregate, which default would have a Material Adverse Effect.
- (f) Not Real Property Fixtures. Under the laws of the provinces in which the Equipment in which it has an interest is located, such Equipment consists solely of personal property and not fixtures.
- (g) Validity and Priority of Security Interest. Upon satisfaction of the conditions precedent in Section 4 hereof and advance by the Lender of the Loan, it will have good and marketable title to the Equipment in which it has an interest, free and clear of all Liens and encumbrances (excepting only Permitted Liens) and the Lender will have a valid, perfected, first priority security interest in such item of Collateral (subject to Permitted

Liens). In the case of any Collateral purchased by it using the Loan then, upon the last to occur of: (1) delivery of the applicable item of Collateral, (2) payment to the vendor of the acquisition cost of such item of Collateral, (3) advance by the Lender of the Loan relating to such item of Collateral, and (4) filing in the appropriate public office of a Financing Statement naming it as debtor, and the Lender as secured party, and describing such item of Collateral, all in compliance with the provisions of the PPSA, the Lender will have a valid, perfected, first priority purchase money security interest in such item of Collateral (subject to Permitted Liens).

- (h) Financial Statements. The financial statements of such Loan Party (copies of which have been furnished to the Lender) have been prepared in accordance with GAAP, and fairly present in all material respects each Loan Party's consolidated financial condition and the results of each Loan Party's operations as of the date of and for the period covered by such statements, and since the date of such statements there has been no Material Adverse Effect on such conditions or operations.
- (i) Tax Returns and Payments. It has filed or has caused to have been filed all federal, provincial and local tax returns which, to its knowledge, are required to be filed by it, and has paid or caused to have been paid all taxes as shown on such returns or on any assessment received by it, to the extent that such taxes have become due, unless and to the extent only that such taxes, assessments and governmental charges are currently contested in good faith and by appropriate proceedings by it and adequate reserves therefor have been established as required under GAAP.
- (j) No Violation of Law. It is not in violation of any law, ordinance, governmental rule or regulation to which it is subject and the violation of which would have a Material Adverse Effect, and it has obtained any and all licenses, permits, franchises or other governmental authorizations necessary for the ownership of its properties and the conduct of its business, except where the failure to obtain such license, permit, franchise or other governmental authorization would not have a Material Adverse Effect.
- (k) Business Information. Its legal name, jurisdiction of organization and Corporate Access Number specified on the signature page hereof is true and correct and its address on such signature page is the address of its chief executive office. Within the previous six (6) years, it has not changed its name, done business under any other name, or merged or been the surviving entity of any merger, except as disclosed to the Lender in writing or as previously disclosed to the Lender.
- (l) Full Disclosure. No information relating to it contained in any Loan Document or any written statement or document furnished by or on behalf of such Loan Party under any Loan Document, or to induce the Lender to execute the Loan Documents, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.
- (m) Subsidiaries. The only subsidiaries of the Parent on the Closing Date are the Borrower, Porterco Oilfield Services Inc. and Bearstone Oilfield Services Inc.. As at the Closing Date, each of Porterco Oilfield Services Inc. and Bearstone Oilfield Services Inc. have no assets or operations.

6. COVENANTS OF LOAN PARTIES

- (a) Application of Proceeds. The Borrower shall use the proceeds of the Loan exclusively for the purposes set forth in Section 1(f).
- (b) Use of Collateral. The Borrower shall cause the Equipment in which it has an interest

to be used solely in the Provinces of Alberta, British Columbia and Saskatchewan, or in any other jurisdiction in respect of which the Lender has given its prior written consent (which consent shall not be unreasonably withheld), and in the conduct of its business and in a careful and proper manner; shall not permanently discontinue use of the Collateral unless it otherwise maintains such Collateral in accordance with the provisions of this Agreement; and shall provide written notice to the Lender not more than thirty (30) days after any change of the location of any item of Equipment (or the location of the principal base of any item of Equipment, to the extent that such item is mobile equipment) as specified on the applicable Collateral Schedule.

- (c) No Sale or Further Encumbrance. Other than as contemplated by Section 2(k), the Borrower shall not dispose of its interest in the Collateral without the prior written consent of the Lender, and such disposition shall be on arm's length terms and for full market value. The Borrower shall maintain the Collateral in which it has an interest free from all claims, Liens and legal processes of its creditors other than:
- (i) Liens for fees, taxes, or other governmental charges of any kind which are not yet delinquent or are being contested in good faith by appropriate proceedings which suspend the collection thereof (provided, however, that such proceedings do not involve any substantial danger of the sale, forfeiture or loss of the Equipment or any interest therein);
 - (ii) Liens of mechanics, materialmen, laborers, employees or suppliers and similar Liens arising by operation of law incurred by the Borrower in the ordinary course of business for sums that are not yet delinquent or are being contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof (provided, however, that such contest does not involve any substantial danger of the sale, forfeiture or loss of the Equipment or any interest therein);
 - (iii) Liens arising out of any judgments or awards against the Borrower which have been adequately bonded to protect the Lender's interests or with respect to which a stay of execution has been obtained pending an appeal or a proceeding for review;
 - (iv) Liens arising merely by operation of law in the ordinary course of business of the Borrower, consented to in writing by the Lender, such consent not to be unreasonably withheld;
 - (v) All Liens created by or in favour of the Lender, including pursuant to this Agreement;
 - (vi) Liens existing on the Equipment acquired by the Borrower pursuant to the Equipment Purchase at the time of such acquisition (notwithstanding the Lender's obligation pursuant to the Equipment Purchase to transfer such Equipment free of all Liens); and
 - (vii) Liens in respect of which the Lender has given its written consent
- (collectively, "Permitted Liens").

The Borrower shall notify the Lender promptly upon receipt by it of notice of any Lien, attachment or judicial proceeding affecting the Equipment in which it has an interest in whole or in part, and in any event within two (2) Business Days.

- (d) Fees and Taxes. The Borrower will, at its own expense, pay or cause to be paid all taxes and fees relating to its ownership and use of the Equipment in which it has an

interest. The Borrower will keep and maintain, or cause to be kept and maintained the Equipment in at least as good operating condition as on the date of execution hereof (or on the date on which acquired, if such date is subsequent to the date of execution hereof), provided that any improvements to the Equipment or improvements to the standard of maintenance of such Equipment shall form the minimum condition or standard of maintenance on a go forward basis, except in either case for ordinary wear and tear resulting from proper use thereof. The Borrower will provide all maintenance and service and make all repairs necessary for such purpose. In addition, if any parts or accessories forming part of such Equipment shall from time to time after the date hereof become worn out, lost, destroyed, damaged beyond repair or otherwise permanently rendered unfit for use, the Borrower, at its own expense, will within a reasonable time replace such parts or accessories or cause the same to be replaced, with replacement parts or accessories which are free and clear of all Liens, encumbrances or rights of others and have a value and utility at least equal to the parts or accessories replaced. All accessories, parts and replacements for or which are added to or become attached to the Equipment shall immediately be deemed incorporated in the Equipment and subject to the security interest granted by the Borrower herein.

- (e) Loss or Damage. The Borrower shall advise the Lender in writing within ten (10) days of the occurrence of any material damage, loss, theft, destruction or governmental confiscation or appropriation of any item of the Equipment in which it has an interest (an "Event of Loss") and of the circumstances and extent of such Event of Loss and, within thirty (30) days after receipt of notice from the Lender, it shall (at the Lender's option) either: (1) replace the item of Equipment having suffered the Event of Loss with equipment which is free and clear of all Liens (other than Permitted Liens) and has a value and utility at least equal to the item of Equipment having suffered the Event of Loss, and such replacement equipment shall immediately be deemed "Equipment" hereunder and subject to the security interest granted pursuant to Section 3 hereof; (2) prepay the Obligations to the extent attributable to the unpaid portion of the Obligations funded with respect to the item of Equipment having suffered the Event of Loss (as reasonably determined by the Lender); or (3) the Lender shall retain any payments received under Section 7(g) below, provided such payments cover the value of the item of Equipment having suffered the Event of Loss. If any item of Equipment is damaged and such damage can be repaired, the Borrower shall (at its expense) promptly effect such repairs. Proceeds of insurance shall be paid to the Lender with respect to such reparable damage to the Equipment and shall, at the election of the Lender, be applied either to the repair of the Equipment by payment by the Lender directly to the party completing the repairs, or to the reimbursement of the Borrower for the cost of such repairs; provided, however, that the Lender shall have no obligation to make such payment or any part thereof until receipt of such evidence as the Lender shall deem satisfactory that such repairs have been completed, and further provided that the Lender may apply such proceeds to the payment of any installment or other sum due or payable.
- (f) Personal Property. The Borrower and the Lender intend that the Equipment shall remain personal property, notwithstanding the manner in which it may be affixed to any real property, and the Borrower shall obtain and deliver to the Lender (to be recorded at the Borrower's expense) from each Person having an interest in or Lien on the property (the "Premises") where the Equipment in which it has an interest is to be located, waivers of any Lien, encumbrance or interest which such Person might have or hereafter obtain or claim with respect to such Equipment.
- (g) Insurance. At its own expense, the Borrower shall keep the Equipment in which it has an interest or cause such Equipment to be kept insured against loss or damage due to fire and the risks normally included in extended coverage, malicious mischief and vandalism, for the full replacement value thereof. All insurance for loss or damage shall

provide that losses, if any, shall be payable to the Lender under a lender's loss payee endorsement, which shall be evidenced by adding the Lender as a first loss payee in respect of the Collateral on the certificate of insurance of the Borrower. The proceeds of such insurance payable as a result of loss of or damage to the Collateral shall be applied, at the Lender's option, (x) toward the replacement, restoration or repair of the Collateral which may be lost, stolen, destroyed or damaged, or (y) toward payment of the balance outstanding on the Promissory Note or the Obligations. In addition, the Borrower shall also carry public liability insurance, both personal injury and property damage. All insurance required hereunder shall be in form and amount and with companies satisfactory to the Lender, acting reasonably. The Borrower shall pay or cause to be paid the premiums therefor and deliver to the Lender evidence satisfactory to the Lender of such insurance coverage. The Borrower shall cause to be provided to the Lender, prior to the scheduled expiration or lapse of such insurance coverage, evidence satisfactory to the Lender of renewal or replacement coverage. Each insurer shall agree, by endorsement upon the policy or policies issued by it, or by independent instrument furnished to the Lender, that (1) it will give the Lender thirty (30) days' prior written notice of the effective date of any material alteration or cancellation of such policy; and (2) the interest of any named loss payee other than the Borrower shall not be invalidated by any actions, inactions, breach of warranty or conditions or negligence of the Borrower with respect to such policy or policies.

- (h) Further Assurances. Each Loan Party shall promptly and duly execute and deliver to the Lender such further documents, instruments and assurances and take such further action as the Lender may from time to time reasonably request in order to carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created in favor of the Lender hereunder; including, without limitation, the addition of any Affiliate of either of the Loan Parties as a guarantor, and the execution and delivery of any document reasonably required, and payment of all necessary costs to record such documents (including payment of any documentary or stamp tax), to perfect and maintain perfected the security interest granted by it under this Agreement.
- (i) Notices to Lender. Each Loan Party shall provide written notice to the Lender: (1) not less than thirty (30) days prior notice of any change in its name, jurisdiction of organization or address of its chief executive office; and (2) promptly upon the occurrence of any event which constitutes a Default or Pending Default.
- (j) Delivery of Financial Information. Parent shall furnish the Lender (1) within one hundred twenty (120) days after the end of each fiscal year of Parent, its consolidated balance sheet as at the end of such year, and the related consolidated statement of income and statement of changes in financial position for such fiscal year, prepared in accordance with GAAP, all in reasonable detail and certified by independent certified public accountants of recognized standing selected by Parent and reasonably acceptable to the Lender; (2) within sixty (60) days after the end of each quarter of Parent's fiscal year (other than the fourth quarter), its unaudited consolidated balance sheet as at the end of such quarter and the related consolidated statement of income and statement of changes in financial position for such quarter, prepared in accordance with GAAP; and (3) within thirty (30) days after the date on which they are filed, all material reports, forms and other filings required to be made by Parent (or the Borrower) to any recognized stock exchange or other securities regulatory body under whose jurisdiction or policies, such person is regulated or to which such person is otherwise subject if any, as and when filed (by furnishing these such forms or filings, or making them publicly available in electronic form, in each case, within the time periods set forth in clauses (1) and (2), Parent shall be deemed to have satisfied the requirements of clauses (1), (2) and (3)).
- (k) Notice of Bankruptcy. Each Loan Party shall provide written notice to the Lender

of the commencement of proceedings under any and all bankruptcy, insolvency, receivership, reorganization or similar laws under Applicable Law (as now or hereafter in effect) involving it, and, in the case of the Parent, any direct or indirect subsidiary of the Parent as a debtor.

- (l) Bank Secrecy Act, etc. (1) It has been advised by the Lender that the USA Patriot Act establishes minimum standards of account information to be collected and maintained by the Lender, and that to help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account; and specifically, this means that when such Loan Party executes this Agreement, the Lender may ask for such Loan Party's name and address, the date of birth of the officers executing this Agreement, and other information that will allow the Lender to identify such Loan Party; and that the Lender may also ask to see the driver's license or other identifying documents of the officers executing this Agreement on behalf of such Loan Party. (2) It is and will remain in full compliance with all Applicable Laws including, without limitation, (i) ensuring that no Person who owns a controlling interest in or otherwise controls such Loan Party is or shall be (A) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation, or (B) a Person designated under Sections 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar Executive Orders, and (ii) compliance with all applicable Bank Secrecy Act ("BSA") laws, regulations and government guidance on BSA compliance and on the prevention and detection of money laundering violations.
- (m) Indemnification. The Borrower shall indemnify (on an after-tax basis) and defend the Lender, its successors and assigns, and their respective directors, officers and employees, from and against any and all claims, actions and suits (including, without limitation, any Environmental Claim or Environmental Loss), and related attorneys' fees, of any kind, nature or description whatsoever arising, directly or indirectly, in connection with any of the Collateral (other than such as may result from the gross negligence or willful misconduct of the Lender, its successors and assigns, and their respective directors, officers and employees). The obligations of the Borrower under this Section 7(l) shall survive the expiration of the term of this Agreement.
- (n) Annual Equipment Appraisals. The Borrower shall permit and enable the Lender and all other Persons designated by the Lender, to attend the premises to perform an annual physical inspection of all Equipment in which it has an interest and to obtain an appraisal report in form and substance reasonably satisfactory to the Lender at the cost of the Loan Parties.
- (o) Equipment Inspections. The Borrower shall permit and enable the Lender and all Persons designated by the Lender, to visit and inspect the Equipment during normal business hours up to four times per any twelve-month period, for the first eighteen months, and once per any twelve-month period thereafter, at the cost of the Borrower.

7. DEFAULT

A default shall be deemed to have occurred hereunder (a "Default") upon the occurrence of any of the following events:

- (a) if the Borrower fails to make any payment of principal and/or interest when due hereunder or under any Promissory Note on the applicable Payment Date;

- (b) if the Borrower fails to make any payment of an amount when due hereunder or under any Promissory Note (other than a payment described in paragraph (a)) and such default continues for at least five (5) days after written notice to the Borrower thereof;
- (c) the failure by any Loan Party to maintain, use or operate the Collateral in compliance with Applicable Law;
- (d) if the Borrower fails to perform its obligations under Section 7(c) and Section 7(g) and such default continues for at least five (5) days after written notice to the Borrower thereof;
- (e) the occurrence of a payment or other default by the Borrower or its Affiliates under any loan, lease, agreement, guarantee or other financial obligation to the Lender or its Affiliates which default entitles the other party to such obligation to exercise any remedies;
- (f) the occurrence of a payment or other default by the Borrower or its Affiliates under any material loan, lease, guarantee or other material financial obligation to any third party which default has been declared;
- (g) if any representation or warranty made by a Loan Party in any financial statement or Loan Document proves to be false or misleading, including any omission of any substantial contingent or unliquidated liability or claim against a Loan Party;
- (h) the failure by a Loan Party generally to pay its debts as they become due or its admission in writing of its inability to pay the same, or the commencement of any bankruptcy, insolvency, receivership or similar proceeding by or against a Loan Party or any of its properties or business (unless, if involuntary, the proceeding is dismissed within sixty (60) days of the filing thereof) or the rejection of this Agreement or any other Loan Document in any such proceeding;
- (i) a Loan Party shall (1) enter into any transaction of merger or amalgamation with another Person (such actions being referred to as an "Event"), unless such Loan Party is the surviving entity or the surviving entity is organized and existing under the laws of Canada or any province of Canada, and prior to such Event: (A) such Person executes and delivers to the Lender (x) an agreement satisfactory to the Lender, in its sole discretion, containing such Person's effective assumption, and its agreement to pay, perform, comply with and otherwise be liable for, in a due and punctual manner, all of such Loan Party 's Obligations having previously arisen, or then or thereafter arising, under any and all of the Loan Documents to which it is a party, and (y) any and all other documents, agreements, instruments, certificates, opinions and filings requested by the Lender; and (B) the Lender is satisfied as to the creditworthiness of such Person, and as to such Person's conformance to the other standard criteria then used by the Lender when approving transactions similar to the transactions contemplated in this Agreement; (2) cease to do business as a going concern, liquidate, or dissolve; or (3) sell, transfer, or otherwise dispose of all or substantially all of its assets or property;
- (j) effective control of the Borrower's voting capital stock/membership interests/partnership interests, issued and outstanding from time to time, is not retained by the present holders (unless the Borrower shall have provided thirty (30) days' prior written notice to the Lender of the proposed disposition and the Lender shall have consented thereto in writing);
- (k) there occurs a default or anticipatory repudiation under any guarantee executed in connection with this Agreement;

- (l) there occurs a breach by either Loan Party of Section 7(j) of this Agreement; or
- (m) breach by the either Loan Party of any other covenant, condition or agreement (other than those in items (a)-(l) above) under this Agreement or any of the other Loan Documents that continues for thirty (30) days after the Lender's written notice to the Borrower (but such notice and cure period will not be applicable unless such breach is curable by practical means within such notice period).

The occurrence of a Default with respect to any Promissory Note shall, at the sole discretion of the Lender (as set forth in a written declaration to the Borrower), constitute a Default with respect to any or all of the other Promissory Notes. Notwithstanding anything to the contrary set forth herein, the Lender or its assignee(s) (as applicable) may exercise all rights and remedies hereunder or under a Promissory Note independently with respect to each Promissory Note and/or with respect to the Collateral collateralizing such Promissory Note.

8. REMEDIES

Upon the occurrence of a Default which is continuing, the Lender may, at its option, declare this Agreement to be in default and accelerate all Obligations hereunder and may do any one or more of the following, all of which are hereby authorized by the Borrower:

- (a) Rights Under PPSA. Exercise any and all rights and remedies of a secured party under the PPSA or otherwise under Applicable Law and in addition to those rights, at its sole discretion, may require the Borrower (at its sole expense) to forward promptly any or all of the Collateral to the Lender at such location as shall reasonably be required by the Lender, or enter upon the premises where any such Collateral is located (without obligation for rent) and take immediate possession of and remove the Collateral by summary proceedings or otherwise, all without liability from the Lender to the Borrower for or by reason of such entry or taking of possession, whether for the restoration of damage to property caused by such taking or otherwise.
- (b) Disposition of Collateral. Subject to Applicable Law, and any right of the Borrower to redeem the Collateral, sell, lease or otherwise dispose of any or all of the Collateral in a commercially reasonable manner at public or private sale with notice to the Borrower (the parties agreeing that ten (10) days' prior written notice shall constitute adequate notice of such sale) at such price as it may deem best, for cash, credit, or otherwise, with the right of the Lender to purchase and apply the proceeds:

First, to the payment of all expenses and charges, including the expenses of any sale, lease or other disposition, the expenses of any taking, attorneys' fees, court costs and any other expenses incurred or advances made by the Lender in the protection of its rights or the pursuance of its remedies, and to provide adequate indemnity to the Lender against all taxes and Liens which by law have, or may have, priority over the rights of the Lender to the monies so received by the Lender;

Second, to the payment of the Obligations; and

Third, to the payment of any surplus thereafter remaining to the Borrower or to whosoever may be entitled thereto;

and in the event that the proceeds are insufficient to pay the amounts specified in clauses "First" and "Second" above, the Lender may collect such deficiency from the Borrower.

- (c) Other Rights and Remedies. The Lender may exercise any other right or remedy available to it under the Loan Documents or Applicable Law, or proceed by appropriate

court action to enforce the terms hereof or to recover damages for the breach hereof or to rescind this Agreement in whole or in part.

- (d) Costs and Expenses: No Remedy Exclusive. In addition, the Borrower shall be liable for any and all reasonable unpaid additional sums due hereunder or under any Promissory Note before, after or during the exercise of any of the foregoing remedies; and for all reasonable legal fees and other reasonable costs and expenses incurred by reason of any Default or of the exercise of the Lender's remedies with respect thereto. No remedy referred to in this Section is intended to be exclusive, but each shall be cumulative, and shall be in addition to any other remedy referred to above or otherwise available at law or in equity, and may be exercised concurrently or separately from time to time. The Borrower hereby waives any and all existing or future claims to any offset against the sums due hereunder or under any Promissory Note and agrees to make the payments regardless of any offset or claim which may be asserted by the Borrower or on its behalf in connection with this Agreement.
- (e) No Waiver. The failure of the Lender to exercise, or delay in the exercise of, the rights granted hereunder upon any Default by a Loan Party shall not constitute a waiver of any such right upon the continuation or recurrence of any such Default. The Lender may take or release other security; may release any party primarily or secondarily liable for the Obligations; may grant extensions, renewals or indulgences with respect to the Obligations and may apply any other security therefor held by it to the satisfaction of the Obligations without prejudice to any of its rights hereunder.

9. NOTICES.

All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, personally delivered, sent by overnight courier service, sent by facsimile telecopier, or sent by certified mail, return receipt requested, addressed to the Lender or the Loan Parties at their respective addresses stated below the signature of such parties or at such other addresses as such parties shall from time to time designate in writing to the other parties; and shall be effective from the date of receipt.

10. LENDER'S RIGHT TO PERFORM FOR LOAN PARTIES.

- (a) Performance and Reimbursement. If any Loan Party fails to perform or comply with any of its agreements contained herein the Lender shall have the right, but shall not be obligated, to effect such performance or compliance, and the amount of any reasonable out-of-pocket expenses and other reasonable expenses of the Lender thereby incurred, together with interest thereon at the Default Rate, shall be due and payable by such Loan Party upon demand.
- (b) Power of Attorney. The Borrower hereby appoints the Lender as the Borrower's attorney-in-fact (which power shall be deemed coupled with an interest) to execute, endorse and deliver any deed, conveyance, assignment or other instrument in writing as may be required to vest in the Lender any right, title or power which by the terms hereof are expressed to be conveyed to or conferred upon the Lender, including, without limitation, real property waivers, and documents and cheques or drafts relating to or received in payment for any loss or damage under the policies of insurance required hereby, but only to the extent that the same relates to the Collateral.

11. SUCCESSORS AND ASSIGNS.

This Agreement shall inure to the benefit of the Lender, its successors and assigns, and shall be binding upon Loan Parties and their successors and permitted assigns. The rights and obligations of each Loan Party under this Agreement may not be assigned or delegated. The Lender reserves the

right to sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in, the Lender's rights and obligations hereunder, in the Promissory Note, in the Collateral and/or the Obligations held by it to others at any time and from time to time; and the Lender may disclose to any such purchaser, assignee, transferee or participant (the "Participant"), or potential Participant, this Agreement and all information, reports, financial statements and documents executed or obtained in connection with this Agreement which the Lender now or hereafter may have relating to the Loan, Loan Parties, or the business of Loan Parties. Each Loan Party hereby grants to any Participant all Liens, rights and remedies of the Lender under the provisions of this Agreement or any other documents relating hereto or under applicable laws. Each Loan Party agrees that any Participant may enforce such Liens and exercise such rights and remedies in the same manner as if such Participant were the Lender and a direct creditor of such Loan Party.

12. CHOICE OF LAW: JURISDICTION: WAIVER OF JURY TRIAL.

- (a) GOVERNING LAW. THIS AGREEMENT AND ALL OTHER RELATED INSTRUMENTS AND DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL, IN ALL RESPECTS, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ALBERTA (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH PROVINCE) AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE COLLATERAL.
- (b) Jurisdiction. The parties agree that any action or proceeding arising out of or relating to this Agreement shall be commenced in the courts of the Province of Alberta, and each party irrevocably submits to the non-exclusive jurisdiction of such court and agrees that a summons and complaint commencing an action or proceeding in any such court shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it at its address designated pursuant hereto, or as otherwise provided under the laws of the Province of Alberta.
- (c) WAIVER OF JURY TRIAL. EACH LOAN PARTY HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH SUCH LOAN PARTY AND THE LENDER MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS AGREEMENT OR ANY PROMISSORY NOTE. EACH LOAN PARTY AUTHORIZES THE LENDER TO FILE THIS PROVISION WITH THE CLERK OR JUDGE OF ANY COURT HEARING SUCH CLAIM. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY SUCH LOAN PARTY AND SUCH LOAN PARTY HEREBY ACKNOWLEDGES THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. EACH LOAN PARTY FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND ANY PROMISSORY NOTE AND IN THE MAKING OF THIS WAIVER BY LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

13. MISCELLANEOUS.

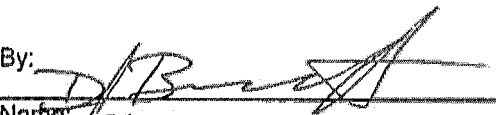
- (a) Entire Agreement. The Loan Documents constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and shall not be amended or altered in any manner except by a document in writing executed by both parties.
- (b) Survival. All representations, warranties, and covenants of each Loan Party contained herein or made pursuant hereto shall survive closing and continue throughout the term hereof and until the Obligations are satisfied in full.

- (c) Severability. Any provision of the Loan Documents which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by Applicable Law, each Loan Party hereby waives any provision of law which renders any provision hereof or thereof prohibited or unenforceable in any respect.
- (d) Captions. The captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.
- (e) Time of Essence. Time is of the essence hereof.
- (f) Expenses. The Borrower agrees to pay or reimburse the Lender (without duplication) for all reasonable costs and expenses (including the reasonable fees and expenses of all counsel, advisors, consultants and auditors retained in connection therewith), incurred by the Lender in connection with: (1) the preparation, negotiation, execution, delivery, performance and enforcement of the Loan Documents and the preservation of any rights thereunder (including, without limitation, filing or recording fees and taxes); (2) collection, including deficiency collections; (3) any amendment, waiver or other modification or waiver of, or consent with respect to, any Loan Document or advice in connection with the administration of the Loan or the rights thereunder; (4) any litigation, dispute, suit, proceeding or action (whether instituted by or between any combination of the Lender, Loan Parties or any other Person), and an appeal or review thereof, in any way relating to the Collateral, any Loan Document, or any action taken or any other agreements to be executed or delivered in connection therewith, whether as a party, witness or otherwise; and (5) any effort (i) to monitor the Loan, (ii) to evaluate, observe or assess the Borrower or the affairs of the Borrower, and (iii) to verify, protect, evaluate, assess, appraise, collect, sell, liquidate or otherwise dispose of the Collateral.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]


IN WITNESS WHEREOF, the parties hereto have caused this Term Loan and Security Agreement to be duly executed as of the day and year first above written.

NATIONS FUND I, LLC
Lender

By: 
Name: **DENNIS J. BICKERSTAFF**
Title: **Executive Vice President**

501 Merritt Seven
Norwalk, Connecticut 06851
Facsimile: (203) 939-1597


BEARSTONE ENVIRONMENTAL SOLUTIONS
INC.
Borrower

By: 
Name: **GERRY KERKHOFF**
Title: **PRESIDENT**

500, 435 - 4 Avenue SW
Calgary, AB T2P 3A8
Facsimile: (403) 984-9799

Form of Organization: Corporation
Jurisdiction of Organization: Alberta
Corporate Access Number: 2017755501

NEW WEST ENERGY SERVICES INC.
Parent Guarantor

By: 
Name: **GERRY KERKHOFF**
Title: **PRESIDENT, CEO**

500, 435 - 4 Avenue SW
Calgary, AB T2P 3A8
Facsimile: (403) 984-9799

Form of Organization: Corporation
Jurisdiction of Organization: Canada
Corporate Access Number: 213478720

SCHEDULE A DEFINITIONS

Capitalized terms used in this Agreement and the other Loan Documents shall have (unless otherwise provided elsewhere in this Agreement or in the Loan Documents) the following respective meanings:

"Adverse Environmental Condition" shall mean (i) the existence or the continuation of the existence of an Environmental Contamination (including, without limitation, a sudden or non-sudden accidental or non-accidental Environmental Contamination), or exposure to any substance, chemical, material, pollutant, Hazardous Substance, odour or audible noise or other release or emission in, into or onto the environment (including without limitation, the air, ground, water or any surface) at, in, by, from or related to any Collateral, (ii) the environmental aspect of the transportation, storage, treatment or disposal of materials in connection with the operation of any Collateral, or (iii) the violation, or alleged violation, of any Environmental Law, permits or licenses of, by or from any governmental authority, agency or court relating to environmental matters connected with any of the Collateral.

"Affiliate" means, with respect to any Person: (i) each other Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, five (5) percent or more of the Stock having ordinary voting power for the election of directors of such Person; (ii) each other Person that controls, is controlled by or is under common control with such Person or any Affiliate of such Person; or (iii) each of such Person's officers, directors, joint venturers and partners. For the purpose of this definition, "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting Stock, by contract or otherwise.

"Agreement" means this Loan and Security Agreement including all appendices, exhibits or schedules attached or otherwise identified thereto, restatements and modifications and supplements thereto, and any appendices, exhibits or schedules to any of the foregoing, each as in effect at the time such reference becomes operative.

"Applicable Law" means any law, rule, regulation, ordinance, order, code, common law, interpretation, judgment, directive, decree, treaty, injunction, writ, determination, award, permit or similar norm or decision of any Governmental Authority having jurisdiction over a Loan Party or the matters herein.

"Borrower" means the Person identified as such in the preamble of this Agreement.

"Breakage Costs" means any and all breakage costs and penalties required to be paid by the Lender to the counterparties under any foreign exchange derivative entered into by the Lender in connection with the Loan, which breakage costs and penalties are incurred by the Lender as a result of any prepayment made hereunder by the Borrower.

"BSA" has the meaning assigned to it in Section 6(k) of this Agreement.

"Business Day" means any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of New York or the City of Calgary, Alberta.

"Closing Date" means the date on which the conditions precedent in Section 4 are satisfied by the Loan Parties or waived by the Lender.

"Collateral" has the meaning assigned to it in Section 3 of this Agreement.

"Collateral Schedule" has the meaning assigned to it in Section 3 of this Agreement.

"Default" has the meaning assigned to it in Section 7 of this Agreement.

"Default Rate" has the meaning assigned to it in Section 2(d) of this Agreement.

"Environment" or **"Environmental"** or **"Environmentally"** means the components of the earth and includes: (i) air, land subsurface strata water, surface water and groundwater; (ii) all layers of the atmosphere; (iii) all organic and inorganic matter and living organisms; and (iv) the interacting natural systems that include components referred to in (i) to (iii).

"Environmental Claim" shall mean any accusation, allegation, notice of violation, claim, demand, abatement or other order on direction (conditional or otherwise) by any governmental authority or any Person for personal injury (including sickness, disease or death), tangible or intangible property damage, damage to the environment or other adverse effects on the environment, or for fines, penalties or restrictions, resulting from or based upon any Adverse Environmental Condition.

"Environmental Contamination" shall mean any actual or threatened release, spill, emission, leaking, pumping, injection, presence, deposit, abandonment, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, or into or out of any of the Collateral, including, without limitation, the movement or any Hazardous Substance or other substance through or in the air, soil, surface water, groundwater, or property which is not in compliance with applicable Environmental Laws.

"Environmental Law" means any Applicable Law, including any applicable guidelines and standards, relating in any way to the Environment, Environmental protection or occupational health and safety.

"Environmental Loss" shall mean any loss, cost, damage, liability, deficiency, fine, penalty or expense (including, without limitation, reasonable attorneys' fees, engineering and other professional or expert fees), investigation, removal, cleanup and remedial costs (voluntarily or involuntarily incurred) and damages to, loss of the use of or decrease in value of the Collateral arising out of or related to any Adverse Environmental Condition.

"Equipment" has the meaning assigned to it in Section 3 of this Agreement.

"Equipment Purchase" means the purchase of a tractor and trailer from Klim Energy Services Ltd. by the Borrower as further detailed in the Equipment Bills of Sale dated as of February 27, 2018, between the Borrower and Klim Energy Services Ltd.

"Event" has the meaning assigned to it in Section 7(i) of this Agreement.

"Event of Loss" has the meaning assigned to it in Section 6 (e) of this Agreement.

"Financing Statements" has the meaning assigned to it in Section 3 of this Agreement.

"GAAP" means, generally accepted accounting principles in the Canada as in effect from time to time, consistently applied, including, if applicable to any Loan Party, IFRS or ASPE.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantee" means a guarantee dated as of the Closing Date, granted by the Parent to the Lender guaranteeing the Obligations of the Borrower.

"Hazardous Substance" means any pollutants, contaminants, hydrocarbon contaminants, asbestos materials, hazardous, corrosive or toxic substances or underground or aboveground tanks, urea formaldehyde, deleterious substances, special waste or waste of any kind, including any substance the storage, manufacture, disposal, handling, treatment, generation, use, transport, remediation or release into the Environment which is prohibited, controlled, regulated or licensed under Environmental Law.

"Interest Period" has the meaning assigned to it in the applicable Promissory Note.

"Lender" has the meaning assigned to it in the preamble of this Agreement and, if at any time the Lender shall decide to assign, participate or syndicate all or any of the Obligations, such term shall include each such assignee, Participant or such other members of the syndicate; together with its or their successors and assigns.

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

"Loan" has the meaning assigned to it in Section 1 of this Agreement, which loan is evidenced by the Promissory Note and includes any renewals, extensions, revisions, modifications or replacements therefor or thereof.

"Loan Documents" means this Agreement, any Promissory Note, the Guarantee, and any other guarantee and the other documents and instruments executed by any of the Loan Parties pursuant hereto.

"Loan Rate" has the meaning assigned to it in the applicable Promissory Note.

"Material Adverse Effect" means: a material adverse effect on (a) the business, assets, operations or financial condition of a Loan Party or the industry within which a Loan Party operates, (b) the Borrower's ability to pay or perform the Obligations under the Loan Documents in accordance with the terms thereof, (c) the Collateral or the Lien of the Lender on the Collateral granted hereunder or the priority of such Lien, or (d) the Lender's rights and remedies under this Agreement and the other Loan Documents.

"Maximum Amount" means CAD\$189,000.

"Obligations" means all loans, interest, advances, debts, expense reimbursement, fees (including if applicable, any Prepayment Fee), liabilities, and obligations for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or amounts are liquidated or determinable) owing by the Borrower to the

Lender or any of the Lender's Affiliates, of any kind or nature, present or future, whether or not evidenced by any note, agreement or other instrument, whether arising under any of the Loan Documents or under any other agreement between the Borrower and the Lender or any of the Lender's Affiliates, and all covenants and duties regarding such amounts. This term includes all principal, interest (including interest accruing at the then applicable rate provided in this Agreement after the maturity of the Loan and interest accruing at the then applicable rate provided in this Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), fees, charges, expenses, attorneys' fees and any other sum chargeable to the Borrower under any of the Loan Documents, and all principal, and interest due in respect of the Loan.

"OFAC" has the meaning assigned to it in Section 6(k) of this Agreement.

"Other Currency" has the meaning assigned to it in Section 1(g) of this Agreement.

"Participant" has the meaning assigned to it in Section 11 of this Agreement.

"Payment Date" has the meaning assigned to it in the applicable Promissory Note.

"Pending Default" means any event or condition which, with the giving of notice, lapse of time or upon a declaration or determination being made (or any combination thereof), would constitute a Default.

"Person" means any individual, sole proprietorship, entity, limited liability entity, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation or government (whether Federal, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof), and shall include such Person's successors and assigns.

"PPSA" means the *Personal Property Security Act* (Alberta) and the regulations thereunder, as in effect from time to time.

"Premises" has the meaning assigned to it in Section 6(f) of this Agreement.

"Prepayment Fee" means:

- (a) an amount equal to the principal amount outstanding of the Loan to be prepaid on the date of prepayment, multiplied by 3%; and
- (b) any Breakage Costs.

"Proceeds" means "proceeds," as such term is defined in the PPSA and, in any event, shall include: (i) any and all proceeds of any insurance, indemnity, warranty or guarantee payable to the Borrower from time to time with respect to any Collateral; (ii) any and all payments (in any form whatsoever) made or due and payable to the Borrower from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of any Collateral by any governmental body, authority, bureau or agency (or any Person acting under color of governmental authority); (iii) any recoveries by the Borrower against third parties with respect to any litigation or dispute concerning any Collateral, including claims arising at of the loss or nonconformity of, interference with the use of, defects in, or infringement of rights in, or damage to, Collateral; and (iv) any and all other amounts, rights to payment or other property acquired upon the sale, lease, licence exchange

or other disposition of Collateral and all rights arising out of Collateral.

"**Promissory Note**" has the meaning assigned to it in Section 1(c) of this Agreement.

"**Specified Rate**" has the meaning assigned to it in Section 2(f) of this Agreement.

"**Stated Maturity Date**" has the meaning assigned to it in the Promissory Note.

"**Stock**" means all certificated and uncertificated shares, options, warrants, membership interests, general or limited partnership interests, participation or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity whether voting or nonvoting, including common stock, preferred stock, or any other "equity security" (as such term is defined in Rule 3a 11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934).

"**Taxes**" means taxes, levies, imposts, deductions, charges or withholdings imposed by a Governmental Authority, and all liabilities with respect thereto; excluding taxes imposed on or measured by the net income of the Lender.

Any accounting term used in this Agreement or the other Loan Documents shall have, unless otherwise specifically provided therein, the meaning customarily given such term in accordance with GAAP, and all financial computations thereunder shall be computed, unless otherwise specifically provided therein, in accordance with GAAP consistently applied; provided, that all financial covenants and calculations in the Loan Documents shall be made in accordance with GAAP as in effect on the Closing Date unless Loan Parties and the Lender shall otherwise specifically agree in writing. That certain items or computations are explicitly modified by the phrase "in accordance with GAAP" shall in no way be construed to limit the foregoing. All other undefined terms contained in this Agreement or the other Loan Documents all, unless the context indicates otherwise, have the meanings provided for by the PPSA. The words "herein," "hereof" and "hereunder" or other words of similar import refer to this Agreement as a whole, including the exhibits and schedules thereto, as the same may from time to time be amended, modified or supplemented, and not to any particular section, subsection or clause contained in this Agreement.

For purposes of this Agreement and the other Loan Documents, the following additional rules of construction shall apply, unless specifically indicated to the contrary: (a) wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural; (b) the term "or" is not exclusive; (c) the term "including" (or any form thereof) shall not be limiting or exclusive; (d) all references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations; and (e) all references to any instruments or agreements, including references to any of the Loan Documents, shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof.

ORIGINAL

NATIONS FUND I, LLC

PROMISSORY NOTE NO. BEAR-0005

CAD\$189,000
March 16, 2018

For value received, the receipt and sufficiency of which are hereby acknowledged, BEARSTONE ENVIRONMENTAL SOLUTIONS INC. (the "Borrower"), hereby promises to pay to the order of NATIONS FUND I, LLC (together with its successors and assigns, the "Lender"), the amount of ONE HUNDRED EIGHTY NINE THOUSAND DOLLARS (\$189,000) (the "Principal Sum") in lawful money of Canada, as the Principal Sum may become payable in accordance with this Promissory Note and the Agreement (as defined below), together with interest on the unpaid balance of the Principal Sum remaining from the date of this Promissory Note at the Loan Rate or, under the circumstances contemplated by the Agreement, at the Default Rate, until paid in full.

The Borrower hereby acknowledges receipt of the Principal Sum in accordance with the terms of the Agreement. Interest shall begin to accrue on the Principal Sum as of the Closing Date and shall be computed on the basis of a thirty day month/360 day year.

"Loan Rate" shall mean nine (9) percent per annum, subject to a possible increase in the Loan Rate of two (2) percent per annum in accordance with Section 2(d) of the Agreement.

This Promissory Note is the Promissory Note referred to in, and issued under the Term Loan and Security Agreement dated as of March 16, 2018, between the Borrower and the Lender (said agreement, as the same shall be amended, restated or supplemented from time to time, being herein called the "Agreement"), to which reference is made for a statement of all of the terms and conditions of the Loan evidenced hereby. Capitalized terms used and not defined in this Promissory Note shall have the respective meanings assigned to them in the Agreement. This Promissory Note is secured by the Agreement, the other Loan Documents and the Collateral, and is entitled to the benefit of the rights and security provided thereby. In the event of any conflict or inconsistency between the provisions of this Promissory Note and the provisions of the Agreement, the provisions of the Agreement shall govern.

The Principal Sum and interest due thereon shall be payable as follows:

- (a) Sixty (60) consecutive monthly installments of principal and interest, each in the amount of CAD\$3,923.33, shall be payable, in arrears, on the 16th day of each calendar month during the term hereof, commencing April 16, 2018 (the "Payment Date"), as set forth in the payment schedule attached hereto as Schedule "A", subject to adjustment pursuant to terms hereof and prepayment of the Principal Sum as permitted pursuant to the terms of the Agreement.
- (b) The Borrower shall repay, or cause to be repaid, the Loan in full on the earlier of March 16, 2023 (the "Stated Maturity Date") and any date of acceleration or prepayment in full of the Loan pursuant to the terms of the Agreement, at which time the Borrower shall repay in full, if any, the aggregate of the then outstanding Principal Sum plus all accrued and unpaid interest thereon, any Prepayment Fee applicable to the Loan and all other fees, expenses or other amounts owed hereunder and under each Loan Document related to the Loan.
- (c) If any payment due hereunder is not received within five (5) days of its due date, the Borrower shall pay a late charge equal to five (5) percent of the amount in arrears.

The Borrower is entitled to prepay in accordance with the terms of the Agreement.

Interest Act (Canada). Solely for purposes of the *Interest Act* (Canada): (1) whenever the interest is to be computed or expressed at any rate (the "Specified Rate") on the basis of a year of less than 365 days or any other period of time less than a calendar year hereunder, the annual rate of interest to which each such Specified Rate is equal is such Specified Rate multiplied by a fraction, the numerator of which is the actual number of days in the relevant year and the denominator of which is 360 or such other period of time, respectively; (2) the principle of deemed reinvestment of interest shall not apply to any interest calculation hereunder; and (3) the rates of interest stipulated herein are intended to be nominal rates and not effective rates or yields.

To the fullest extent permitted by Applicable Law, the Borrower waives: (a) presentment, demand and protest, and notice of presentment, dishonor, intent to accelerate, acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all of the Obligations, this Promissory Note or the other Loan Documents; (b) all rights to notice and a hearing prior to Lender's taking possession or control of, or to Lender's replevy, attachment or levy upon, the Collateral or any bond or security that might be required by any court prior to allowing Lender to exercise any of its remedies; and (c) the benefit of all valuation, appraisal and exemption laws.

The Borrower acknowledges that this Promissory Note is executed as part of a commercial transaction and that the proceeds of this Promissory Note will not be used for any personal or consumer purpose.

In the event of the declaration by Lender of a Default under the Agreement, then this Promissory Note shall be in default and the balance of the Principal Sum then due hereunder, together with all accrued interest thereon, immediately shall accelerate and become due and payable without further notice, such further notice being expressly waived, and the Borrower shall be liable to the holder hereof for reasonable attorneys' fees and costs of suit and enforcement.

The remedies of Lender as provided herein and in the Agreement shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of Lender, and may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

It is the intention of the parties hereto to comply with the applicable usury laws. Accordingly, it is agreed that, notwithstanding any provisions to the contrary in this Promissory Note or the Agreement, in no event shall this Promissory Note or the Agreement require the payment or permit the collection of interest in excess of the maximum amount permitted by Applicable Law. If any such excess interest is contracted for, charged or received under this Promissory Note or the Agreement, or in the event that all of the principal balance shall be prepaid, so that under any of such circumstances the amount of interest contracted for, charged or received under this Promissory Note or the Agreement on the principal balance shall exceed the maximum amount of interest permitted by Applicable Law, then in such event: (a) the provisions of this paragraph shall govern and control, (b) neither the Borrower nor any other person or entity now or hereafter liable for the payment hereof shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest permitted by Applicable Law, (c) any such excess which may have been collected shall either be forthwith applied as a credit against the then unpaid principal balance or refunded to the Borrower, at the option of Lender, and (d) the effective rate of interest shall be automatically reduced to the maximum lawful contract rate allowed under Applicable Law as now or hereafter construed by the courts having jurisdiction thereof. It is further agreed that, without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received under this Promissory Note or the Agreement which are made for the purpose of determining whether such rate exceeds the maximum lawful contract rate, shall be made, to the extent permitted by Applicable Law, by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the indebtedness evidenced hereby, all interest at any time contracted for, charged or received from the Borrower or otherwise by Lender in connection with such Obligations; provided, however, that if any applicable provincial or state law is amended or the law of the United States of America or Canada pre-empts any applicable provincial or state law, so that it becomes lawful for Lender to receive a greater interest per annum rate than is presently allowed by law, the Borrower agrees that, on the effective date of such amendment or pre-emption, as the case may be, the lawful maximum hereunder shall be increased

to the maximum interest rate per annum allowed by the amended provincial law, state law or the law of Canada or the United States of America (but not in excess of the Loan Rate (or, if applicable, the Default Rate) provided for herein).

THE BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH SUCH BORROWER AND LENDER MAY BE PARTIES ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS PROMISSORY NOTE. THE BORROWER AUTHORIZES LENDER TO FILE THIS PROVISION WITH THE CLERK OR JUDGE OF ANY COURT HEARING SUCH CLAIM. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY SUCH BORROWER AND SUCH BORROWER HEREBY ACKNOWLEDGES THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. THE BORROWER FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS PROMISSORY NOTE AND IN THE MAKING OF THIS WAIVER BY LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

THE BORROWER AGREES THAT THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL IN ALL RESPECTS, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ALBERTA (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH PROVINCE) AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. Actions for any action hereunder or related hereto shall be subject to the non-exclusive jurisdiction of the Courts of the Province of Alberta, and the Borrower irrevocably submits to the non-exclusive jurisdiction of such courts. Nothing herein shall affect the right to serve process in any manner permitted by Applicable Law or limit the right of the Lender to bring proceedings against the Borrower in the courts of any other jurisdiction.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Promissory Note has been duly executed as of the date first written above.

BEARSTONE ENVIRONMENTAL SOLUTIONS INC.

By:  _____
Name: Gerry E. Kerkhoff
Title: President

SCHEDULE "A"

TO PROMISSORY NOTE NO. BEAR-0005

BEAR-0005 Loan Amortization (CAD)

Date	Starting Balance	Funding	Payment Amount	Interest	Principal	Remaining Balance
3/16/2018	\$ -	\$ 189,000.00	\$ -	\$ -	\$ -	\$ 189,000.00
4/16/2018	\$ 189,000.00	\$ -	\$ 3,923.33	\$ 1,417.50	\$ 2,505.83	\$ 186,494.17
5/16/2018	\$ 186,494.17	\$ -	\$ 3,923.33	\$ 1,398.71	\$ 2,524.62	\$ 183,969.55
6/16/2018	\$ 183,969.55	\$ -	\$ 3,923.33	\$ 1,379.77	\$ 2,543.56	\$ 181,425.99
7/16/2018	\$ 181,425.99	\$ -	\$ 3,923.33	\$ 1,360.69	\$ 2,562.63	\$ 178,863.36
8/16/2018	\$ 178,863.36	\$ -	\$ 3,923.33	\$ 1,341.48	\$ 2,581.85	\$ 176,281.50
9/16/2018	\$ 176,281.50	\$ -	\$ 3,923.33	\$ 1,322.11	\$ 2,601.22	\$ 173,680.28
10/16/2018	\$ 173,680.28	\$ -	\$ 3,923.33	\$ 1,302.60	\$ 2,620.73	\$ 171,059.56
11/16/2018	\$ 171,059.56	\$ -	\$ 3,923.33	\$ 1,282.95	\$ 2,640.38	\$ 168,419.17
12/16/2018	\$ 168,419.17	\$ -	\$ 3,923.33	\$ 1,263.14	\$ 2,660.19	\$ 165,758.99
1/16/2019	\$ 165,758.99	\$ -	\$ 3,923.33	\$ 1,243.19	\$ 2,680.14	\$ 163,078.85
2/16/2019	\$ 163,078.85	\$ -	\$ 3,923.33	\$ 1,223.09	\$ 2,700.24	\$ 160,378.62
3/16/2019	\$ 160,378.62	\$ -	\$ 3,923.33	\$ 1,202.84	\$ 2,720.49	\$ 157,658.13
4/16/2019	\$ 157,658.13	\$ -	\$ 3,923.33	\$ 1,182.44	\$ 2,740.89	\$ 154,917.23
5/16/2019	\$ 154,917.23	\$ -	\$ 3,923.33	\$ 1,161.88	\$ 2,761.45	\$ 152,165.78
6/16/2019	\$ 152,165.78	\$ -	\$ 3,923.33	\$ 1,141.17	\$ 2,782.16	\$ 149,373.62
7/16/2019	\$ 149,373.62	\$ -	\$ 3,923.33	\$ 1,120.30	\$ 2,803.03	\$ 146,570.59
8/16/2019	\$ 146,570.59	\$ -	\$ 3,923.33	\$ 1,099.28	\$ 2,824.05	\$ 143,746.55
9/16/2019	\$ 143,746.55	\$ -	\$ 3,923.33	\$ 1,078.10	\$ 2,845.23	\$ 140,901.32
10/16/2019	\$ 140,901.32	\$ -	\$ 3,923.33	\$ 1,056.76	\$ 2,866.57	\$ 138,034.75
11/16/2019	\$ 138,034.75	\$ -	\$ 3,923.33	\$ 1,035.26	\$ 2,888.07	\$ 135,146.68
12/16/2019	\$ 135,146.68	\$ -	\$ 3,923.33	\$ 1,013.60	\$ 2,909.73	\$ 132,236.95
1/16/2020	\$ 132,236.95	\$ -	\$ 3,923.33	\$ 991.78	\$ 2,931.55	\$ 129,305.40
2/16/2020	\$ 129,305.40	\$ -	\$ 3,923.33	\$ 969.79	\$ 2,953.54	\$ 126,351.86
3/16/2020	\$ 126,351.86	\$ -	\$ 3,923.33	\$ 947.64	\$ 2,975.69	\$ 123,376.17
4/16/2020	\$ 123,376.17	\$ -	\$ 3,923.33	\$ 925.32	\$ 2,998.01	\$ 120,378.16
5/16/2020	\$ 120,378.16	\$ -	\$ 3,923.33	\$ 902.84	\$ 3,020.49	\$ 117,357.67
6/16/2020	\$ 117,357.67	\$ -	\$ 3,923.33	\$ 880.18	\$ 3,043.15	\$ 114,314.52
7/16/2020	\$ 114,314.52	\$ -	\$ 3,923.33	\$ 857.36	\$ 3,065.97	\$ 111,248.55
8/16/2020	\$ 111,248.55	\$ -	\$ 3,923.33	\$ 834.36	\$ 3,088.97	\$ 108,159.58
9/16/2020	\$ 108,159.58	\$ -	\$ 3,923.33	\$ 811.20	\$ 3,112.13	\$ 105,047.45
10/16/2020	\$ 105,047.45	\$ -	\$ 3,923.33	\$ 787.86	\$ 3,135.47	\$ 101,911.98
11/16/2020	\$ 101,911.98	\$ -	\$ 3,923.33	\$ 764.34	\$ 3,158.99	\$ 98,762.99
12/16/2020	\$ 98,762.99	\$ -	\$ 3,923.33	\$ 740.65	\$ 3,182.68	\$ 95,570.31
1/16/2021	\$ 95,570.31	\$ -	\$ 3,923.33	\$ 716.78	\$ 3,206.55	\$ 92,363.76

2/16/2021	\$ 92,363.76	\$ -	\$ 3,923.33	\$ 602.73	\$ 3,230.60	\$ 89,133.16
3/16/2021	\$ 89,133.16	\$ -	\$ 3,923.33	\$ 668.50	\$ 3,254.83	\$ 85,878.32
4/16/2021	\$ 85,878.32	\$ -	\$ 3,923.33	\$ 644.09	\$ 3,279.24	\$ 82,599.08
5/16/2021	\$ 82,599.08	\$ -	\$ 3,923.33	\$ 619.49	\$ 3,303.84	\$ 79,295.25
6/16/2021	\$ 79,295.25	\$ -	\$ 3,923.33	\$ 594.71	\$ 3,328.61	\$ 75,966.63
7/16/2021	\$ 75,966.63	\$ -	\$ 3,923.33	\$ 569.75	\$ 3,353.58	\$ 72,613.05
8/16/2021	\$ 72,613.05	\$ -	\$ 3,923.33	\$ 544.60	\$ 3,378.73	\$ 69,234.32
9/16/2021	\$ 69,234.32	\$ -	\$ 3,923.33	\$ 519.26	\$ 3,404.07	\$ 65,830.25
10/16/2021	\$ 65,830.25	\$ -	\$ 3,923.33	\$ 493.73	\$ 3,429.60	\$ 62,400.65
11/16/2021	\$ 62,400.65	\$ -	\$ 3,923.33	\$ 468.00	\$ 3,455.32	\$ 58,945.32
12/16/2021	\$ 58,945.32	\$ -	\$ 3,923.33	\$ 442.09	\$ 3,481.24	\$ 55,464.08
1/16/2022	\$ 55,464.08	\$ -	\$ 3,923.33	\$ 415.98	\$ 3,507.35	\$ 51,956.74
2/16/2022	\$ 51,956.74	\$ -	\$ 3,923.33	\$ 389.68	\$ 3,533.65	\$ 48,423.08
3/16/2022	\$ 48,423.08	\$ -	\$ 3,923.33	\$ 363.17	\$ 3,560.16	\$ 44,862.93
4/16/2022	\$ 44,862.93	\$ -	\$ 3,923.33	\$ 336.47	\$ 3,586.86	\$ 41,276.07
5/16/2022	\$ 41,276.07	\$ -	\$ 3,923.33	\$ 309.57	\$ 3,613.76	\$ 37,662.31
6/16/2022	\$ 37,662.31	\$ -	\$ 3,923.33	\$ 282.47	\$ 3,640.86	\$ 34,021.45
7/16/2022	\$ 34,021.45	\$ -	\$ 3,923.33	\$ 255.16	\$ 3,668.17	\$ 30,353.28
8/16/2022	\$ 30,353.28	\$ -	\$ 3,923.33	\$ 227.65	\$ 3,695.68	\$ 26,657.60
9/16/2022	\$ 26,657.60	\$ -	\$ 3,923.33	\$ 199.93	\$ 3,723.40	\$ 22,934.20
10/16/2022	\$ 22,934.20	\$ -	\$ 3,923.33	\$ 172.01	\$ 3,751.32	\$ 19,182.88
11/16/2022	\$ 19,182.88	\$ -	\$ 3,923.33	\$ 143.87	\$ 3,779.46	\$ 15,403.42
12/16/2022	\$ 15,403.42	\$ -	\$ 3,923.33	\$ 115.53	\$ 3,807.80	\$ 11,595.62
1/16/2023	\$ 11,595.62	\$ -	\$ 3,923.33	\$ 86.97	\$ 3,836.36	\$ 7,759.26
2/16/2023	\$ 7,759.26	\$ -	\$ 3,923.33	\$ 58.19	\$ 3,865.13	\$ 3,894.12
3/16/2023	\$ 3,894.12	\$ -	\$ 3,923.33	\$ 29.21	\$ 3,894.12	\$ -

ORIGINAL

NATIONS FUND I, LLC

PROMISSORY NOTE NO. BEAR-0007

CAD\$194,250.00
December 14, 2018

For value received, the receipt and sufficiency of which are hereby acknowledged, BEARSTONE ENVIRONMENTAL SOLUTIONS INC. (the "Borrower"), hereby promises to pay to the order of NATIONS FUND I, LLC (together with its successors and assigns, the "Lender"), the amount of ONE HUNDRED NINETY FOUR THOUSAND, TWO HUNDRED FIFTY AND 00/100 DOLLARS (\$194,250.00) (the "Principal Sum") in lawful money of Canada, as the Principal Sum may become payable in accordance with this Promissory Note and the Agreement (as defined below), together with interest on the unpaid balance of the Principal Sum remaining from the date of this Promissory Note at the Loan Rate or, under the circumstances contemplated by the Agreement, at the Default Rate, until paid in full.

The Borrower hereby acknowledges receipt of the Principal Sum in accordance with the terms of the Agreement. Interest shall begin to accrue on the Principal Sum as of the Closing Date and shall be computed on the basis of a thirty day month/360 day year.

"Loan Rate" shall mean nine (9) percent per annum, subject to a possible increase in the Loan Rate of two (2) percent per annum in accordance with Section 2(d) of the Agreement.

This Promissory Note is the Promissory Note referred to in, and issued under the Term Loan and Security Agreement dated as of March 16, 2018, between the Borrower and the Lender (said agreement, as the same shall be amended, restated or supplemented from time to time, being herein called the "Agreement"), to which reference is made for a statement of all of the terms and conditions of the Loan evidenced hereby. Capitalized terms used and not defined in this Promissory Note shall have the respective meanings assigned to them in the Agreement. This Promissory Note is secured by the Agreement, the other Loan Documents and the Collateral, and is entitled to the benefit of the rights and security provided thereby. In the event of any conflict or inconsistency between the provisions of this Promissory Note and the provisions of the Agreement, the provisions of the Agreement shall govern.

The Principal Sum and interest due thereon shall be payable as follows:

- (a) Interest only shall be payable for the period from the date of execution of this Promissory Note to January 1, 2019, payable on January 1, 2019 at the Loan Rate.
- (b) Sixty (60) consecutive monthly installments of principal and interest, each in the amount of CAD\$4,032.31 shall be payable, in arrears, on the 1ST day of each calendar month during the term hereof, commencing February 1, 2019 (the "Payment Date"), as set forth in the payment schedule attached hereto as Schedule "A", subject to adjustment pursuant to terms hereof and prepayment of the Principal Sum as permitted pursuant to the terms of the Agreement.
- (c) The Borrower shall repay, or cause to be repaid, the Loan in full on the earlier of January 1, 2024 (the "Stated Maturity Date") and any date of acceleration or prepayment in full of the Loan pursuant to the terms of the Agreement, at which time the Borrower shall repay in full, if any, the aggregate of the then outstanding Principal Sum plus all accrued and unpaid interest thereon, any Prepayment Fee applicable to the Loan and all other fees, expenses or other amounts owed hereunder and under each Loan Document related to the Loan.
- (d) If any payment due hereunder is not received within five (5) days of its due date, the Borrower shall pay a late charge equal to five (5) percent of the amount in arrears.

The Borrower is entitled to prepay in accordance with the terms of the Agreement.

Interest Act (Canada). Solely for purposes of the *Interest Act (Canada)*: (1) whenever the interest is to be computed or expressed at any rate (the "Specified Rate") on the basis of a year of less than 365 days or any other period of time less than a calendar year hereunder, the annual rate of interest to which each such Specified Rate is equal is such Specified Rate multiplied by a fraction, the numerator of which is the actual number of days in the relevant year and the denominator of which is 360 or such other period of time, respectively; (2) the principle of deemed reinvestment of interest shall not apply to any interest calculation hereunder; and (3) the rates of interest stipulated herein are intended to be nominal rates and not effective rates or yields.

To the fullest extent permitted by Applicable Law, the Borrower waives: (a) presentment, demand and protest, and notice of presentment, dishonor, intent to accelerate, acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all of the Obligations, this Promissory Note or the other Loan Documents; (b) all rights to notice and a hearing prior to Lender's taking possession or control of, or to Lender's replevy, attachment or levy upon, the Collateral or any bond or security that might be required by any court prior to allowing Lender to exercise any of its remedies; and (c) the benefit of all valuation, appraisal and exemption laws.

The Borrower acknowledges that this Promissory Note is executed as part of a commercial transaction and that the proceeds of this Promissory Note will not be used for any personal or consumer purpose.

In the event of the declaration by Lender of a Default under the Agreement, then this Promissory Note shall be in default and the balance of the Principal Sum then due hereunder, together with all accrued interest thereon, immediately shall accelerate and become due and payable without further notice, such further notice being expressly waived, and the Borrower shall be liable to the holder hereof for reasonable attorneys' fees and costs of suit and enforcement.

The remedies of Lender as provided herein and in the Agreement shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of Lender, and may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

It is the intention of the parties hereto to comply with the applicable usury laws. Accordingly, it is agreed that, notwithstanding any provisions to the contrary in this Promissory Note or the Agreement, in no event shall this Promissory Note or the Agreement require the payment or permit the collection of interest in excess of the maximum amount permitted by Applicable Law. If any such excess interest is contracted for, charged or received under this Promissory Note or the Agreement, or in the event that all of the principal balance shall be prepaid, so that under any of such circumstances the amount of interest contracted for, charged or received under this Promissory Note or the Agreement on the principal balance shall exceed the maximum amount of interest permitted by Applicable Law, then in such event: (a) the provisions of this paragraph shall govern and control, (b) neither the Borrower nor any other person or entity now or hereafter liable for the payment hereof shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest permitted by Applicable Law, (c) any such excess which may have been collected shall either be forthwith applied as a credit against the then unpaid principal balance or refunded to the Borrower, at the option of Lender, and (d) the effective rate of interest shall be automatically reduced to the maximum lawful contract rate allowed under Applicable Law as now or hereafter construed by the courts having jurisdiction thereof. It is further agreed that, without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received under this Promissory Note or the Agreement which are made for the purpose of determining whether such rate exceeds the maximum lawful contract rate, shall be made, to the extent permitted by Applicable Law, by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the indebtedness evidenced hereby, all interest at any time contracted for, charged or received from the Borrower or otherwise by Lender in connection with such Obligations; provided, however, that if any applicable provincial or state law is amended or the law of the United States of America or Canada pre-empts any applicable provincial or state law, so that it becomes lawful for Lender to receive a greater interest per annum rate than is presently allowed by law, the Borrower agrees that, on the effective date of such amendment or pre-emption, as the case may be, the lawful maximum hereunder shall be

increased to the maximum interest rate per annum allowed by the amended provincial law, state law or the law of Canada or the United States of America (but not in excess of the Loan Rate (or, if applicable, the Default Rate) provided for herein).

THE BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH SUCH BORROWER AND LENDER MAY BE PARTIES ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS PROMISSORY NOTE. THE BORROWER AUTHORIZES LENDER TO FILE THIS PROVISION WITH THE CLERK OR JUDGE OF ANY COURT HEARING SUCH CLAIM. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY SUCH BORROWER AND SUCH BORROWER HEREBY ACKNOWLEDGES THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. THE BORROWER FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS PROMISSORY NOTE AND IN THE MAKING OF THIS WAIVER BY LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

THE BORROWER AGREES THAT THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL IN ALL RESPECTS, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ALBERTA (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH PROVINCE) AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. Actions for any action hereunder or related hereto shall be subject to the non-exclusive jurisdiction of the Courts of the Province of Alberta, and the Borrower irrevocably submits to the non-exclusive jurisdiction of such courts. Nothing herein shall affect the right to serve process in any manner permitted by Applicable Law or limit the right of the Lender to bring proceedings against the Borrower in the courts of any other jurisdiction.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Promissory Note has been duly executed as of the date first written above.

BEARSTONE ENVIRONMENTAL SOLUTIONS INC.

By: 
Name: Gerry E. Kerkhoff
Title: President

SCHEDULE "A"

TO PROMISSORY NOTE NO. BEAR-0007

BEAR-0007 Loan Amortization (CAD)

Date	Funding	Payment Amount	Interest	Principal	Balance
14/12/2018	\$194,250.00				\$194,250.00
01/01/2019		\$825.56	\$825.56	\$0.00	\$194,250.00
01/02/2019		\$4,032.31	\$1,456.88	\$2,575.44	\$191,674.56
01/03/2019		\$4,032.31	\$1,437.56	\$2,594.75	\$189,079.81
01/04/2019		\$4,032.31	\$1,418.10	\$2,614.21	\$186,465.60
01/05/2019		\$4,032.31	\$1,398.49	\$2,633.82	\$183,831.78
01/06/2019		\$4,032.31	\$1,378.74	\$2,653.57	\$181,178.21
01/07/2019		\$4,032.31	\$1,358.84	\$2,673.47	\$178,504.74
01/08/2019		\$4,032.31	\$1,338.79	\$2,693.52	\$175,811.21
01/09/2019		\$4,032.31	\$1,318.58	\$2,713.73	\$173,097.49
01/10/2019		\$4,032.31	\$1,298.23	\$2,734.08	\$170,363.41
01/11/2019		\$4,032.31	\$1,277.73	\$2,754.58	\$167,608.82
01/12/2019		\$4,032.31	\$1,257.07	\$2,775.24	\$164,833.58
01/01/2020		\$4,032.31	\$1,236.25	\$2,796.06	\$162,037.52
01/02/2020		\$4,032.31	\$1,215.28	\$2,817.03	\$159,220.49
01/03/2020		\$4,032.31	\$1,194.15	\$2,838.16	\$156,382.33
01/04/2020		\$4,032.31	\$1,172.87	\$2,859.44	\$153,522.89
01/05/2020		\$4,032.31	\$1,151.42	\$2,880.89	\$150,642.00
01/06/2020		\$4,032.31	\$1,129.82	\$2,902.50	\$147,739.50
01/07/2020		\$4,032.31	\$1,108.05	\$2,924.26	\$144,815.24
01/08/2020		\$4,032.31	\$1,086.11	\$2,946.20	\$141,869.04
01/09/2020		\$4,032.31	\$1,064.02	\$2,968.29	\$138,900.75
01/10/2020		\$4,032.31	\$1,041.76	\$2,990.55	\$135,910.20
01/11/2020		\$4,032.31	\$1,019.33	\$3,012.98	\$132,897.21
01/12/2020		\$4,032.31	\$996.73	\$3,035.58	\$129,861.63
01/01/2021		\$4,032.31	\$973.96	\$3,058.35	\$126,803.28
01/02/2021		\$4,032.31	\$951.02	\$3,081.29	\$123,722.00
01/03/2021		\$4,032.31	\$927.91	\$3,104.40	\$120,617.60
01/04/2021		\$4,032.31	\$904.63	\$3,127.68	\$117,489.92
01/05/2021		\$4,032.31	\$881.17	\$3,151.14	\$114,338.79
01/06/2021		\$4,032.31	\$857.54	\$3,174.77	\$111,164.02
01/07/2021		\$4,032.31	\$833.73	\$3,198.58	\$107,965.44
01/08/2021		\$4,032.31	\$809.74	\$3,222.57	\$104,742.87
01/09/2021		\$4,032.31	\$785.57	\$3,246.74	\$101,496.13
01/10/2021		\$4,032.31	\$761.22	\$3,271.09	\$98,225.04
01/11/2021		\$4,032.31	\$736.69	\$3,295.62	\$94,929.42
01/12/2021		\$4,032.31	\$711.97	\$3,320.34	\$91,609.08

01/01/2022	\$4,032.31	\$687.07	\$3,345.24	\$88,263.83
01/02/2022	\$4,032.31	\$661.98	\$3,370.33	\$84,893.50
01/03/2022	\$4,032.31	\$636.70	\$3,395.61	\$81,497.89
01/04/2022	\$4,032.31	\$611.23	\$3,421.08	\$78,076.82
01/05/2022	\$4,032.31	\$585.58	\$3,446.73	\$74,630.08
01/06/2022	\$4,032.31	\$559.73	\$3,472.58	\$71,157.50
01/07/2022	\$4,032.31	\$533.68	\$3,498.63	\$67,658.87
01/08/2022	\$4,032.31	\$507.44	\$3,524.87	\$64,134.00
01/09/2022	\$4,032.31	\$481.00	\$3,551.31	\$60,582.69
01/10/2022	\$4,032.31	\$454.37	\$3,577.94	\$57,004.75
01/11/2022	\$4,032.31	\$427.54	\$3,604.77	\$53,399.98
01/12/2022	\$4,032.31	\$400.50	\$3,631.81	\$49,768.17
01/01/2023	\$4,032.31	\$373.26	\$3,659.05	\$46,109.12
01/02/2023	\$4,032.31	\$345.82	\$3,686.49	\$42,422.63
01/03/2023	\$4,032.31	\$318.17	\$3,714.14	\$38,708.49
01/04/2023	\$4,032.31	\$290.31	\$3,742.00	\$34,966.49
01/05/2023	\$4,032.31	\$262.25	\$3,770.06	\$31,196.43
01/06/2023	\$4,032.31	\$233.97	\$3,798.34	\$27,398.09
01/07/2023	\$4,032.31	\$205.49	\$3,826.82	\$23,571.26
01/08/2023	\$4,032.31	\$176.78	\$3,855.53	\$19,715.74
01/09/2023	\$4,032.31	\$147.87	\$3,884.44	\$15,831.30
01/10/2023	\$4,032.31	\$118.73	\$3,913.58	\$11,917.72
01/11/2023	\$4,032.31	\$89.38	\$3,942.93	\$7,974.79
01/12/2023	\$4,032.31	\$59.81	\$3,972.50	\$4,002.29
01/01/2024	\$4,032.31	\$30.02	\$4,002.29	\$0.00

ORIGINAL

NATIONS FUND I, LLC

COLLATERAL SCHEDULE NO. BEAR-0007

THIS COLLATERAL SCHEDULE NO. BEAR-0007 is executed pursuant to and made a part of that certain Loan and Security Agreement dated as of Dec 14, 2018 (the "Agreement"), between Nations Fund I, LLC, as Lender, and BearStone Environmental Solutions Inc., as Borrower, and describes collateral in which Borrower has granted Lender a security interest in connection with the Obligations (as defined in the Agreement).

Year	Make	Model	Serial Number
2013	Western Star	4900 SB Tri-Drive Vacuum Truck with Sleeper with Rebel 98bbl truck mounted Vacuum System	Vacuum Truck: 5KKPALDR8DPBU4741 Vacuum System: PRTVAC-6251012

Including (i) all manuals, documents, date, log books and other records in respect of the equipment or any part thereof; (ii) all rights to money or other value payable under insurance policies in respect of the equipment; (iii) all warranties, representations, service contracts, product support or other agreements of any nature in respect of or that shall apply to the equipment or any part thereof from any manufacturer, vendor, contractor or supplier thereof; and (iv) all rights under any sublease or rental of the equipment, including any payments under such sublease or rental.

Location:

500, 435-4 Avenue SW
Calgary, AB T2P 3A8

Date: Dec 14, 2018

NATIONS FUND I, LLC

Lender

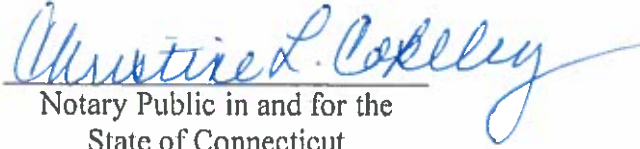
By: 
Name: Dennis J. Bickerstaff
Title: Chief Risk Officer & EVP

BearStone Environmental Solutions Inc.

By: 
Name: GERRY KIERULOFF
Title: PRESIDENT

EXHIBIT 5

This is EXHIBIT "5" referred
to in the Affidavit of Mark Skura sworn
before me this 12 day of June, 2019.


Notary Public in and for the
State of Connecticut

CHRISTINE L. COKELEY
Notary Public-Connecticut
My Commission Expires
October 31, 2021



ORIGINAL

NATIONS FUND I, LLC

TERM LOAN AND SECURITY AGREEMENT
(Reference No. BEAR-0006)

THIS TERM LOAN AND SECURITY AGREEMENT (this "Agreement") is made effective as of the 3rd day of May 2018, by and between NATIONS FUND I, LLC ("Lender"), NEW WEST ENERGY SERVICES INC. (the "Parent") and BEARSTONE ENVIRONMENTAL SOLUTIONS INC. ("Borrower") (the Parent and the Borrower are collectively the "Loan Parties", and each a "Loan Party").

The Borrower is desirous of obtaining a loan from the Lender and the Lender is willing to make the loan to the Borrower upon the terms and conditions set forth herein.

Capitalized terms used herein without definition shall have the meanings assigned to them in Schedule A attached hereto and, for purposes of this Agreement and the other Loan Documents, the rules of construction set forth in Schedule A shall govern.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. ADVANCE OF LOAN

- (a) The Loan. On the terms and conditions hereinafter set forth, the parties agree that the Lender shall lend to the Borrower, in one or more Advances, an amount not to exceed in aggregate CAD\$600,000 (the "Loan").
- (b) Promissory Notes. The obligation to repay the Loan hereunder shall be evidenced by a promissory note in respect of each Advance payable by the Borrower to the order of the Lender in form and substance satisfactory to Lender (hereinafter individually referred to as a "Promissory Note" and collectively as the "Promissory Notes").
- (c) Guarantors. In addition to providing the Guarantee, the Parent shall be required to ensure that all future subsidiaries of the Parent, within 10 days of creation or acquisition, provide a guarantee of the Obligations to the Lender, provided that, as at the Closing Date, the Lender agrees that no guarantee shall be required from Porterco Oilfield Services Inc. or Bearstone Oilfield Services Inc.
- (d) Term of Loan. The Loan shall be repaid in full by the Stated Maturity Date noted in the Promissory Notes.
- (e) Purpose. All proceeds of the Loan shall be used by the Borrower to fund the Equipment Repair.
- (f) Single Loan. The Loan and the payment of all of the other Obligations of the Borrower to the Lender shall constitute one general obligation of the Loan Parties secured by all of the Collateral.
- (g) Currency. The Borrower shall make payment relative to each Obligation in Canadian dollars. If the Borrower makes, or is required to make payment of any amount hereunder in a currency other than Canadian dollars (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction) (the "Other Currency"), such payment shall constitute a discharge of the liability of the Borrower hereunder in respect of the applicable amount owing only to the extent of the amount of Canadian

dollars owed is actually received by the Lender on the date of receipt as determined by the Lender. If the amount of Canadian dollars which the Lender is able to purchase is less than the amount of Canadian dollars originally due in respect of the applicable payment, the Borrower shall indemnify and save the Lender harmless from and against any loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Lender and shall continue in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order. A certificate of the Lender as to any such loss or damage shall constitute prima facie evidence thereof, in the absence of manifest error.

2. PAYMENTS, PREPAYMENT OF LOAN AND COLLATERAL REPLACEMENT

- (a) Principal Payment. On each Payment Date, the Borrower shall pay the aggregate principal payments owed with respect to the Loan as set forth in the applicable Promissory Note; provided, however, on the Stated Maturity Date or on any date of acceleration or prepayment in full of the Loan, the Borrower shall repay in full the aggregate, if any, of the then outstanding principal amount of the Loan plus all accrued and unpaid interest thereon and all other amounts owed hereunder and under each Loan Document related to the Loan. The Borrower shall pay accrued interest on the Loan on each Payment Date as provided in Section 2(c) hereof.
- (b) Acceleration. Upon any acceleration of the Loan pursuant to this Agreement or any other Loan Document, the Borrower shall immediately repay all (or if only a portion is accelerated thereunder, such portion of) the Loan then outstanding, including all accrued and unpaid interest thereon and all other amounts owed under the Loan Documents.
- (c) Interest. Subject to Section 2(a) and Section 2(d) hereof, interest shall accrue at the Loan Rate on the outstanding principal balance of the Loan starting on the date of the first Advance and until all amounts under the Loan are repaid in full. Interest and repayment of the principal balance of the Loan shall be payable on each Payment Date in accordance with the terms of the Promissory Notes. In no event will the Lender charge, or will the Borrower be liable to pay interest at a rate that exceeds the highest rate of interest permissible under Applicable Law, or that is not in compliance with any applicable usury laws. Any excess interest shall be adjusted as set forth in any Promissory Note. If any payment due hereunder is not received within five (5) days of its due date, the Borrower shall incur and shall be liable to pay a late charge equal to five (5) percent of the amount in arrears.
- (d) Default Rate. Effective upon the occurrence of any Default and for so long as any Default shall be continuing: (i) the Loan Rate shall automatically be increased by a nominal amount equal to two (2) percent per annum (such increased rate, the "Default Rate"); and (ii) all outstanding Obligations, including unpaid interest, shall continue to accrue interest from the date of such Default at the Default Rate applicable to such Obligations.
- (e) Payment Date. If any payment to the Lender under this Agreement becomes due and payable on a day other than a Business Day, such Payment Date shall be extended to the next succeeding Business Day (unless such next succeeding Business Day is in the next calendar month, in which case such payment date shall be the immediately preceding Business Day) and the interest portion of such payment shall be calculated at the then applicable rate during such extension, provided that for greater certainty, if such next Business Day is in the succeeding calendar month and the payment is made on the immediately preceding Business Day, there shall be no change in the payment amount.

- (f) Interest Act (Canada). Solely for purposes of the *Interest Act (Canada)*: (1) whenever interest is to be computed or expressed at any rate (the "Specified Rate") on the basis of a year of less than 365 days or any other period of time less than a calendar year hereunder, the annual rate of interest to which each such Specified Rate is equal is such Specified Rate multiplied by a fraction, the numerator of which is the actual number of days in the applicable year and the denominator of which is 360 or such other period of time, respectively; (2) the principle of deemed reinvestment of interest shall not apply to any interest calculation hereunder; and (3) the rates of interest stipulated herein are intended to be nominal rates and not effective rates or yields.
- (g) Payment by Wire Transfer. The Borrower shall make each payment under this Agreement without set-off, counterclaim or deduction and free and clear of all Taxes not later than 1:00 p.m. Eastern Standard Time, on the day when due in lawful money of Canada by wire transfer of immediately available funds to such account as the Lender shall specify from time to time in writing. If the Borrower shall be required by law to deduct any Taxes from any payment to the Lender under any Loan Document, then the amount payable to the Lender shall be increased so that, after making all required deductions, the Lender receives an amount equal to that which it could have received had no such deductions been made. For purposes of computing interest and fees, any payments received after 1:00 p.m. Eastern Standard Time, shall be deemed received by the Lender on the next Business Day.
- (h) Application of Payments. The Borrower irrevocably agrees that the Lender shall have the continuing and exclusive right to apply any and all payments against the then due and payable Obligations in such order as the Lender may deem advisable. The Lender is authorized to, and at its option may (without prior notice or precondition and at any time or times), but shall not be obligated to, make or cause to be made advances on behalf of the Borrower for: (1) payment of all reasonable fees, expenses, indemnities, charges, costs, principal, interest, or other Obligations owing by the Borrower under this Agreement or any of the other Loan Documents, (2) the payment, performance or satisfaction of any of the Borrower's obligations hereunder with respect to preservation of the Collateral, or (3) any premium in whole or in part required in respect of any of the policies of insurance required by this Agreement, even if the making of any such advance causes the outstanding balance of the Loan to exceed the Maximum Amount and the Borrower agrees to repay immediately, in cash, any amount by which the Loan exceeds the Maximum Amount.
- (i) Increased Capital Costs. If any change in, or the introduction, adoption, effectiveness, interpretation, re-interpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority affects or would affect the amount of capital required or expected to be maintained by the Lender or any Person controlling the Lender, and the Lender determines that the rate of return on its or such controlling Person's capital as a consequence of making its Loan is reduced to a level below that which the Lender or such controlling Person could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by the Lender to the Borrower, the Borrower shall immediately pay directly to the Lender additional amounts sufficient to compensate the Lender or such controlling Person for such reduction in rate of return. A statement of the Lender as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on the Borrower.

- (j) Prepayments.
 - (i) The Borrower may fully or partially prepay the Loan at any time.
 - (ii) Any prepayment made to the Loan, including repayments under Section 2(k), shall be applied to the principal repayment schedule set out in the applicable Promissory Note in inverse order of maturity.

- (k) Proceeds of Disposition or Replacement of Collateral.
 - (i) The Borrower may at any time and from time to time, in connection with the sale, exchange, or disposal of any item of Collateral (the "Disposed Collateral") in the ordinary course of the Borrower's business, partially prepay the Loan and obtain a discharge of the Lender's security interest in the Disposed Collateral provided that either:
 - (1) The Borrower provides the Lender with a first charge security interest (subject to Permitted Liens) in an alternative item of Collateral which is reasonably acceptable to the Lender, is free and clear of any security interests or other charges (other than Permitted Liens) with a realizable value that is equal or greater value than the Disposed Collateral; or
 - (2) The Borrower pays to the Lender the proportion attributable to the Disposed Collateral of the outstanding principal amount of the Loan, all accrued interest thereon, all other amounts then due and owing under any Loan Document, none of which shall be refundable.

For the purposes of this Section, the proportion of the Loan attributable to the Disposed Collateral shall be equal to the proportion of the Loan initially attributed to the Disposed Collateral as set forth in the Collateral Schedule delivered in connection with the Loan.
 - (ii) For the purpose determining the realizable value applicable to the Disposed Collateral, or any Collateral proposed as a substitute Collateral therefor, whether in connection with a partial prepayment or otherwise, the realizable value in each case shall be (i) in connection with Disposed Collateral, the amount actual received by the Borrower for the Disposed Collateral and (ii) in the case of substitute Collateral, 75% of the appraised forced liquidation value of the substitute Collateral.

3. SECURITY

As security for the payment as and when due of the indebtedness of the Borrower to the Lender hereunder and under the Promissory Notes (and any renewals, extensions and modifications thereof) and under any other agreement or instrument, both now in existence and hereafter created (as the same may be renewed, extended or modified), and the performance and payment as and when due of all other Obligations of the Borrower to the Lender, both now in existence and hereafter created (as the same may be renewed, extended or modified), the Borrower hereby grants to the Lender a security interest in all of its right, title and interest in and to the items of equipment described on the collateral schedule(s) in form and substance satisfactory to the Lender (hereinafter collectively referred to as the "Collateral Schedule") now or hereafter executed in connection with the Promissory Notes, and all replacements, substitutions and exchanges therefor and thereof and accessions thereto (collectively, the "Equipment") and any and all insurance and/or other proceeds thereof (collectively, the "Collateral"). The Lender agrees, upon prepayment of the Loan in accordance with the terms hereof or the terms of the applicable Promissory Note or any disposition of Collateral otherwise permitted by this Agreement, and provided that no Default exists hereunder or under any other agreement between

the Lender and the Borrower, that it shall forthwith release its security interest and any cross-collateralization of the applicable item of equipment. The Borrower agrees that, with respect to the Collateral, the Lender shall have all of the rights and remedies of a secured party under the PPSA. The Lender may require the Borrower, and the Borrower agrees, to execute and deliver security documents granting liens in the Collateral in favour of the Lender but the Lender shall have no obligation to formalize or perfect its security beyond this Agreement. The Borrower hereby authorizes the Lender to file financing statements under the PPSA ("Financing Statements") describing the Collateral. Without the Lender's prior written consent, the Borrower agrees not to file any corrective or termination statements or partial releases with respect to any Financing Statements filed by the Lender pursuant to this Agreement. The Borrower hereby waives any and all rights the Borrower has or may have under Section 43 of the PPSA to receive a copy of any financing statement or financing change statement filed by or for the Lender or any verification statement in respect thereof.

4. CONDITIONS PRECEDENT TO LENDER'S OBLIGATION

The obligation of the Lender to make the Loan as set forth in Section 1 hereof is expressly conditioned upon compliance by the Loan Parties, to the reasonable satisfaction of the Lender, of the following conditions precedent. On or prior to the Closing Date, the Loan Parties shall provide, or cause to be provided, to the Lender the following:

- (a) A duly executed copy of this Agreement.
- (b) Evidence satisfactory to the Lender as to due compliance by the Borrower with the insurance provisions of Section 6(g) hereof.
- (c) An original Guarantee duly executed on behalf of the Parent.
- (d) An original Promissory Note or Promissory Notes in the amount of the Advance or Advances, as applicable duly executed on behalf of the Borrower, pursuant to Section 1 hereof.
- (e) A Collateral Schedule describing the Collateral to which the Loan relates.
- (f) Evidence satisfactory to the Lender that upon the Loan, all liens and security interests of any third parties against the Collateral will be terminated and discharged.
- (g) Such bills of sale, no interest letters, authorizations to discharge and discharges or subordination agreements shall have been obtained and such filings shall have been made and other actions taken as reasonably may be required by the Lender to perfect a valid, first priority security interest granted by the Borrower to the Lender with respect to the Collateral to which the Loan relates.
- (h) In respect of the Equipment Repair relating to each Advance, all relevant invoices from third parties with payment directions to such third parties, and/or evidence of payment by the Borrower of invoices of third parties with a request for reimbursement, in a form or forms satisfactory to the Lender.

5. REPRESENTATIONS AND WARRANTIES

Each Loan Party hereby represents and warrants, for and on behalf of itself, to the Lender that:

- (a) Business Existence. It has the form of business organization, and is duly organized and validly existing in good standing under the laws of the jurisdiction, specified below its signature on the signature page of this Agreement, and is duly qualified and authorized to transact business and is in good standing wherever necessary to perform its obligations under the Loan Documents to which it is a party, including each jurisdiction

in which the Collateral in which it has an interest is located.

- (b) Requisite Power and Authority. It has the requisite power and authority to own or hold under lease its properties and to enter into and perform its obligations hereunder; and, in the case of the Borrower, the borrowing hereunder by the Borrower from the Lender, and the execution and delivery by it and the performance of its obligations under the Loan Documents to which it is a party: (1) have been duly authorized by all necessary action consistent with such Loan Party's form of organization; (2) do not require any approval or consent of any shareholder or holders of any indebtedness or obligations of such Loan Party except such as have been duly obtained; and (3) do not and will not contravene any law, governmental rule, regulation or order now binding on such Loan Party, or the organizational documents of such Loan Party, or contravene the provisions of, or constitute a default under, or result in the creation of any Lien upon the property of such Loan Party under any agreement to which such Loan Party is a party or by which it or its property is bound.
- (c) No Consents or Approvals. Neither the execution and delivery by it of the Loan Documents to which it is a party, nor the consummation of any of the transactions by such Loan party contemplated hereby or thereby, requires the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any federal, provincial or foreign governmental authority or agency, except as provided herein.
- (d) Enforceability. This Agreement constitutes, and all other Loan Documents to which it is a party when entered into by it will constitute, its legal, valid and binding obligations, enforceable against such Loan Party in accordance with the terms hereof and thereof, except as limited by applicable bankruptcy, insolvency, receivership, moratorium or similar laws or equitable principles relating to or affecting the enforcement of creditors' rights generally, and by Applicable Laws (including any applicable common law and equity) and judicial decisions which may affect the remedies provided herein and therein.
- (e) Litigation. There are no pending or threatened actions or proceedings to which it is a party, and there are no other pending or threatened actions or proceedings of which it has knowledge, before any court, arbitrator or administrative agency, which, either individually or in the aggregate, would have a Material Adverse Effect. Further, it is not in default under any material obligation for the payment of borrowed money, for the deferred purchase price of property or for the payment of any rent which, either individually or in the aggregate, which default would have a Material Adverse Effect.
- (f) Not Real Property Fixtures. Under the laws of the provinces in which the Equipment in which it has an interest is located, such Equipment consists solely of personal property and not fixtures.
- (g) Validity and Priority of Security Interest. Upon satisfaction of the conditions precedent in Section 4 hereof and the making of the first Advance by the Lender, it will have good and marketable title to the Equipment in which it has an interest, free and clear of all Liens and encumbrances (excepting only Permitted Liens) and the Lender will have a valid, perfected, first priority security interest in such item of Collateral (subject to Permitted Liens).
- (h) Financial Statements. The financial statements of such Loan Party (copies of which have been furnished to the Lender) have been prepared in accordance with GAAP, and fairly present in all material respects each Loan Party's consolidated financial condition and the results of each Loan Party's operations as of the date of and for the period covered by such statements, and since the date of such statements there has been no Material Adverse Effect on such conditions or operations.

- (i) Tax Returns and Payments. It has filed or has caused to have been filed all federal, provincial and local tax returns which, to its knowledge, are required to be filed by it, and has paid or caused to have been paid all taxes as shown on such returns or on any assessment received by it, to the extent that such taxes have become due, unless and to the extent only that such taxes, assessments and governmental charges are currently contested in good faith and by appropriate proceedings by it and adequate reserves therefor have been established as required under GAAP.
- (j) No Violation of Law. It is not in violation of any law, ordinance, governmental rule or regulation to which it is subject and the violation of which would have a Material Adverse Effect, and it has obtained any and all licenses, permits, franchises or other governmental authorizations necessary for the ownership of its properties and the conduct of its business, except where the failure to obtain such license, permit, franchise or other governmental authorization would not have a Material Adverse Effect.
- (k) Business Information. Its legal name, jurisdiction of organization and Corporate Access Number specified on the signature page hereof is true and correct and its address on such signature page is the address of its chief executive office. Within the previous six (6) years, it has not changed its name, done business under any other name, or merged or been the surviving entity of any merger, except as disclosed to the Lender in writing or as previously disclosed to the Lender.
- (l) Full Disclosure. No information relating to it contained in any Loan Document or any written statement or document furnished by or on behalf of such Loan Party under any Loan Document, or to induce the Lender to execute the Loan Documents, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.
- (m) Subsidiaries. The only subsidiaries of the Parent on the Closing Date are the Borrower, Porterco Oilfield Services Inc. and Bearstone Oilfield Services Inc.. As at the Closing Date, each of Porterco Oilfield Services Inc. and Bearstone Oilfield Services Inc. have no assets or operations.

6. COVENANTS OF LOAN PARTIES

- (a) Application of Proceeds. The Borrower shall use the proceeds of the Loan exclusively for the purposes set forth in Section 1(e).
- (b) Use of Collateral. The Borrower shall cause the Equipment in which it has an interest to be used solely in the Provinces of Alberta, British Columbia and Saskatchewan, or in any other jurisdiction in respect of which the Lender has given its prior written consent (which consent shall not be unreasonably withheld), and in the conduct of its business and in a careful and proper manner; shall not permanently discontinue use of the Collateral unless it otherwise maintains such Collateral in accordance with the provisions of this Agreement; and shall provide written notice to the Lender not more than thirty (30) days after any change of the location of any item of Equipment (or the location of the principal base of any item of Equipment, to the extent that such item is mobile equipment) as specified on the applicable Collateral Schedule.
- (c) No Sale or Further Encumbrance. Other than as contemplated by Section 2(k), the Borrower shall not dispose of its interest in the Collateral without the prior written consent of the Lender, and such disposition shall be on arm's length terms and for full market value. The Borrower shall maintain the Collateral in which it has an interest free from all claims, Liens and legal processes of its creditors other than:

- (i) Liens for fees, taxes, or other governmental charges of any kind which are not yet delinquent or are being contested in good faith by appropriate proceedings which suspend the collection thereof (provided, however, that such proceedings do not involve any substantial danger of the sale, forfeiture or loss of the Equipment or any interest therein);
- (ii) Liens of mechanics, materialmen, laborers, employees or suppliers and similar Liens arising by operation of law incurred by the Borrower in the ordinary course of business for sums that are not yet delinquent or are being contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof (provided, however, that such contest does not involve any substantial danger of the sale, forfeiture or loss of the Equipment or any interest therein);
- (iii) Liens arising out of any judgments or awards against the Borrower which have been adequately bonded to protect the Lender's interests or with respect to which a stay of execution has been obtained pending an appeal or a proceeding for review;
- (iv) Liens arising merely by operation of law in the ordinary course of business of the Borrower, consented to in writing by the Lender, such consent not to be unreasonably withheld;
- (v) All Liens created by or in favour of the Lender, including pursuant to this Agreement; and
- (vi) Liens in respect of which the Lender has given its written consent

(collectively, "Permitted Liens").

The Borrower shall notify the Lender promptly upon receipt by it of notice of any Lien, attachment or judicial proceeding affecting the Equipment in which it has an interest in whole or in part, and in any event within two (2) Business Days.

- (d) Fees and Taxes. The Borrower will, at its own expense, pay or cause to be paid all taxes and fees relating to its ownership and use of the Equipment in which it has an interest. The Borrower will keep and maintain, or cause to be kept and maintained the Equipment in at least as good operating condition as on the date of execution hereof (or on the date on which acquired, if such date is subsequent to the date of execution hereof), provided that any improvements to the Equipment or improvements to the standard of maintenance of such Equipment shall form the minimum condition or standard of maintenance on a go forward basis, except in either case for ordinary wear and tear resulting from proper use thereof. The Borrower will provide all maintenance and service and make all repairs necessary for such purpose. In addition, if any parts or accessories forming part of such Equipment shall from time to time after the date hereof become worn out, lost, destroyed, damaged beyond repair or otherwise permanently rendered unfit for use, the Borrower, at its own expense, will within a reasonable time replace such parts or accessories or cause the same to be replaced, with replacement parts or accessories which are free and clear of all Liens, encumbrances or rights of others and have a value and utility at least equal to the parts or accessories replaced. All accessories, parts and replacements for or which are added to or become attached to the Equipment shall immediately be deemed incorporated in the Equipment and subject to the security interest granted by the Borrower herein.
- (e) Loss or Damage. The Borrower shall advise the Lender in writing within ten (10) days of the occurrence of any material damage, loss, theft, destruction or governmental

confiscation or appropriation of any item of the Equipment in which it has an interest (an "Event of Loss") and of the circumstances and extent of such Event of Loss and, within thirty (30) days after receipt of notice from the Lender, it shall (at the Lender's option) either: (1) replace the item of Equipment having suffered the Event of Loss with equipment which is free and clear of all Liens (other than Permitted Liens) and has a value and utility at least equal to the item of Equipment having suffered the Event of Loss, and such replacement equipment shall immediately be deemed "Equipment" hereunder and subject to the security interest granted pursuant to Section 3 hereof; (2) prepay the Obligations to the extent attributable to the unpaid portion of the Obligations funded with respect to the item of Equipment having suffered the Event of Loss (as reasonably determined by the Lender); or (3) the Lender shall retain any payments received under Section 7(g) below, provided such payments cover the value of the item of Equipment having suffered the Event of Loss. If any item of Equipment is damaged and such damage can be repaired, the Borrower shall (at its expense) promptly effect such repairs. Proceeds of insurance shall be paid to the Lender with respect to such reparable damage to the Equipment and shall, at the election of the Lender, be applied either to the repair of the Equipment by payment by the Lender directly to the party completing the repairs, or to the reimbursement of the Borrower for the cost of such repairs; provided, however, that the Lender shall have no obligation to make such payment or any part thereof until receipt of such evidence as the Lender shall deem satisfactory that such repairs have been completed, and further provided that the Lender may apply such proceeds to the payment of any installment or other sum due or payable.

- (f) Personal Property. The Borrower and the Lender intend that the Equipment shall remain personal property, notwithstanding the manner in which it may be affixed to any real property, and the Borrower shall obtain and deliver to the Lender (to be recorded at the Borrower's expense) from each Person having an interest in or Lien on the property (the "Premises") where the Equipment in which it has an interest is to be located, waivers of any Lien, encumbrance or interest which such Person might have or hereafter obtain or claim with respect to such Equipment.
- (g) Insurance. At its own expense, the Borrower shall keep the Equipment in which it has an interest or cause such Equipment to be kept insured against loss or damage due to fire and the risks normally included in extended coverage, malicious mischief and vandalism, for the full replacement value thereof. All insurance for loss or damage shall provide that losses, if any, shall be payable to the Lender under a lender's loss payee endorsement, which shall be evidenced by adding the Lender as a first loss payee in respect of the Collateral on the certificate of insurance of the Borrower. The proceeds of such insurance payable as a result of loss of or damage to the Collateral shall be applied, at the Lender's option, (x) toward the replacement, restoration or repair of the Collateral which may be lost, stolen, destroyed or damaged, or (y) toward payment of the balance outstanding on the Promissory Notes or the Obligations. In addition, the Borrower shall also carry public liability insurance, both personal injury and property damage. All insurance required hereunder shall be in form and amount and with companies satisfactory to the Lender, acting reasonably. The Borrower shall pay or cause to be paid the premiums therefor and deliver to the Lender evidence satisfactory to the Lender of such insurance coverage. The Borrower shall cause to be provided to the Lender, prior to the scheduled expiration or lapse of such insurance coverage, evidence satisfactory to the Lender of renewal or replacement coverage. Each insurer shall agree, by endorsement upon the policy or policies issued by it, or by independent instrument furnished to the Lender, that (1) it will give the Lender thirty (30) days' prior written notice of the effective date of any material alteration or cancellation of such policy; and (2) the interest of any named loss payee other than the Borrower shall not be invalidated by any actions, inactions, breach of warranty or conditions or negligence of the Borrower with respect to such policy or policies.

- (h) Further Assurances. Each Loan Party shall promptly and duly execute and deliver to the Lender such further documents, instruments and assurances and take such further action as the Lender may from time to time reasonably request in order to carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created in favor of the Lender hereunder; including, without limitation, the addition of any Affiliate of either of the Loan Parties as a guarantor, and the execution and delivery of any document reasonably required, and payment of all necessary costs to record such documents (including payment of any documentary or stamp tax), to perfect and maintain perfected the security interest granted by it under this Agreement.
- (i) Notices to Lender. Each Loan Party shall provide written notice to the Lender: (1) not less than thirty (30) days prior notice of any change in its name, jurisdiction of organization or address of its chief executive office; and (2) promptly upon the occurrence of any event which constitutes a Default or Pending Default.
- (j) Delivery of Financial Information. Parent shall furnish the Lender (1) within one hundred twenty (120) days after the end of each fiscal year of Parent, its consolidated balance sheet as at the end of such year, and the related consolidated statement of income and statement of changes in financial position for such fiscal year, prepared in accordance with GAAP, all in reasonable detail and certified by independent certified public accountants of recognized standing selected by Parent and reasonably acceptable to the Lender; (2) within sixty (60) days after the end of each quarter of Parent's fiscal year (other than the fourth quarter), its unaudited consolidated balance sheet as at the end of such quarter and the related consolidated statement of income and statement of changes in financial position for such quarter, prepared in accordance with GAAP; and (3) within thirty (30) days after the date on which they are filed, all material reports, forms and other filings required to be made by Parent (or the Borrower) to any recognized stock exchange or other securities regulatory body under whose jurisdiction or policies, such person is regulated or to which such person is otherwise subject if any, as and when filed (by furnishing these such forms or filings, or making them publicly available in electronic form, in each case, within the time periods set forth in clauses (1) and (2), Parent shall be deemed to have satisfied the requirements of clauses (1), (2) and (3)).
- (k) Notice of Bankruptcy. Each Loan Party shall provide written notice to the Lender of the commencement of proceedings under any and all bankruptcy, insolvency, receivership, reorganization or similar laws under Applicable Law (as now or hereafter in effect) involving it, and, in the case of the Parent, any direct or indirect subsidiary of the Parent as a debtor.
- (l) Bank Secrecy Act, etc. (1) It has been advised by the Lender that the USA Patriot Act establishes minimum standards of account information to be collected and maintained by the Lender, and that to help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account; and specifically, this means that when such Loan Party executes this Agreement, the Lender may ask for such Loan Party's name and address, the date of birth of the officers executing this Agreement, and other information that will allow the Lender to identify such Loan Party; and that the Lender may also ask to see the driver's license or other identifying documents of the officers executing this Agreement on behalf of such Loan Party. (2) It is and will remain in full compliance with all Applicable Laws including, without limitation, (i) ensuring that no Person who owns a controlling interest in or otherwise controls such Loan Party is or shall be (A) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation, or (B) a Person designated under Sections 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any

related enabling legislation or any other similar Executive Orders, and (ii) compliance with all applicable Bank Secrecy Act ("BSA") laws, regulations and government guidance on BSA compliance and on the prevention and detection of money laundering violations.

- (m) Indemnification. The Borrower shall indemnify (on an after-tax basis) and defend the Lender, its successors and assigns, and their respective directors, officers and employees, from and against any and all claims, actions and suits (including, without limitation, any Environmental Claim or Environmental Loss), and related attorneys' fees, of any kind, nature or description whatsoever arising, directly or indirectly, in connection with any of the Collateral (other than such as may result from the gross negligence or willful misconduct of the Lender, its successors and assigns, and their respective directors, officers and employees). The obligations of the Borrower under this Section 7(f) shall survive the expiration of the term of this Agreement.
- (n) Annual Equipment Appraisals. The Borrower shall permit and enable the Lender and all other Persons designated by the Lender, to attend the premises to perform an annual physical inspection of all Equipment in which it has an interest and to obtain an appraisal report in form and substance reasonably satisfactory to the Lender at the cost of the Loan Parties.
- (o) Equipment Inspections. The Borrower shall permit and enable the Lender and all Persons designated by the Lender, to visit and inspect the Equipment during normal business hours up to four times per any twelve-month period, for the first eighteen months, and once per any twelve-month period thereafter, at the cost of the Borrower.

7. DEFAULT

A default shall be deemed to have occurred hereunder (a "Default") upon the occurrence of any of the following events:

- (a) if the Borrower fails to make any payment of principal and/or interest when due hereunder or under any Promissory Note on the applicable Payment Date;
- (b) if the Borrower fails to make any payment of an amount when due hereunder or under any Promissory Note (other than a payment described in paragraph (a)) and such default continues for at least five (5) days after written notice to the Borrower thereof;
- (c) the failure by any Loan Party to maintain, use or operate the Collateral in compliance with Applicable Law;
- (d) if the Borrower fails to perform its obligations under Section 7(c) and Section 7(g) and such default continues for at least five (5) days after written notice to the Borrower thereof;
- (e) the occurrence of a payment or other default by the Borrower or its Affiliates under any loan, lease, agreement, guarantee or other financial obligation to the Lender or its Affiliates which default entitles the other party to such obligation to exercise any remedies;
- (f) the occurrence of a payment or other default by the Borrower or its Affiliates under any material loan, lease, guarantee or other material financial obligation to any third party which default has been declared;
- (g) if any representation or warranty made by a Loan Party in any financial statement or Loan Document proves to be false or misleading, including any omission of any

substantial contingent or unliquidated liability or claim against a Loan Party;

- (h) the failure by a Loan Party generally to pay its debts as they become due or its admission in writing of its inability to pay the same, or the commencement of any bankruptcy, insolvency, receivership or similar proceeding by or against a Loan Party or any of its properties or business (unless, if involuntary, the proceeding is dismissed within sixty (60) days of the filing thereof) or the rejection of this Agreement or any other Loan Document in any such proceeding;
- (i) a Loan Party shall (1) enter into any transaction of merger or amalgamation with another Person (such actions being referred to as an "Event"), unless such Loan Party is the surviving entity or the surviving entity is organized and existing under the laws of Canada or any province of Canada, and prior to such Event: (A) such Person executes and delivers to the Lender (x) an agreement satisfactory to the Lender, in its sole discretion, containing such Person's effective assumption, and its agreement to pay, perform, comply with and otherwise be liable for, in a due and punctual manner, all of such Loan Party's Obligations having previously arisen, or then or thereafter arising, under any and all of the Loan Documents to which it is a party, and (y) any and all other documents, agreements, instruments, certificates, opinions and filings requested by the Lender; and (B) the Lender is satisfied as to the creditworthiness of such Person, and as to such Person's conformance to the other standard criteria then used by the Lender when approving transactions similar to the transactions contemplated in this Agreement; (2) cease to do business as a going concern, liquidate, or dissolve; or (3) sell, transfer, or otherwise dispose of all or substantially all of its assets or property;
- (j) effective control of the Borrower's voting capital stock/membership interests/partnership interests, issued and outstanding from time to time, is not retained by the present holders (unless the Borrower shall have provided thirty (30) days' prior written notice to the Lender of the proposed disposition and the Lender shall have consented thereto in writing);
- (k) there occurs a default or anticipatory repudiation under any guarantee executed in connection with this Agreement;
- (l) there occurs a breach by either Loan Party of Section 7(j) of this Agreement; or
- (m) breach by the either Loan Party of any other covenant, condition or agreement (other than those in items (a)-(l) above) under this Agreement or any of the other Loan Documents that continues for thirty (30) days after the Lender's written notice to the Borrower (but such notice and cure period will not be applicable unless such breach is curable by practical means within such notice period).

The occurrence of a Default with respect to any Promissory Note shall, at the sole discretion of the Lender (as set forth in a written declaration to the Borrower), constitute a Default with respect to any or all of the other Promissory Notes. Notwithstanding anything to the contrary set forth herein, the Lender or its assignee(s) (as applicable) may exercise all rights and remedies hereunder or under a Promissory Note independently with respect to each Promissory Note and/or with respect to the Collateral collateralizing such Promissory Note.

8. REMEDIES

Upon the occurrence of a Default which is continuing, the Lender may, at its option, declare this Agreement to be in default and accelerate all Obligations hereunder and may do any one or more of the following, all of which are hereby authorized by the Borrower:

(a) Rights Under PPSA. Exercise any and all rights and remedies of a secured party under the PPSA or otherwise under Applicable Law and in addition to those rights, at its sole discretion, may require the Borrower (at its sole expense) to forward promptly any or all of the Collateral to the Lender at such location as shall reasonably be required by the Lender, or enter upon the premises where any such Collateral is located (without obligation for rent) and take immediate possession of and remove the Collateral by summary proceedings or otherwise, all without liability from the Lender to the Borrower for or by reason of such entry or taking of possession, whether for the restoration of damage to property caused by such taking or otherwise.

(b) Disposition of Collateral. Subject to Applicable Law, and any right of the Borrower to redeem the Collateral, sell, lease or otherwise dispose of any or all of the Collateral in a commercially reasonable manner at public or private sale with notice to the Borrower (the parties agreeing that ten (10) days' prior written notice shall constitute adequate notice of such sale) at such price as it may deem best, for cash, credit, or otherwise, with the right of the Lender to purchase and apply the proceeds:

First, to the payment of all expenses and charges, including the expenses of any sale, lease or other disposition, the expenses of any taking, attorneys' fees, court costs and any other expenses incurred or advances made by the Lender in the protection of its rights or the pursuance of its remedies, and to provide adequate indemnity to the Lender against all taxes and Liens which by law have, or may have, priority over the rights of the Lender to the monies so received by the Lender;

Second, to the payment of the Obligations; and

Third, to the payment of any surplus thereafter remaining to the Borrower or to whosoever may be entitled thereto;

and in the event that the proceeds are insufficient to pay the amounts specified in clauses "First" and "Second" above, the Lender may collect such deficiency from the Borrower.

(c) Other Rights and Remedies. The Lender may exercise any other right or remedy available to it under the Loan Documents or Applicable Law, or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to rescind this Agreement in whole or in part.

(d) Costs and Expenses: No Remedy Exclusive. In addition, the Borrower shall be liable for any and all reasonable unpaid additional sums due hereunder or under any Promissory Note before, after or during the exercise of any of the foregoing remedies; and for all reasonable legal fees and other reasonable costs and expenses incurred by reason of any Default or of the exercise of the Lender's remedies with respect thereto. No remedy referred to in this Section is intended to be exclusive, but each shall be cumulative, and shall be in addition to any other remedy referred to above or otherwise available at law or in equity, and may be exercised concurrently or separately from time to time. The Borrower hereby waives any and all existing or future claims to any offset against the sums due hereunder or under any Promissory Note and agrees to make the payments regardless of any offset or claim which may be asserted by the Borrower or on its behalf in connection with this Agreement.

(e) No Waiver. The failure of the Lender to exercise, or delay in the exercise of, the rights granted hereunder upon any Default by a Loan Party shall not constitute a waiver of any such right upon the continuation or recurrence of any such Default. The Lender may take or release other security; may release any party primarily or secondarily liable for the Obligations; may grant extensions, renewals or indulgences with respect to the

Obligations and may apply any other security therefor held by it to the satisfaction of the Obligations without prejudice to any of its rights hereunder.

9. NOTICES.

All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, personally delivered, sent by overnight courier service, sent by facsimile telecopier, or sent by certified mail, return receipt requested, addressed to the Lender or the Loan Parties at their respective addresses stated below the signature of such parties or at such other addresses as such parties shall from time to time designate in writing to the other parties; and shall be effective from the date of receipt.

10. LENDER'S RIGHT TO PERFORM FOR LOAN PARTIES.

- (a) Performance and Reimbursement. If any Loan Party fails to perform or comply with any of its agreements contained herein the Lender shall have the right, but shall not be obligated, to effect such performance or compliance, and the amount of any reasonable out-of-pocket expenses and other reasonable expenses of the Lender thereby incurred, together with interest thereon at the Default Rate, shall be due and payable by such Loan Party upon demand.
- (b) Power of Attorney. The Borrower hereby appoints the Lender as the Borrower's attorney-in-fact (which power shall be deemed coupled with an interest) to execute, endorse and deliver any deed, conveyance, assignment or other instrument in writing as may be required to vest in the Lender any right, title or power which by the terms hereof are expressed to be conveyed to or conferred upon the Lender, including, without limitation, real property waivers, and documents and cheques or drafts relating to or received in payment for any loss or damage under the policies of insurance required hereby, but only to the extent that the same relates to the Collateral.

11. SUCCESSORS AND ASSIGNS.

This Agreement shall inure to the benefit of the Lender, its successors and assigns, and shall be binding upon Loan Parties and their successors and permitted assigns. The rights and obligations of each Loan Party under this Agreement may not be assigned or delegated. The Lender reserves the right to sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in, the Lender's rights and obligations hereunder, in the Promissory Notes, in the Collateral and/or the Obligations held by it to others at any time and from time to time; and the Lender may disclose to any such purchaser, assignee, transferee or participant (the "Participant"), or potential Participant, this Agreement and all information, reports, financial statements and documents executed or obtained in connection with this Agreement which the Lender now or hereafter may have relating to the Loan, Loan Parties, or the business of Loan Parties. Each Loan Party hereby grants to any Participant all Liens, rights and remedies of the Lender under the provisions of this Agreement or any other documents relating hereto or under applicable laws. Each Loan Party agrees that any Participant may enforce such Liens and exercise such rights and remedies in the same manner as if such Participant were the Lender and a direct creditor of such Loan Party.

12. CHOICE OF LAW: JURISDICTION: WAIVER OF JURY TRIAL.

- (a) GOVERNING LAW. THIS AGREEMENT AND ALL OTHER RELATED INSTRUMENTS AND DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL, IN ALL RESPECTS, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ALBERTA (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH PROVINCE) AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND

PERFORMANCE, REGARDLESS OF THE LOCATION OF THE COLLATERAL.

- (b) Jurisdiction. The parties agree that any action or proceeding arising out of or relating to this Agreement shall be commenced in the courts of the Province of Alberta, and each party irrevocably submits to the non-exclusive jurisdiction of such court and agrees that a summons and complaint commencing an action or proceeding in any such court shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it at its address designated pursuant hereto, or as otherwise provided under the laws of the Province of Alberta.
- (c) WAIVER OF JURY TRIAL. EACH LOAN PARTY HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH SUCH LOAN PARTY AND THE LENDER MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS AGREEMENT OR ANY PROMISSORY NOTE. EACH LOAN PARTY AUTHORIZES THE LENDER TO FILE THIS PROVISION WITH THE CLERK OR JUDGE OF ANY COURT HEARING SUCH CLAIM. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY SUCH LOAN PARTY AND SUCH LOAN PARTY HEREBY ACKNOWLEDGES THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. EACH LOAN PARTY FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND ANY PROMISSORY NOTE AND IN THE MAKING OF THIS WAIVER BY LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

13. MISCELLANEOUS.

- (a) Entire Agreement. The Loan Documents constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and shall not be amended or altered in any manner except by a document in writing executed by both parties.
- (b) Survival. All representations, warranties, and covenants of each Loan Party contained herein or made pursuant hereto shall survive closing and continue throughout the term hereof and until the Obligations are satisfied in full.
- (c) Severability. Any provision of the Loan Documents which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by Applicable Law, each Loan Party hereby waives any provision of law which renders any provision hereof or thereof prohibited or unenforceable in any respect.
- (d) Captions. The captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.
- (e) Time of Essence. Time is of the essence hereof.
- (f) Expenses. The Borrower agrees to pay or reimburse the Lender (without duplication) for all reasonable costs and expenses (including the reasonable fees and expenses of all counsel, advisors, consultants and auditors retained in connection therewith), incurred by the Lender in connection with: (1) the preparation, negotiation, execution, delivery, performance and enforcement of the Loan Documents and the preservation of any rights thereunder (including, without limitation, filing or recording fees and taxes); (2) collection, including deficiency collections; (3) any amendment, waiver or other

modification or waiver of, or consent with respect to, any Loan Document or advice in connection with the administration of the Loan or the rights thereunder; (4) any litigation, dispute, suit, proceeding or action (whether instituted by or between any combination of the Lender, Loan Parties or any other Person), and an appeal or review thereof, in any way relating to the Collateral, any Loan Document, or any action taken or any other agreements to be executed or delivered in connection therewith, whether as a party, witness or otherwise; and (5) any effort (i) to monitor the Loan, (ii) to evaluate, observe or assess the Borrower or the affairs of the Borrower, and (iii) to verify, protect, evaluate, assess, appraise, collect, sell, liquidate or otherwise dispose of the Collateral.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]


IN WITNESS WHEREOF, the parties hereto have caused this Term Loan and Security Agreement to be duly executed as of the day and year first above written.

NATIONS FUND I, LLC
Lender

By: 
Name: DENNIS J. BICKERSTAFF
Title: Executive Vice President

501 Merritt Seven
Norwalk, Connecticut 06851
Facsimile: (203) 939-1597


BEARSTONE ENVIRONMENTAL SOLUTIONS INC.
Borrower

By: 
Name: GERRY KERKHOFF
Title: PRESIDENT

500, 435 - 4 Avenue SW
Calgary, AB T2P 3A8
Facsimile: (403) 984-9799

Form of Organization: Corporation
Jurisdiction of Organization: Alberta
Corporate Access Number: 2017755501

NEW WEST ENERGY SERVICES INC.
Parent Guarantor

By: 
Name: GERRY KERKHOFF
Title: PRESIDENT & CEO
500, 435 - 4 Avenue SW
Calgary, AB T2P 3A8
Facsimile: (403) 984-9799

Form of Organization: Corporation
Jurisdiction of Organization: Canada
Corporate Access Number: 213478720

SCHEDULE A DEFINITIONS

Capitalized terms used in this Agreement and the other Loan Documents shall have (unless otherwise provided elsewhere in this Agreement or in the Loan Documents) the following respective meanings:

"Advance" shall mean each advance of funds in respect of the Loan as evidenced by a Promissory Note.

"Adverse Environmental Condition" shall mean (i) the existence or the continuation of the existence of an Environmental Contamination (including, without limitation, a sudden or non-sudden accidental or non-accidental Environmental Contamination), or exposure to any substance, chemical, material, pollutant, Hazardous Substance, odour or audible noise or other release or emission in, into or onto the environment (including without limitation, the air, ground, water or any surface) at, in, by, from or related to any Collateral, (ii) the environmental aspect of the transportation, storage, treatment or disposal of materials in connection with the operation of any Collateral, or (iii) the violation, or alleged violation, of any Environmental Law, permits or licenses of, by or from any governmental authority, agency or court relating to environmental matters connected with any of the Collateral.

"Affiliate" means, with respect to any Person: (i) each other Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, five (5) percent or more of the Stock having ordinary voting power for the election of directors of such Person; (ii) each other Person that controls, is controlled by or is under common control with such Person or any Affiliate of such Person; or (iii) each of such Person's officers, directors, joint venturers and partners. For the purpose of this definition, "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting Stock, by contract or otherwise.

"Agreement" means this Loan and Security Agreement including all appendices, exhibits or schedules attached or otherwise identified thereto, restatements and modifications and supplements thereto, and any appendices, exhibits or schedules to any of the foregoing, each as in effect at the time such reference becomes operative.

"Applicable Law" means any law, rule, regulation, ordinance, order, code, common law, interpretation, judgment, directive, decree, treaty, injunction, writ, determination, award, permit or similar norm or decision of any Governmental Authority having jurisdiction over a Loan Party or the matters herein.

"Borrower" means the Person identified as such in the preamble of this Agreement.

"BSA" has the meaning assigned to it in Section 6(k) of this Agreement.

"Business Day" means any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of New York or the City of Calgary, Alberta.

"Closing Date" means the date on which the conditions precedent in Section 4 are satisfied by the Loan Parties or waived by the Lender.

"Collateral" has the meaning assigned to it in Section 3 of this Agreement.

"Collateral Schedule" has the meaning assigned to it in Section 3 of this Agreement.

"Default" has the meaning assigned to it in Section 7 of this Agreement.

"Default Rate" has the meaning assigned to it in Section 2(d) of this Agreement.

"Environment" or **"Environmental"** or **"Environmentally"** means the components of the earth and includes: (i) air, land subsurface strata water, surface water and groundwater; (ii) all layers of the atmosphere; (iii) all organic and inorganic matter and living organisms; and (iv) the interacting natural systems that include components referred to in (i) to (iii).

"Environmental Claim" shall mean any accusation, allegation, notice of violation, claim, demand, abatement or other order on direction (conditional or otherwise) by any governmental authority or any Person for personal injury (including sickness, disease or death), tangible or intangible property damage, damage to the environment or other adverse effects on the environment, or for fines, penalties or restrictions, resulting from or based upon any Adverse Environmental Condition.

"Environmental Contamination" shall mean any actual or threatened release, spill, emission, leaking, pumping, injection, presence, deposit, abandonment, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, or into or out of any of the Collateral, including, without limitation, the movement or any Hazardous Substance or other substance through or in the air, soil, surface water, groundwater, or property which is not in compliance with applicable Environmental Laws.

"Environmental Law" means any Applicable Law, including any applicable guidelines and standards, relating in any way to the Environment, Environmental protection or occupational health and safety.

"Environmental Loss" shall mean any loss, cost, damage, liability, deficiency, fine, penalty or expense (including, without limitation, reasonable attorneys' fees, engineering and other professional or expert fees), investigation, removal, cleanup and remedial costs (voluntarily or involuntarily incurred) and damages to, loss of the use of or decrease in value of the Collateral arising out of or related to any Adverse Environmental Condition.

"Equipment" has the meaning assigned to it in Section 3 of this Agreement.

"Equipment Repair" means the repair and/or maintenance, including the acquisition of parts in respect thereof, of equipment owned by the Borrower in which the Lender has an existing security interest in all the right, title and interest thereto as described in a collateral schedule executed by the Lender, the Borrower and the Parent.

"Event" has the meaning assigned to it in Section 7(l) of this Agreement.

"Event of Loss" has the meaning assigned to it in Section 6 (e) of this Agreement.

"Financing Statements" has the meaning assigned to it in Section 3 of this Agreement.

"GAAP" means, generally accepted accounting principles in the Canada as in effect from time to time, consistently applied, including, if applicable to any Loan Party, IFRS or ASPE.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantee" means a guarantee dated as of the Closing Date, granted by the Parent to the Lender guaranteeing the Obligations of the Borrower.

"Hazardous Substance" means any pollutants, contaminants, hydrocarbon contaminants, asbestos materials, hazardous, corrosive or toxic substances or underground or aboveground tanks, urea formaldehyde, deleterious substances, special waste or waste of any kind, including any substance the storage, manufacture, disposal, handling, treatment, generation, use, transport, remediation or release into the Environment which is prohibited, controlled, regulated or licensed under Environmental Law.

"Interest Period" has the meaning assigned to it in the applicable Promissory Note.

"Lender" has the meaning assigned to it in the preamble of this Agreement and, if at any time the Lender shall decide to assign, participate or syndicate all or any of the Obligations, such term shall include each such assignee, Participant or such other members of the syndicate; together with its or their successors and assigns.

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

"Loan" has the meaning assigned to it in Section 1 of this Agreement, which loan is evidenced by the Promissory Notes and includes any renewals, extensions, revisions, modifications or replacements therefor or thereof.

"Loan Documents" means this Agreement, any Promissory Note, the Guarantee, and any other guarantee and the other documents and instruments executed by any of the Loan Parties pursuant hereto.

"Loan Rate" has the meaning assigned to it in the applicable Promissory Note.

"Material Adverse Effect" means: a material adverse effect on (a) the business, assets, operations or financial condition of a Loan Party or the industry within which a Loan Party operates, (b) the Borrower's ability to pay or perform the Obligations under the Loan Documents in accordance with the terms thereof, (c) the Collateral or the Lien of the Lender on the Collateral granted hereunder or the priority of such Lien, or (d) the Lender's rights and remedies under this Agreement and the other Loan Documents.

"Maximum Amount" means CAD\$600,000.

"Obligations" means all loans, interest, advances, debts, expense reimbursement, fees, liabilities, and obligations for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or amounts are liquidated or determinable) owing by the Borrower to the Lender or any of the Lender's Affiliates,

of any kind or nature, present or future, whether or not evidenced by any note, agreement or other instrument, whether arising under any of the Loan Documents or under any other agreement between the Borrower and the Lender or any of the Lender's Affiliates, and all covenants and duties regarding such amounts. This term includes all principal, interest (including interest accruing at the then applicable rate provided in this Agreement after the maturity of the Loan and interest accruing at the then applicable rate provided in this Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), fees, charges, expenses, attorneys' fees and any other sum chargeable to the Borrower under any of the Loan Documents, and all principal, and interest due in respect of the Loan.

"OFAC" has the meaning assigned to it in Section 6(k) of this Agreement.

"Other Currency" has the meaning assigned to it in Section 1(g) of this Agreement.

"Participant" has the meaning assigned to it in Section 11 of this Agreement.

"Payment Date" has the meaning assigned to it in the applicable Promissory Note.

"Pending Default" means any event or condition which, with the giving of notice, lapse of time or upon a declaration or determination being made (or any combination thereof), would constitute a Default.

"Person" means any individual, sole proprietorship, entity, limited liability entity, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation or government (whether Federal, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof), and shall include such Person's successors and assigns.

"PPSA" means the *Personal Property Security Act* (Alberta) and the regulations thereunder, as in effect from time to time.

"Premises" has the meaning assigned to it in Section 6(f) of this Agreement.

"Proceeds" means "proceeds," as such term is defined in the PPSA and, in any event, shall include: (i) any and all proceeds of any insurance, indemnity, warranty or guarantee payable to the Borrower from time to time with respect to any Collateral; (ii) any and all payments (in any form whatsoever) made or due and payable to the Borrower from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of any Collateral by any governmental body, authority, bureau or agency (or any Person acting under color of governmental authority); (iii) any recoveries by the Borrower against third parties with respect to any litigation or dispute concerning any Collateral, including claims arising at of the loss or nonconformity of, interference with the use of, defects in, or infringement of rights in, or damage to, Collateral; and (iv) any and all other amounts, rights to payment or other property acquired upon the sale, lease, licence exchange or other disposition of Collateral and all rights arising out of Collateral.

"Promissory Note" has the meaning assigned to it in Section 1(c) of this Agreement.

"Specified Rate" has the meaning assigned to it in Section 2(f) of this Agreement.

"Stated Maturity Date" has the meaning assigned to it in the Promissory Note.

"Stock" means all certificated and uncertificated shares, options, warrants, membership interests, general or limited partnership interests, participation or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity whether voting or nonvoting, including common stock, preferred stock, or any other "equity security" (as such term is defined in Rule 3a 11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934).

"Taxes" means taxes, levies, imposts, deductions, charges or withholdings imposed by a Governmental Authority, and all liabilities with respect thereto; excluding taxes imposed on or measured by the net income of the Lender.

Any accounting term used in this Agreement or the other Loan Documents shall have, unless otherwise specifically provided therein, the meaning customarily given such term in accordance with GAAP, and all financial computations thereunder shall be computed, unless otherwise specifically provided therein, in accordance with GAAP consistently applied; provided, that all financial covenants and calculations in the Loan Documents shall be made in accordance with GAAP as in effect on the Closing Date unless Loan Parties and the Lender shall otherwise specifically agree in writing. That certain items or computations are explicitly modified by the phrase "in accordance with GAAP" shall in no way be construed to limit the foregoing. All other undefined terms contained in this Agreement or the other Loan Documents all, unless the context indicates otherwise, have the meanings provided for by the PPSA. The words "herein," "hereof" and "hereunder" or other words of similar import refer to this Agreement as a whole, including the exhibits and schedules thereto, as the same may from time to time be amended, modified or supplemented, and not to any particular section, subsection or clause contained in this Agreement.

For purposes of this Agreement and the other Loan Documents, the following additional rules of construction shall apply, unless specifically indicated to the contrary: (a) wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural; (b) the term "or" is not exclusive; (c) the term "including" (or any form thereof) shall not be limiting or exclusive; (d) all references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations; and (e) all references to any instruments or agreements, including references to any of the Loan Documents, shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof.

ORIGINAL

NATIONS FUND I, LLC

PROMISSORY NOTE NO. BEAR-0006-A

CAD\$198,616.78

May 3, 2018

For value received, the receipt and sufficiency of which are hereby acknowledged, BEARSTONE ENVIRONMENTAL SOLUTIONS INC. (the "Borrower"), hereby promises to pay to the order of NATIONS FUND I, LLC (together with its successors and assigns, the "Lender"), the amount of ONE HUNDRED NINETY EIGHT THOUSAND, SIX HUNDRED SIXTEEN DOLLARS AND SEVENTY EIGHT CENTS (CAD\$198,616.78) (the "Principal Sum") in lawful money of Canada, as the Principal Sum may become payable in accordance with this Promissory Note and the Agreement (as defined below), together with interest on the unpaid balance of the Principal Sum remaining from the date of this Promissory Note at the Loan Rate or, under the circumstances contemplated by the Agreement, at the Default Rate, until paid in full.

The Borrower hereby acknowledges receipt of the Principal Sum in accordance with the terms of the Agreement. Interest shall begin to accrue on the Principal Sum as of the Closing Date and shall be computed on the basis of a thirty day month/360 day year.

"Loan Rate" shall mean 7.1811 percent per annum, subject to a possible increase in the Loan Rate of two (2) percent per annum in accordance with Section 2(d) of the Agreement.

This Promissory Note is the Promissory Note referred to in, and issued under the Term Loan and Security Agreement dated as of May 3, 2018, between the Borrower and the Lender (said agreement, as the same shall be amended, restated or supplemented from time to time, being herein called the "Agreement"), to which reference is made for a statement of all of the terms and conditions of the Loan evidenced hereby. Capitalized terms used and not defined in this Promissory Note shall have the respective meanings assigned to them in the Agreement. This Promissory Note is secured by the Agreement, the other Loan Documents and the Collateral, and is entitled to the benefit of the rights and security provided thereby. In the event of any conflict or inconsistency between the provisions of this Promissory Note and the provisions of the Agreement, the provisions of the Agreement shall govern.

The Principal Sum and interest due thereon shall be payable as follows:

- (a) Sixty (60) consecutive monthly installments of principal and interest, each in the amount of CAD\$3,949.84, shall be payable, in arrears, on the 3rd day of each calendar month during the term hereof, commencing June 3, 2018 (the "Payment Date"), as set forth in the payment schedule attached hereto as Schedule "A", subject to adjustment pursuant to terms hereof and prepayment of the Principal Sum as permitted pursuant to the terms of the Agreement.
- (b) The Borrower shall repay, or cause to be repaid, the Loan in full on the earlier of May 3, 2023 (the "Stated Maturity Date") and any date of acceleration or prepayment in full of the Loan pursuant to the terms of the Agreement, at which time the Borrower shall repay in full, if any, the aggregate of the then outstanding Principal Sum plus all accrued and unpaid interest thereon, any Prepayment Fee applicable to the Loan and all other fees, expenses or other amounts owed hereunder and under each Loan Document related to the Loan.
- (c) If any payment due hereunder is not received within five (5) days of its due date, the Borrower shall pay a late charge equal to five (5) percent of the amount in arrears.

The Borrower is entitled to prepay in accordance with the terms of the Agreement.

Interest Act (Canada). Solely for purposes of the *Interest Act (Canada)*: (1) whenever the interest is to be computed or expressed at any rate (the "Specified Rate") on the basis of a year of less than 365 days or any other period of time less than a calendar year hereunder, the annual rate of interest to which each such Specified Rate is equal is such Specified Rate multiplied by a fraction, the numerator of which is the actual number of days in the relevant year and the denominator of which is 360 or such other period of time, respectively; (2) the principle of deemed reinvestment of interest shall not apply to any interest calculation hereunder; and (3) the rates of interest stipulated herein are intended to be nominal rates and not effective rates or yields.

To the fullest extent permitted by Applicable Law, the Borrower waives: (a) presentment, demand and protest, and notice of presentment, dishonor, intent to accelerate, acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all of the Obligations, this Promissory Note or the other Loan Documents; (b) all rights to notice and a hearing prior to Lender's taking possession or control of, or to Lender's replevy, attachment or levy upon, the Collateral or any bond or security that might be required by any court prior to allowing Lender to exercise any of its remedies; and (c) the benefit of all valuation, appraisal and exemption laws.

The Borrower acknowledges that this Promissory Note is executed as part of a commercial transaction and that the proceeds of this Promissory Note will not be used for any personal or consumer purpose.

In the event of the declaration by Lender of a Default under the Agreement, then this Promissory Note shall be in default and the balance of the Principal Sum then due hereunder, together with all accrued interest thereon, immediately shall accelerate and become due and payable without further notice, such further notice being expressly waived, and the Borrower shall be liable to the holder hereof for reasonable attorneys' fees and costs of suit and enforcement.

The remedies of Lender as provided herein and in the Agreement shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of Lender, and may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

It is the intention of the parties hereto to comply with the applicable usury laws. Accordingly, it is agreed that, notwithstanding any provisions to the contrary in this Promissory Note or the Agreement, in no event shall this Promissory Note or the Agreement require the payment or permit the collection of interest in excess of the maximum amount permitted by Applicable Law. If any such excess interest is contracted for, charged or received under this Promissory Note or the Agreement, or in the event that all of the principal balance shall be prepaid, so that under any of such circumstances the amount of interest contracted for, charged or received under this Promissory Note or the Agreement on the principal balance shall exceed the maximum amount of interest permitted by Applicable Law, then in such event: (a) the provisions of this paragraph shall govern and control, (b) neither the Borrower nor any other person or entity now or hereafter liable for the payment hereof shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest permitted by Applicable Law, (c) any such excess which may have been collected shall either be forthwith applied as a credit against the then unpaid principal balance or refunded to the Borrower, at the option of Lender, and (d) the effective rate of interest shall be automatically reduced to the maximum lawful contract rate allowed under Applicable Law as now or hereafter construed by the courts having jurisdiction thereof. It is further agreed that, without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received under this Promissory Note or the Agreement which are made for the purpose of determining whether such rate exceeds the maximum lawful contract rate, shall be made, to the extent permitted by Applicable Law, by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the indebtedness evidenced hereby, all interest at any time contracted for, charged or received from the Borrower or otherwise by Lender in connection with such Obligations; provided, however, that if any applicable provincial or state law is amended or the law of the United States of America or Canada pre-empts any applicable provincial or state law, so that it becomes lawful for Lender to receive a greater interest per annum rate than is presently allowed by law, the Borrower agrees that, on the effective date of such amendment or pre-emption, as the case may be, the lawful maximum hereunder shall be increased

to the maximum interest rate per annum allowed by the amended provincial law, state law or the law of Canada or the United States of America (but not in excess of the Loan Rate (or, if applicable, the Default Rate) provided for herein).

THE BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH SUCH BORROWER AND LENDER MAY BE PARTIES ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS PROMISSORY NOTE. THE BORROWER AUTHORIZES LENDER TO FILE THIS PROVISION WITH THE CLERK OR JUDGE OF ANY COURT HEARING SUCH CLAIM. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY SUCH BORROWER AND SUCH BORROWER HEREBY ACKNOWLEDGES THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. THE BORROWER FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS PROMISSORY NOTE AND IN THE MAKING OF THIS WAIVER BY LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

THE BORROWER AGREES THAT THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL IN ALL RESPECTS, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ALBERTA (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH PROVINCE) AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. Actions for any action hereunder or related hereto shall be subject to the non-exclusive jurisdiction of the Courts of the Province of Alberta, and the Borrower irrevocably submits to the non-exclusive jurisdiction of such courts. Nothing herein shall affect the right to serve process in any manner permitted by Applicable Law or limit the right of the Lender to bring proceedings against the Borrower in the courts of any other jurisdiction.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Promissory Note has been duly executed as of the date first written above.

BEARSTONE ENVIRONMENTAL SOLUTIONS INC.

By: 
Name: Gerry E. Kerkhoff
Title: President

SCHEDULE "A"

TO PROMISSORY NOTE NO. BEAR-0006-A

BEAR-0006-A Loan Amortization (CAD\$)

Date	Funding	Payment Amount	Interest	Principal	Remaining Balance
5/3/2018	\$198,616.78				\$198,616.78
6/3/2018		\$3,949.84	\$1,188.57	\$2,761.27	\$195,855.51
7/3/2018		\$3,949.84	\$1,172.05	\$2,777.79	\$193,077.71
8/3/2018		\$3,949.84	\$1,155.43	\$2,794.42	\$190,283.30
9/3/2018		\$3,949.84	\$1,138.70	\$2,811.14	\$187,472.16
10/3/2018		\$3,949.84	\$1,121.88	\$2,827.96	\$184,644.19
11/3/2018		\$3,949.84	\$1,104.96	\$2,844.89	\$181,799.31
12/3/2018		\$3,949.84	\$1,087.93	\$2,861.91	\$178,937.40
1/3/2019		\$3,949.84	\$1,070.81	\$2,879.04	\$176,058.36
2/3/2019		\$3,949.84	\$1,053.58	\$2,896.27	\$173,162.10
3/3/2019		\$3,949.84	\$1,036.25	\$2,913.60	\$170,248.50
4/3/2019		\$3,949.84	\$1,018.81	\$2,931.03	\$167,317.47
5/3/2019		\$3,949.84	\$1,001.27	\$2,948.57	\$164,368.89
6/3/2019		\$3,949.84	\$983.62	\$2,966.22	\$161,402.67
7/3/2019		\$3,949.84	\$965.87	\$2,983.97	\$158,418.70
8/3/2019		\$3,949.84	\$948.02	\$3,001.83	\$155,416.88
9/3/2019		\$3,949.84	\$930.05	\$3,019.79	\$152,397.09
10/3/2019		\$3,949.84	\$911.98	\$3,037.86	\$149,359.23
11/3/2019		\$3,949.84	\$893.80	\$3,056.04	\$146,303.19
12/3/2019		\$3,949.84	\$875.51	\$3,074.33	\$143,228.86
1/3/2020		\$3,949.84	\$857.12	\$3,092.73	\$140,136.13
2/3/2020		\$3,949.84	\$838.61	\$3,111.23	\$137,024.90
3/3/2020		\$3,949.84	\$819.99	\$3,129.85	\$133,895.05
4/3/2020		\$3,949.84	\$801.26	\$3,148.58	\$130,746.47
5/3/2020		\$3,949.84	\$782.42	\$3,167.42	\$127,579.05
6/3/2020		\$3,949.84	\$763.46	\$3,186.38	\$124,392.67
7/3/2020		\$3,949.84	\$744.40	\$3,205.45	\$121,187.22
8/3/2020		\$3,949.84	\$725.21	\$3,224.63	\$117,962.59
9/3/2020		\$3,949.84	\$705.92	\$3,243.93	\$114,718.67
10/3/2020		\$3,949.84	\$686.51	\$3,263.34	\$111,455.33
11/3/2020		\$3,949.84	\$666.98	\$3,282.87	\$108,172.46
12/3/2020		\$3,949.84	\$647.33	\$3,302.51	\$104,869.95
1/3/2021		\$3,949.84	\$627.57	\$3,322.27	\$101,547.68
2/3/2021		\$3,949.84	\$607.69	\$3,342.16	\$98,205.52
3/3/2021		\$3,949.84	\$587.69	\$3,362.16	\$94,843.36
4/3/2021		\$3,949.84	\$567.57	\$3,382.28	\$91,461.09

Date	Funding	Payment Amount	Interest	Principal	Remaining Balance
5/3/2021		\$3,949.84	\$547.33	\$3,402.52	\$88,058.57
6/3/2021		\$3,949.84	\$526.96	\$3,422.88	\$84,635.69
7/3/2021		\$3,949.84	\$506.48	\$3,443.36	\$81,192.33
8/3/2021		\$3,949.84	\$485.88	\$3,463.97	\$77,728.36
9/3/2021		\$3,949.84	\$465.15	\$3,484.70	\$74,243.67
10/3/2021		\$3,949.84	\$444.29	\$3,505.55	\$70,738.12
11/3/2021		\$3,949.84	\$423.31	\$3,526.53	\$67,211.59
12/3/2021		\$3,949.84	\$402.21	\$3,547.63	\$63,663.96
1/3/2022		\$3,949.84	\$380.98	\$3,568.86	\$60,095.09
2/3/2022		\$3,949.84	\$359.62	\$3,590.22	\$56,504.87
3/3/2022		\$3,949.84	\$338.14	\$3,611.70	\$52,893.17
4/3/2022		\$3,949.84	\$316.53	\$3,633.32	\$49,259.85
5/3/2022		\$3,949.84	\$294.78	\$3,655.06	\$45,604.79
6/3/2022		\$3,949.84	\$272.91	\$3,676.93	\$41,927.86
7/3/2022		\$3,949.84	\$250.91	\$3,698.94	\$38,228.93
8/3/2022		\$3,949.84	\$228.77	\$3,721.07	\$34,507.85
9/3/2022		\$3,949.84	\$206.50	\$3,743.34	\$30,764.52
10/3/2022		\$3,949.84	\$184.10	\$3,765.74	\$26,998.77
11/3/2022		\$3,949.84	\$161.57	\$3,788.28	\$23,210.50
12/3/2022		\$3,949.84	\$138.90	\$3,810.95	\$19,399.55
1/3/2023		\$3,949.84	\$116.09	\$3,833.75	\$15,565.80
2/3/2023		\$3,949.84	\$93.15	\$3,856.69	\$11,709.11
3/3/2023		\$3,949.84	\$70.07	\$3,879.77	\$7,829.34
4/3/2023		\$3,949.84	\$46.85	\$3,902.99	\$3,926.35
5/3/2023		\$3,949.84	\$23.50	\$3,926.35	\$0.00

ORIGINAL

IRREVOCABLE AUTHORIZATION AND DIRECTION TO PAY NO. BEAR-0006-B

TO: NATIONS FUND I, LLC

RE: Term Loan and Security Agreement between made effective as of the 3rd day of May 2018, by and between NATIONS FUND I, LLC ("Lender"), NEW WEST ENERGY SERVICES INC. and BEARSTONE ENVIRONMENTAL SOLUTIONS INC. ("Borrower") (the "Loan Agreement")

All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

In connection with Promissory Note No. BEAR-0006-B to the Loan Agreement, the Borrower hereby irrevocably authorizes and directs the Lender to pay the aggregate amount of CAD\$46,438.33 representing an Advance in accordance with the payment instructions set forth in Schedule "A" attached hereto:

1. CAD\$7,211.38 to be paid to Torque Industrial Ltd.
2. CAD\$9,034.34 to be paid to Ionson Mechanical Ltd.; and
3. CAD\$30,192.61 to be paid to the Borrower.

This shall be your good and sufficient authority for acting in accordance with the above authorization and direction. The undersigned hereby release you from all liability in connection with your acting in accordance with the directions herein.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

DATED effective the 30th day of May 2018.

BEARSTONE ENVIRONMENTAL SOLUTIONS INC.
Borrower

By: 
Name: Gerry E. Kerkhoff
Title: President

500, 435 - 4 Avenue SW
Calgary, AB T2P 3A8
Facsimile: (403) 984-9799

Form of Organization: Corporation
Jurisdiction of Organization: Alberta
Corporate Access Number: 2017755501

SCHEDULE "A"

PAYMENT INSTRUCTIONS

1. **CAD\$7,211.38 to be paid to Torque Industrial Ltd.**

Beneficiary Name

Torque Industrial Ltd.
9102 119 Ave.
Grande Prairie AB T8X 1J4
ATB Financial account #: 00222975779

Beneficiary Bank

ATB Financial
25th Floor
10020 – 100 St.
Edmonton AB T5J 0N3
Bank #: 219
Transit #: 07199
SWIFT CODE: ATBRCA6EXXX

From USA

See SWIFT Code above or use ABA ROUTE #:

2. **CAD\$9,034.34 to be paid to IONSON Mechanical Ltd.**

Beneficiary Name

Ionson Mechanical Ltd.
NW 12 79 6 W6
Box 621
Spirit River, AB T0H 3G0
Royal Bank of Canada account # 1007526

Beneficiary Bank

Royal Bank of Canada
Spirit River Branch
4601-50 St., P.O. Box 10
Spirit River, AB T0H 3G0
Bank#: 003
Transit #: 08699
SWIFT CODE: ROYCCAT2

From USA

See SWIFT Code above or use ABA ROUTE #: 021000021

3. **CAD\$30,192.61 to be paid to the Borrower**

Beneficiary Name

BearStone Environmental Solutions Inc.
500, 435 – 4 Ave SW
Calgary AB T2P 3A8
Bank of Montreal account #: 00101956394

Beneficiary Bank

Bank of Montreal
340 – 7 Ave SW
Calgary AB T2P 0X4
Bank #: 001
Transit # 00109
SWIFT CODE: BOFMCAM2

From USA

Pay through: Wells Fargo Bank (FKA Wachovia Bank)
SWIFT Code: PNBPUS3NNYCAND – Fed wire ABA: 026005092
OR - CHIPS UID: 0509

(NOTE: Some financial institutions specifically require BMO's beneficiary bank information in the format //CC0001NNNNN where the last 5 digits (N) is the branch transit number including region code).

ORIGINAL

IRREVOCABLE AUTHORIZATION AND DIRECTION TO PAY NO. BEAR-0006-C

TO: NATIONS FUND I, LLC

RE: Term Loan and Security Agreement between made effective as of the 3rd day of May 2018, by and between NATIONS FUND I, LLC ("Lender"), NEW WEST ENERGY SERVICES INC. and BEARSTONE ENVIRONMENTAL SOLUTIONS INC. ("Borrower") (the "Loan Agreement")

All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

In connection with **Promissory Note No. BEAR-0006-C** to the Loan Agreement, the Borrower hereby irrevocably authorizes and directs the Lender to pay the aggregate amount of **CAD\$151,696.70** representing an Advance in accordance with the payment instructions set forth in Schedule "A" attached hereto:

1. CAD\$14,962.50 to be paid to Torque Industrial Ltd.
2. CAD\$98,755.11 to be paid to Northern Repair Ltd.; and
3. CAD\$37,979.09 to be paid to the Borrower.

This shall be your good and sufficient authority for acting in accordance with the above authorization and direction. The undersigned hereby release you from all liability in connection with your acting in accordance with the directions herein.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

DATED effective the 11th day of June 2018.

BEARSTONE ENVIRONMENTAL SOLUTIONS INC.
Borrower

By: 
Name: Gerry E. Kerkhoff
Title: President

500, 435 - 4 Avenue SW
Calgary, AB T2P 3A8
Facsimile: (403) 984-9799

Form of Organization: Corporation
Jurisdiction of Organization: Alberta
Corporate Access Number: 2017755501

SCHEDULE "A"

PAYMENT INSTRUCTIONS

1. CAD\$14,962.50 to be paid to Torque Industrial Ltd.

Beneficiary Name

Torque Industrial Ltd.
9102 119 Ave.
Grande Prairie AB T8X 1J4
ATB Financial account #: 00222975779

Beneficiary Bank

ATB Financial

Bank #:

Transit #:

SWIFT CODE: ATBRCA6EXXX

From USA

See SWIFT Code above or use ABA ROUTE #:

2. CAD\$98,755.11 to be paid to Northern Repair Ltd.

Beneficiary Name

Northern Repair Ltd.
7027 Poplar Drive
Grande Prairie AB T8V 6V8
Royal Bank of Canada account #: 1054410

Beneficiary Bank

Royal Bank of Canada
9815 – 98 St
Grande Prairie, AB T8V 2E4
Bank #: 003
Transit #: 05949
SWIFT CODE: ROYCCAT2

From USA

See SWIFT Code above or use ABA ROUTE #: 02100021

3. **CAD\$37,979.09 to be paid to the Borrower**

Beneficiary Name

BearStone Environmental Solutions Inc.
500, 435 – 4 Ave SW
Calgary AB T2P 3A8
Bank of Montreal account #: 00101956394

Beneficiary Bank

Bank of Montreal
340 – 7 Ave SW
Calgary AB T2P 0X4
Bank #: 001
Transit # 00109
SWIFT CODE: BOFMCAM2

From USA

Pay through: Wells Fargo Bank (FKA Wachovia Bank)
SWIFT Code: PNBPUS3NNYCAND – Fed wire ABA: 026005092
OR - CHIPS UID: 0509

(NOTE: Some financial institutions specifically require BMO's beneficiary bank information in the format //CC0001NNNNN where the last 5 digits (N) is the branch transit number including region code).

ORIGINAL

IRREVOCABLE AUTHORIZATION AND DIRECTION TO PAY NO. BEAR-0006-E

TO: NATIONS FUND I, LLC

RE: Term Loan and Security Agreement between made effective as of the 3rd day of May 2018, by and between NATIONS FUND I, LLC ("Lender"), NEW WEST ENERGY SERVICES INC. and BEARSTONE ENVIRONMENTAL SOLUTIONS INC. ("Borrower") (the "Loan Agreement")

All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

In connection with **Promissory Note No. BEAR-0006-E** to the Loan Agreement, the Borrower hereby irrevocably authorizes and directs the Lender to pay the aggregate amount of **CAD\$94,856.76** representing an Advance in accordance with the payment instructions set forth in Schedule "A" attached hereto:

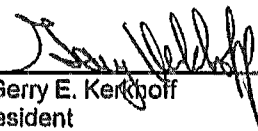
1. CAD\$78,810.23 to be paid to Northern Repair Ltd.
2. CAD\$6,737.46 to be paid to the Borrower; and
3. CAD\$9,309.07 to be paid to Torque Industrial Ltd.

This shall be your good and sufficient authority for acting in accordance with the above authorization and direction. The undersigned hereby release you from all liability in connection with your acting in accordance with the directions herein.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

DATED effective the 30 day of October, 2018.

BEARSTONE ENVIRONMENTAL SOLUTIONS INC.
Borrower

By: 
Name: Gerry E. Kerchhoff
Title: President

500, 435 - 4 Avenue SW
Calgary, AB T2P 3A8
Facsimile: (403) 984-9799

Form of Organization: Corporation
Jurisdiction of Organization: Alberta
Corporate Access Number: 2017755501

SCHEDULE "A"

PAYMENT INSTRUCTIONS

1. CAD\$78,810.23 to be paid to Northern Repair Ltd.

Beneficiary Name

Northern Repair Ltd.
7027 Poplar Drive
Grande Prairie AB T8V 6V8
Royal Bank of Canada account #: 1054410

Beneficiary Bank

Royal Bank of Canada
9815 – 98 St
Grande Prairie, AB T8V 2E4
Bank #: 003
Transit #: 05949
SWIFT CODE: ROYCCAT2

From USA

See SWIFT Code above or use ABA ROUTE #: 02100021

2. CAD\$6,737.46 to be paid to the Borrower

Beneficiary Name

BearStone Environmental Solutions Inc.
500, 435 -- 4 Ave SW
Calgary AB T2P 3A8
Bank of Montreal account #: 00101956394

Beneficiary Bank

Bank of Montreal
340 – 7 Ave SW
Calgary AB T2P 0X4
Bank #: 001
Transit # 00109
SWIFT CODE: BOFMCAM2

From USA

Pay through: Wells Fargo Bank (FKA Wachovia Bank)
SWIFT Code: PNBPU3NNYCAND – Fed wire ABA: 026005092
OR - CHIPS UID: 0509

(NOTE: Some financial institutions specifically require BMO's beneficiary bank information in the format //CC0001NNNNN where the last 5 digits (N) is the branch transit number including region code).

3. **CAD\$9,309.07 to be paid to Torque Industrial Ltd.**

Beneficiary Name

Torque Industrial Ltd.

9102 119 Ave.

Grande Prairie AB T8X 1J4

ATB Financial account #: 00222975779

Beneficiary Bank

ATB Financial

Bank #:

Transit #:

SWIFT CODE: ATBRCA6EXXX

From USA

See SWIFT Code above or use ABA ROUTE #:

ORIGINAL

NATIONS FUND I, LLC

COLLATERAL SCHEDULE NO. BEAR-0006

THIS COLLATERAL SCHEDULE NO. BEAR-0006 is executed pursuant to and made a part of that certain Term Loan and Security Agreement dated as of May 3, 2018 (the "Agreement"), between NATIONS FUND I, LLC, as Lender, and BearStone Environmental Solutions Inc., as Borrower, and New West Energy Services Inc., as Parent and guarantor, and describes collateral in which Borrower has granted Lender a security interest in connection with the Obligations (as defined in the Agreement).

Year	Make	Model	Serial
2006	Freightliner	Steelhead 13 m3	1FVHALCG26DV46864
2006	Western Star	Custco 17 m3	5KKPALCK16PV23858
2005	Freightliner	Steelhead 13 m3	1FVHALCG05DN85404
2006	Western Star	Steelhead 13 m3	5KKHALDE76PV35431
2011	Western Star	Steelhead 15 m3	5KKPALDR9BPAZ1545
2009	Western Star	Custom Vac 18 m3	5KJRALCK59PAJ2030
2006	International	Tremcor 22 m3 Alum	1HTXTAPT16J254382
2006	International	Tremcor 22 m3 Alum	1HTXTAPT56J223295
2007	Paystar	Advance 19 m3	1HTXSAPT27J362840
2013	West Star	Advance 19 m3	5KKPALDR5DPBS7587
2013	West Star	Advance 19 m3	5KKPALDR7DPBS7588
2013	Freightliner	Jasper 16 m3	1FVHG3DV0DDBW2562
2007	Freightliner	Rebel vac	1FVPALAV67DY45840
2007	Western Star	Custom Vac	5KKPALCK97PY22211
2006	Kenworth	T-300	2NKMHD8X16M991559
2011	Kenworth	Rebel vac	1NKDXBEX5BJ946735
2005	Freightliner M2	van body	1FVACXDCX5HV13228
2006	Freightliner M2	van body	1FVACXDC96HW34126
2010	Steamer unit	van body	2NPLLZ9X15M874675
2012	Cross Country		2C9EUR335DM183418
1996	Peterbuilt	Van Body, 60hp	1XP5DBPX3TD387581
1986	Kenworth	Van Body, 60hp	2NKWL29X6GM915654
2015	Rebel, Vac Pup		2P9PT3GN3FA015488
1995	Goertzen	20' Flat Deck	2WZTR1628S0006582
1990	Homemade	12' Dually fuel trailer	n/a
2005	Pace American	14' Dump trailer	4P2UB122054063800
2006	Steeldec	12' Utility	n/a
2014	Road Clipper	24' Tilt Deck trailer	46UFU222XE1155446
2008		Tandem 20x8 pintle	6653
2013	Polar	41600 tank trailer	1PMA35031D1040702
2005	Hamms	pup tank trailer	2G9P2S3345R011211
2011	SeaCan		n/a

Year	Make	Model	Serial
2004	Travco WST	10x30	VW1028415200
2000	Mountain View	10x30	6510300700
2005	Westlake	10x30	SQ1030TRA37020554
2005	Westlake	10x30	SQ1030TRA37010549
2005	Westlake	10x30	SQ1030TRA37010550
2005	Westlake	10x30	SQ1030TRA37020552
2007	Four Lane	10x30	2AT70124970301964
1996	Dunmore	10x30	W9610302016
2001	Mountain View	10x30	10510300501
2003	Noble, Wellsite	10x30	NAL1028031949
2007	GMC		1GBE5C3987F426405
2009	Ford	F350	1FTWW31R59EA63893
2002	Dodge 1500 regular cab	1500	1D7HU16N22J215317
2008	Dodge 3500 mega cab	3500	3D7MX39A78G131157
2012	Dodge Ram 3500	3500	3C63D3ML0CG234542

including (i) all manuals, documents, data, log books and other records in respect of the equipment or any part thereof; (ii) all rights to money or other value payable under insurance policies in respect of the equipment; (iii) all warranties, representations, service contracts, product support or other agreements of any nature in respect of or that shall apply to the equipment or any part thereof from any manufacturer, vendor, contractor or supplier thereof; and (iv) all rights under any sublease or rental of the equipment, including any payments under such sublease or rental.

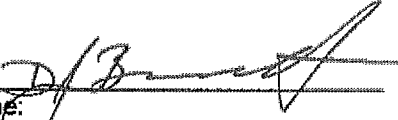
Location:

500, 435 - 4 Avenue SW
 Calgary, AB T2P 3A8

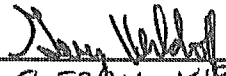
Date: May 3, 2018

[Signature page follows]

NATIONS FUND I, LLC
Lender

By: 
Name: _____
Title: DENNIS J. BICKERSTAFF
Executive Vice President

BearStone Environmental Solutions Inc.
Borrower

By: 
Name: GERRY KERKHOFF
Title: PRESIDENT

New West Energy Services Inc.
Parent Guarantor

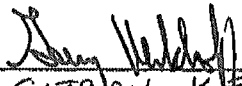
By: 
Name: GERRY KERKHOFF
Title: PRESIDENT & CEO

EXHIBIT 6

This is EXHIBIT "6" referred to in the Affidavit of Mark Skura sworn before me this 12 day of June, 2019.

Christine L. Cokeley
Notary Public in and for the
State of Connecticut

CHRISTINE L. COKELEY
Notary Public-Connecticut
My Commission Expires
October 31, 2021



ORIGINAL

NATIONS FUND I, LLC

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "Agreement") is made as of the 14 day of December, 2018, by and between NATIONS FUND I, LLC ("Lender") and BearStone Environmental Solutions Inc. ("Borrower").

Borrower is desirous of obtaining a loan from Lender and Lender is willing to make the loan to Borrower upon the terms and conditions set forth herein.

Capitalized terms used herein without definition shall have the meanings assigned to them in Schedule A attached hereto and, for purposes of this Agreement and the other Loan Documents, the rules of construction set forth in Schedule A shall govern.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. ADVANCE OF LOAN

- (a) The Loan. On the terms and conditions hereinafter set forth, the parties agree that Lender shall lend to Borrower certain sums by way of advances in Canadian dollars and dollars of the United States of America in an aggregate amount not to exceed CAD\$404,625.90 (the "Loan"), on the terms specified herein. Borrower acknowledges and agrees that for the purposes of determining such aggregate amount, any determination made by Lender as to the exchange rate between Canadian dollars and United States dollars at the time of initial funding, shall, absent manifest error on the part of Lender, be binding on Borrower. Time is of the essence.
- (b) Promissory Note. The obligation to repay the Loan hereunder shall be evidenced by one or more promissory notes payable by Borrower to the order of Lender in form and substance satisfactory to Lender (hereinafter collectively referred to individually as a "Promissory Note" and collectively as the "Promissory Notes").
- (c) Expiration of Commitment. The obligation of Lender to make the Loan herein shall expire on December 31, 2018; provided, however, that such obligation shall terminate (at Lender's option) upon the occurrence of any Default or of any event which, with the giving of notice or lapse of time, or both, would become a Default hereunder.
- (d) Single Loan. The Loan and all of the other Obligations of Borrower to Lender shall constitute one general obligation of Borrower secured by all of the Collateral.
- (e) [Intentionally deleted]
- (f) [Intentionally deleted]

2. PAYMENTS AND PREPAYMENT OF LOAN

- (a) Principal Payment. On each Payment Date, Borrower shall pay the aggregate principal payments owed with respect to the Loan as set forth in the Promissory Notes; provided, however, on the Stated Maturity Date or on any date of acceleration or prepayment of the Loan, Borrower shall repay in full the aggregate, if any, of the then outstanding principal

amount of the Loan plus all accrued and unpaid interest thereon, any Prepayment Fee applicable to the Loan and all other amounts owed hereunder and under each Loan Document related to the Loan. Borrower shall pay accrued interest on the Loan on each Payment Date as provided in Section 2(c) hereof.

- (b) **Acceleration.** Upon any acceleration of the Loan pursuant to this Agreement or any other Loan Document, Borrower shall immediately repay all (or if only a portion is accelerated thereunder, such portion of) the Loan then outstanding, including all accrued and unpaid interest thereon, plus the aggregate Prepayment Fee for the Loan and all other amounts owed under the Loan Documents.
- (c) **Interest.** Subject to Section 2(a) hereof, interest shall accrue at the Loan Rate on the outstanding principal balance of the Loan starting on the date of advance of the Loan to Borrower and until all amounts under the Loan are repaid in full. Interest and repayment of the principal balance of the Loan shall be payable on each Payment Date in accordance with the terms of the Promissory Notes. In no event will Lender charge, or will Borrower be liable to pay interest at a rate that exceeds the highest rate of interest permissible under Applicable Law, or that is not in compliance with any applicable usury laws any excess interest shall be adjusted as set forth in any Promissory Note. If any payment due hereunder is not received within five (5) days of its due date, Borrower shall incur and shall, on be liable to pay a late charge equal to five (5) percent of the amount in arrears.
- (d) **Default Rate.** Effective upon the occurrence of any Default and for so long as any Default shall be continuing: (i) the Loan Rate shall automatically be increased by a nominal amount equal to two (2) percent per annum (such increased rate, the "Default Rate"); and (ii) all outstanding Obligations, including unpaid interest, shall continue to accrue interest from the date of such Default at the Default Rate applicable to such Obligations.
- (e) **Payment Date.** If any payment to Lender under this Agreement becomes due and payable on a day other than a Business Day, such Payment Date shall be extended to the next succeeding Business Day (unless such next succeeding Business Day is in the next calendar month, in which case such payment date shall be the immediately preceding Business Day) and the interest portion of such payment shall be calculated at the then applicable rate during such extension, provided that for greater certainty, if such next Business Day is in the succeeding calendar month and the payment is made on the immediately preceding Business Day, there shall be no change in the payment amount.
- (f) **Interest Act (Canada).** Solely for purposes of the Interest Act (Canada): (1) whenever the interest is to be computed or expressed at any rate (the "Specified Rate") on the basis of a year of less than 365 days or any other period of time less than a calendar year hereunder, the annual rate of interest to which each such Specified Rate is equal is such Specified Rate multiplied by a fraction, the numerator of which is the actual number of days in the relevant year and the denominator of which is 360 or such other period of time, respectively; (2) the principle of deemed reinvestment of interest shall not apply to any interest calculation hereunder; and (3) the rates of interest stipulated herein are intended to be nominal rates and not effective rates or yields.
- (g) **Payment by Wire Transfer.** Borrower shall make each payment under this Agreement without set-off, counterclaim or deduction and free and clear of all Taxes not later than 12:00 Noon, New York, New York time, on the day when due in lawful money of the Canada by wire transfer of immediately available funds as Lender shall specify from time to time in writing. If Borrower shall be required by law to deduct any Taxes from any payment to Lender under any Loan Document, then the amount payable to Lender shall be increased so that, after making all required deductions, Lender receives an amount equal to that which it could have received had no such deductions been made. For purposes of computing interest and fees, any payments received after 12:00 Noon, New York, New York time, shall be deemed received by Lender on the next Business Day.

- (h) Application of Payments. Borrower irrevocably agrees that Lender shall have the continuing and exclusive right to apply any and all payments against the then due and payable Obligations in such order as Lender may deem advisable. Lender is authorized to, and at its option may (without prior notice or precondition and at any time or times), but shall not be obligated to, make or cause to be made advances on behalf of Borrower for: (1) payment of all fees, expenses, indemnities, charges, costs, principal, interest, or other Obligations owing by Borrower under this Agreement or any of the other Loan Documents, (2) the payment, performance or satisfaction of any of Borrower's obligations with respect to preservation of the Collateral, or (3) any premium in whole or in part required in respect of any of the policies of insurance required by this Agreement, even if the making of any such advance causes the outstanding balance of the Loan to exceed the Maximum Amount and Borrower agrees to repay immediately, in cash, any amount by which the Loan exceeds the Maximum Amount.
- (i) Increased Capital Costs. If any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority affects or would affect the amount of capital required or expected to be maintained by Lender or any Person controlling Lender, and Lender determines that the rate of return on its or such controlling Person's capital as a consequence of making its Loan is reduced to a level below that which Lender or such controlling Person could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by Lender to Borrower, Borrower shall immediately pay directly to Lender additional amounts sufficient to compensate Lender or such controlling Person for such reduction in rate of return. A statement of Lender as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on Borrower.

3. SECURITY

As security for the payment as and when due of the indebtedness of Borrower to Lender hereunder and under the Promissory Notes (and any renewals, extensions and modifications thereof) and under any other agreement or instrument, both now in existence and hereafter created (as the same may be renewed, extended or modified), and the performance and payment as and when due of all other Obligations of Borrower to Lender, both now in existence and hereafter created (as the same may be renewed, extended or modified), Borrower hereby grants to Lender a security interest in: (i) all equipment and inventory of Borrower from time to time financed by Lender or its Affiliates whether financed pursuant to this Agreement or otherwise; and (ii) the items of equipment described on the collateral schedule(s) in form and substance satisfactory to Lender (hereinafter collectively referred to as the "Collateral Schedule") now or hereafter executed in connection with the Promissory Notes, and all replacements, substitutions and exchanges thereof and thereof and accessions thereto (the "Equipment") and any and all insurance and/or other proceeds thereof (the "Collateral"). For greater certainty, Borrower also hereby grants to Lender a security interest in the equipment listed in the Collateral Schedule as continuing security for any other indebtedness of Borrower to Lender or its Affiliates, from time to time, under this Agreement or any other agreement or document pursuant to which Borrower is indebted to Lender.

Lender agrees, upon prepayment of the Loan in accordance with the terms hereof or the terms of the applicable Promissory Note, and provided that no Default exists hereunder or under any other agreement between Lender and Borrower, that it shall release its security interest and any cross-collateralization of the applicable item of equipment. Borrower agrees that, with respect to the Collateral, Lender shall have all of the rights and remedies of a secured party under the PPSA. Borrower hereby authorizes Lender to file financing statements under the PPSA ("Financing Statements") describing the Collateral. Without Lender's prior written consent, Borrower agrees not to file any corrective or termination statements or partial releases with respect to any Financing Statements filed by Lender pursuant to this Agreement. Borrower hereby waives any and all rights Borrower has or may have under Section 43 of the PPSA to receive a copy of any financing statement or financing change statement filed by or for Lender or any verification statement in respect thereof.

4. CONDITIONS PRECEDENT TO LENDER'S OBLIGATION

The obligation of Lender to make the Loan as set forth in Section 1 hereof is expressly conditioned upon compliance by Borrower, to the reasonable satisfaction of Lender and its counsel, of the following conditions precedent:

- (a) Initial Advance. Concurrently with the execution hereof, or on or prior to the first date on which Lender is to advance the Loan hereunder, Borrower shall cause to be provided to Lender the following:
 - (1) Resolutions of the Board of Directors, managing body or validly authorized Executive Committee of Borrower, certified by the Secretary or another duly appointed officer of Borrower, duly authorizing the borrowing of funds hereunder and the execution, delivery and performance of this Agreement, the Promissory Notes and all related instruments and documents.

- (b) Each Advance. On each date on which Lender is to advance funds hereunder,
 - (1) Borrower shall cause to be provided to Lender the following:
 - (a) A certificate executed by the Secretary or another duly appointed officer of Borrower, certifying that the representations and warranties of Borrower contained herein remain true and correct as of such date, and that no Default or event which, with the giving of notice or the lapse of time, or both, would become a Default hereunder, has then occurred.
 - (b) Evidence satisfactory to Lender as to due compliance with the insurance provisions of Section 6(g) hereof.
 - (c) An original Promissory Note in the amount of the Loan to be advanced on such date, duly executed on behalf of Borrower, pursuant to Section 1 hereof.
 - (d) As applicable, copies of either: (i) the invoice(s) or other evidence reasonably satisfactory to Lender and its counsel, related to the acquisition cost of the Collateral to which such advance of the Loan relates; or (ii) an appraisal in form satisfactory to Lender and completed by an appraiser satisfactory to Lender as to the orderly liquidation value of the Collateral to which such advance of the Loan relates.
 - (e) A Collateral Schedule describing the Collateral to which such advance of the Loan relates.

- (2) Such bills of sale, no interest letters, authorizations to discharge and discharges or subordination agreements shall have been obtained and such filings shall have been made and other actions taken as reasonably may be required by Lender and its counsel to perfect a valid, first priority security interest granted by Borrower to Lender with respect to the Collateral to which such advance of the Loan relates.
- (3) No Default or event which, with the giving of notice or lapse of time, or both, would become a Default hereunder, shall have occurred.
- (4) No event shall have occurred which could have a Material Adverse Effect.

5. REPRESENTATIONS AND WARRANTIES

Borrower hereby represents and warrants that:

- (a) Business Existence. Borrower has the form of business organization, and is and will remain duly organized and validly existing in good standing under the laws of the jurisdiction, specified below the signature of Borrower; and is duly qualified and authorized to transact business and is in good standing wherever necessary to perform its obligations under the Loan Documents, including each jurisdiction in which the Collateral is to be located.
- (b) Requisite Power and Authority. Borrower has the requisite power and authority to own or hold under lease its properties and to enter into and perform its obligations hereunder; and the borrowing hereunder by Borrower from Lender, the execution, delivery and performance of the Loan Documents, (1) have been duly authorized by all necessary action consistent with Borrower's form of organization; (2) do not require any approval or consent of any stockholder, member, partner, trustee or holders of any indebtedness or obligations of Borrower except such as have been duly obtained; and (3) do not and will not contravene any law, governmental rule, regulation or order now binding on Borrower, or the organizational documents of Borrower, or contravene the provisions of, or constitute a default under, or result in the creation of any Lien or encumbrance upon the property of Borrower under any agreement to which Borrower is a party or by which it or its property is bound.
- (c) No Consents or Approvals. Neither the execution and delivery by Borrower of the Loan Documents, nor the consummation of any of the transactions by Borrower contemplated hereby or thereby, requires the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any federal, provincial or foreign governmental authority or agency, except as provided herein.
- (d) Enforceability. This Agreement constitutes, and all other Loan Documents when entered into will constitute, the legal, valid and binding obligation of Borrower enforceable against Borrower in accordance with the terms hereof and thereof, except as limited by applicable bankruptcy, insolvency, receivership, moratorium or similar laws or equitable principles relating to or affecting the enforcement of creditors' rights generally, and by applicable laws (including any applicable common law and equity) and judicial decisions which may affect the remedies provided herein and therein.
- (e) Litigation. There are no pending or threatened actions or proceedings to which Borrower is a party, and there are no other pending or threatened actions or proceedings of which Borrower has knowledge, before any court, arbitrator or administrative agency, which, either individually or in the aggregate, would have a Material Adverse Effect. Further, Borrower is not in default under any material obligation for the payment of borrowed

money, for the deferred purchase price of property or for the payment of any rent which, either individually or in the aggregate, would have a Material Adverse Effect.

- (f) Not Real Property Fixtures. Under the laws of the provinces in which the Collateral is to be located, the Collateral consists solely of personal property and not fixtures.
- (g) Validity and Priority of Security Interest. Upon satisfaction of the conditions precedent in Section 4 hereof, Borrower will have good and marketable title to the Equipment, free and clear of all Liens and encumbrances (excepting only the Lien of Lender and the subordinated liens in favour of Canadian Western Bank and Canadian Western Bank Leasing Inc.) Lender will have a valid, perfected, first priority security interest in such item of Collateral. In the case of any Collateral purchased by Borrower using an advance of the Loan provided by Lender then, upon the last to occur of: (1) delivery of the applicable item of Collateral, (2) payment to the vendor of the acquisition cost of such item of Collateral, (3) advance by Lender or Borrower of the Loan relating to such item of Collateral, and (4) filing in the appropriate public office of a Financing Statement naming Borrower as debtor, and Lender as secured party, and describing such item of Collateral, Lender will have a valid, perfected, first priority purchase money security interest in such item of Collateral.
- (h) Financial Statements. The financial statements of Borrower (copies of which have been furnished to Lender) have been prepared in accordance with GAAP, and fairly present Borrower's financial condition and the results of Borrower's operations as of the date of and for the period covered by such statements, and since the date of such statements there has been no Material Adverse Effect on such conditions or operations.
- (i) Tax Returns and Payments. Borrower has filed or has caused to have been filed all federal, provincial and local tax returns which, to the knowledge of Borrower, are required to be filed, and has paid or caused to have been paid all taxes as shown on such returns or an any assessment received by it, to the extent that such taxes have become due, unless and to the extent only that such taxes, assessments and governmental charges are currently contested in good faith and by appropriate proceedings by Borrower and adequate reserves therefor have been established as required under GAAP. To the extent Borrower believes it advisable to do so, Borrower has set up reserves which are believed by Borrower to be adequate for the payment of additional taxes for years which have not been audited by the respective tax authorities.
- U) No Violation of Law. Borrower is not in violation of any law, ordinance, governmental rule or regulation to which it is subject and the violation of which would have a Material Adverse Effect, and Borrower has obtained any and all licenses, permits, franchises or other governmental authorizations necessary for the ownership of its properties and the conduct of its business.
- (k) Use of Proceeds. None of the proceeds of the Loan will be used, directly or indirectly, by Borrower for the purpose of purchasing or carrying, or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry, any "margin security" or "margin stock" within the meaning of Regulation U (12 CFR Part 221), of the Board of Governors of the Federal Reserve System (herein called "margin security" and "margin stock") or for any other purpose which might make the transactions contemplated herein a purpose credit" within the meaning of Regulation U, or cause this Agreement to violate any other regulation of the Board of Governors of the Federal Reserve System or the Securities Exchange Act of 1934 or the Small Business Investment Act of 1958, as amended, or any rules or regulations promulgated under any of such statutes, or any similar legislation under Applicable Law.

- (l) Business Information. The legal name, jurisdiction of organization, Corporate Access and Business Identification Number of Borrower, specified on the signature page hereof, are true and correct and the address of Borrower on such signature page is the address of its chief executive officer. Within the previous six (6) years, Borrower has not changed its name, done business under any other name, or merged or been the surviving entity of any merger, except as disclosed to Lender in writing.
- (m) ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other existing ERISA Events, could reasonably be expected to result in a liability of Borrower of more than the Minimum Actionable Amount. The present value of all accumulated benefit obligations of Borrower under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan by more than the Minimum Actionable Amount, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Account Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such underfunded Plans by more than the Minimum Actionable Amount. Neither Borrower nor any ERISA Affiliate has incurred or reasonably expects to incur any Withdrawal Liability in excess of the Minimum Actionable Amount.
- (n) Full Disclosure. No information contained in any Loan Document, the financial statements or any written statement furnished by or on behalf of Borrower under any Loan Document, or to induce Lender to execute the Loan Documents, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

6. COVENANTS OF BORROWER

Borrower covenants and agrees as follows:

- (a) Application of Proceeds. The proceeds of the Loan will be used exclusively for business or commercial purposes and to refinance the Equipment and/or to reimburse Borrower with respect to the acquisition cost of the Equipment.
- (b) Use of Collateral. Borrower shall use the Collateral solely in the Province of Alberta, Canada, or in any other province of Canada in respect of which Lender has given its prior written consent, and in the conduct of its business and in a careful and proper manner; shall not permanently discontinue use of the Collateral; and shall provide written notice to Lender not more than thirty (30) days after any change of the location of any item of the Collateral (or the location of the principal garage of any item of the Collateral, to the extent that such item is mobile equipment) as specified on the applicable Collateral Schedule
- (c) No Sale or Further Encumbrance. Borrower shall not dispose of or further encumber its interest in the Collateral without the prior written consent of Lender. Borrower shall maintain the Collateral free from all claims, Liens and legal processes of creditors of Borrower other than Liens (1) for fees, taxes, or other governmental charges of any kind which are not yet delinquent or are being contested in good faith by appropriate proceedings which suspend the collection thereof (provided, however, that such proceedings do not involve any substantial danger of the sale, forfeiture or loss of the Equipment or any interest therein); (2) Liens of mechanics, materialmen, laborers, employees or suppliers and similar Liens arising by operation of law incurred by Borrower in the ordinary course of business for sums that are not yet delinquent or are being

contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof (provided, however, that such contest does not involve any substantial danger of the sale, forfeiture or loss of the Equipment or any interest therein); and (3) Liens arising out of any judgments or awards against Borrower which have been adequately bonded to protect Lender's interests or with respect to which a stay of execution has been obtained pending an appeal or a proceeding for review ("Permitted Liens"). Borrower shall notify Lender immediately upon receipt of notice of any Lien, attachment or judicial proceeding affecting the Equipment in whole or in part.

- (d) Fees and Taxes. Borrower, at its own expense, will pay or cause to be paid all taxes and fees relating to the ownership and use of the Equipment and will keep and maintain, or cause to be kept and maintained, the Equipment in accordance with the manufacturer's recommended specifications, and in as good operating condition as on the date of execution hereof (or on the date on which acquired, if such date is subsequent to the date of execution hereof), ordinary wear and tear resulting from proper use thereof alone excepted, and will provide all maintenance and service and make all repairs necessary for such purpose. In addition, if any parts or accessories forming part of the Equipment shall from time to time become worn out, lost, destroyed, damaged beyond repair or otherwise permanently rendered unfit for use, Borrower, at its own expense, will within a reasonable time replace such parts or accessories or cause the same to be replaced, with replacement parts or accessories which are free and clear of all Liens, encumbrances or rights of others and have a value and utility at least equal to the parts or accessories replaced. All accessories, parts and replacements for or which are added to or become attached to the Equipment shall immediately be deemed incorporated in the Equipment and subject to the security interest granted by Borrower herein. Upon reasonable advance notice, Lender shall have the right to inspect the Equipment and all maintenance records thereto, if any, at any reasonable time.
- (e) Loss or Damage. Borrower shall advise Lender in writing within ten (10) days of the occurrence of any material damage, loss, theft, destruction or governmental confiscation or appropriation of any item of the Equipment (an "Event of Loss") and of the circumstances and extent of such Event of Loss. Within thirty (30) days after receipt of notice from Lender, Borrower shall (at Lender's option) either: (1) replace the item of Equipment having suffered the Event of loss with equipment which is free and clear of all Liens and has a value and utility at least equal to the item of Equipment having suffered the Event of Loss, and such replacement equipment shall immediately be deemed "Equipment" hereunder and subject to the security interest granted by Borrower herein; or (2) prepay the Obligations to the extent attributable to the unpaid portion of the Obligations funded with respect to the item of Equipment having suffered the Event of Loss (as reasonably determined by Lender). If any item of Equipment is damaged and such damage can be repaired, Borrower shall (at its expense) promptly effect such repairs. Proceeds of insurance shall be paid to Lender with respect to such reparable damage to the Equipment and shall, at the election of Lender, be applied either to the repair of the Equipment by payment by Lender directly to the party completing the repairs, or to the reimbursement of Borrower for the cost of such repairs; provided, however, that Lender shall have no obligation to make such payment or any part thereof until receipt of such evidence as Lender shall deem satisfactory that such repairs have been completed, and further provided that Lender may apply such proceeds to the payment of any installment or other sum due or payable.
- (f) Personal Property. The parties intend that the Equipment shall remain personal property, notwithstanding the manner in which it may be affixed to any real property, and Borrower shall obtain and deliver to Lender (to be recorded at Borrower's expense) from each Person having an interest in or Lien on the property (the "Premises") where the Equipment is to be located, waivers of any Lien, encumbrance or interest which such Person might have or hereafter obtain or claim with respect to the Equipment.

- (g) Insurance. At its own expense, Borrower shall keep the Equipment or cause it to be kept insured against loss or damage due to fire and the risks normally included in extended coverage, malicious mischief and vandalism, for the full replacement value thereof. All insurance for loss or damage shall provide that losses, if any, shall be payable to Lender under a lender's loss payee endorsement, which shall be evidenced by Borrower adding Lender as a First Loss Payee in respect of the Collateral on the certificate of insurance of Borrower. The proceeds of such insurance payable as a result of loss of or damage to the Collateral shall be applied, at Lender's option, (x) toward the replacement, restoration or repair of the Collateral which may be lost, stolen, destroyed or damaged, or (y) toward payment of the balance outstanding on the Promissory Notes or the Obligations. In addition, Borrower shall also carry public liability insurance, both personal injury and property damage. All insurance required hereunder shall be in form and amount and with companies satisfactory to Lender. Borrower shall pay or cause to be paid the premiums therefor and deliver to Lender evidence satisfactory to Lender of such insurance coverage. Borrower shall cause to be provided to Lender, prior to the scheduled expiration or lapse of such insurance coverage, evidence satisfactory to Lender of renewal or replacement coverage. Each insurer shall agree, by endorsement upon the policy or policies issued by it, or by independent instrument furnished to Lender, that (1) it will give Lender thirty (30) days' prior written notice of the effective date of any material alteration or cancellation of such policy; and (2) the interest of any named loss payee other than Borrower shall not be invalidated by any actions, inactions, breach of warranty or conditions or negligence of Borrower with respect to such policy or policies.
- (h) Further Assurances. Borrower shall promptly and duly execute and deliver to Lender such further documents, instruments and assurances and take such further action as Lender may from time to time reasonably request in order to carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created or intended to be created in favor of Lender hereunder; including, without limitation, the execution and delivery of any document reasonably required, and payment of all necessary costs to record such documents (including payment of any documentary or stamp tax), to perfect and maintain perfected the security interest granted under this Agreement.
- (i) Notices to Lender. Borrower shall provide written notice to Lender: (1) not less than thirty (30) days prior to any contemplated change in the name, the jurisdiction of organization, or address of the chief executive office, of Borrower or Borrower's organizational structure such that a filed financing statement would become seriously misleading; and (2) promptly upon the occurrence of any event which constitutes a Default (as hereinafter defined) hereunder or which, with the giving of notice, lapse of time or both, would constitute a Default hereunder.
- (j) Notice of Bankruptcy. Borrower shall provide written notice to Lender of the commencement of proceedings under any and all bankruptcy, insolvency, receivership, reorganization or similar laws under Applicable Law (as now or hereafter in effect) involving Borrower as a debtor.
- (k) Bank Secrecy Act. etc. (1) Borrower has been advised by Lender that the USA Patriot Act establishes minimum standards of account information to be collected and maintained by Lender, and that to help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account; and specifically, this means that when Borrower executes this Agreement, Lender may ask for Borrower's name and address, the date of birth of the officers executing this Agreement, and other information that will allow Lender to identify Borrower; and that Lender may also ask to see the driver's license or other identifying documents of the officers of Borrower executing this Agreement. (2) Borrower is and will remain in full compliance with all

Applicable Laws including, without limitation, (i) ensuring that no Person who owns a controlling interest in or otherwise controls Borrower is or shall be (A) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation, or (B) a Person designated under Sections 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar Executive Orders, and (ii) compliance with all applicable Bank Secrecy Act ("BSA") laws, regulations and government guidance on BSA compliance and on the prevention and detection of money laundering violations.

- (l) Indemnification. Borrower shall indemnify (on an after-tax basis) and defend Lender, its successors and assigns, and their respective directors, officers and employees, from and against any and all claims, actions and suits (including, without limitation, any Environmental Claim or Environmental Loss, and related attorneys' fees of any kind, nature or description whatsoever arising, directly or indirectly, in connection with any of the Collateral (other than such as may result from the gross negligence or willful misconduct of Lender, its successors and assigns, and their respective directors, officers and employees). The obligations of Borrower under this Section shall survive the expiration of the term of this Agreement.

7. DEFAULT.

A default shall be deemed to have occurred hereunder ("Default") upon the occurrence of any of the following: (a) non-payment of an installment of principal and/or interest due under any Promissory Note on the applicable Payment Date; (b) non-payment or non-performance of any other Obligation within five (5) days after it is due; (c) failure to maintain, use or operate the Collateral in compliance with Applicable Law; (d) failure to obtain, maintain and comply with all of the insurance coverages required under this Agreement; (e) any transfer or encumbrance, or the existence of any Lien, that is prohibited by this Agreement; (f) a payment or other default by Borrower or its Affiliates under any loan, lease, agreement, guaranty or other financial obligation to Lender or its Affiliates which default entitles the other party to such obligation to exercise remedies; (g) a payment or other default by Borrower or its Affiliates under any material loan, lease, guaranty or other material financial obligation to any third party which default has been declared; (h) an inaccuracy in any representation or breach of warranty by Borrower (including any false or misleading representation or warranty) in any financial statement or Loan Document, including any omission of any substantial contingent or unliquidated liability or claim against Borrower; (i) the failure by Borrower generally to pay its debts as they become due or its admission in writing of its inability to pay the same, or the commencement of any bankruptcy, insolvency, receivership or similar proceeding by or against Borrower or any of its properties or business (unless, if involuntary, the proceeding is dismissed within sixty (60) days of the filing thereof) or the rejection of this Agreement or any other Loan Document in any such proceeding; (j) Borrower shall (1) enter into any transaction of merger or consolidation (such actions being referred to as an "Event"), unless Borrower is the surviving entity or the surviving entity is organized and existing under the laws of the Province of Alberta, and prior to such Event: (A) such Person executes and delivers to Lender (x) an agreement satisfactory to Lender, in its sole discretion, containing such Person's effective assumption, and its agreement to pay, perform, comply with and otherwise be liable for, in a due and punctual manner, all of Borrower's Obligations having previously arisen, or then or thereafter arising, under any and all of the Loan Documents, and (y) any and all other documents, agreements, instruments, certificates, opinions and filings requested by Lender; and (B) Lender is satisfied as to the creditworthiness of such Person, and as to such Person's conformance to the other standard criteria then used by Lender when approving transactions similar to the transactions contemplated in this Agreement; (2) cease to do business as a going concern, liquidate, or dissolve; or (3) sell, transfer, or otherwise dispose of all or substantially all of its assets or property; (k) if Borrower is privately held and effective control of Borrower's voting capital stock/membership interests/partnership interests, issued and outstanding from time to time, is not retained by the present holders (unless Borrower shall have provided thirty (30) days' prior written notice to Lender of the proposed disposition and Lender shall have consented thereto in writing); (1) if Borrower is a publicly held

corporation and there is a material change in the ownership of Borrower's capital stock, unless Lender is satisfied as to the creditworthiness of Borrower and as to Borrower's conformance to the other standard criteria then used by Lender for such purpose immediately thereafter; (m) there occurs a default or anticipatory repudiation under any guaranty executed in connection with this Agreement; (n) failure to satisfy the requirements of any financial covenants set forth in this Agreement; or (o) breach by Borrower of Section 60) of this Agreement; or (p) breach by Borrower of any other covenant, condition or agreement (other than those in items (a)-(o)) under this Agreement or any of the other Loan Documents that continues for thirty (30) days after Lender's written notice to Borrower (but such notice and cure period will not be applicable unless such breach is curable by practical means within such notice period).

The occurrence of a Default with respect to any Promissory Note shall, at the sole discretion of Lender (as set forth in a written declaration to Borrower), constitute a Default with respect to any or all of the other Promissory Notes. Notwithstanding anything to the contrary set forth herein, Lender or its assignee(s) (as applicable) may exercise all rights and remedies hereunder or under a Promissory Note independently with respect to each Promissory Note and/or with respect to the Collateral collateralizing such Promissory Note.

8. REMEDIES.

Upon the occurrence of a Default hereunder, Lender may, at its option, declare this Agreement to be in default with respect to any or all of the Promissory Notes, and at any time thereafter may do any one or more of the following, all of which are hereby authorized by Borrower:

- (a) Rights Under PPSA. Exercise any and all rights and remedies of a secured party under the PPSA or otherwise under Applicable Law and in addition to those rights, at its sole discretion, may require Borrower (at Borrower's sole expense) to forward promptly any or all of the Collateral to Lender at such location as shall reasonably be required by Lender, or enter upon the premises where any such Collateral is located (without obligation for rent) and take immediate possession of and remove the Collateral by summary proceedings or otherwise, all without liability from Lender to Borrower for or by reason of such entry or taking of possession, whether for the restoration of damage to property caused by such taking or otherwise.
- (b) Disposition of Collateral. Subject to Applicable Law, and any right of Borrower to redeem the Collateral, sell, lease or otherwise dispose of any or all of the Collateral in a commercially reasonable manner at public or private sale with notice to Borrower (the parties agreeing that ten (10) days' prior written notice shall constitute adequate notice of such sale) at such price as it may deem best, for cash, credit, or otherwise, with the right of Lender to purchase and apply the proceeds:

First to the payment of all expenses and charges, including the expenses of any sale, lease or other disposition, the expenses of any taking, attorneys' fees, court costs and any other expenses incurred or advances made by Lender in the protection of its rights or the pursuance of its remedies, and to provide adequate indemnity to Lender against all taxes and Liens which by law have, or may have, priority over the rights of Lender to the monies so received by Lender;

Second, to the payment of the Obligations; and

Third, to the payment of any surplus thereafter remaining to Borrower or to whosoever may be entitled thereto;

and in the event that the proceeds are insufficient to pay the amounts specified in clauses "First" and "Second" above, Lender may collect such deficiency from Borrower.

- (c) Other Rights and Remedies. Lender may exercise any other right or remedy available to it under the Loan Documents or Applicable Law, or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to rescind this Agreement in whole or in part.
- (d) Costs and Expenses; No Remedy Exclusive. In addition, Borrower shall be liable for any and all unpaid additional sums due hereunder or under any Promissory Note, before, after or during the exercise of any of the foregoing remedies; for all reasonable legal fees and other reasonable costs and expenses incurred by reason of any Default or of the exercise of Lender's remedies with respect thereto. No remedy referred to in this Section is intended to be exclusive, but each shall be cumulative, and shall be in addition to any other remedy referred to above or otherwise available at law or in equity, and may be exercised concurrently or separately from time to time. Borrower hereby waives any and all existing or future claims to any offset against the sums due hereunder or under any Promissory Note and agrees to make the payments regardless of any offset or claim which may be asserted by Borrower or Of its behalf in connection with this Agreement.
- (e) No Waiver. The failure of Lender to exercise, or delay in the exercise of, the rights granted hereunder upon any Default by Borrower or its Affiliates shall not constitute a waiver of any such right upon the continuation or recurrence of any such Default. Lender may take or release other security; may release any party primarily or secondarily liable for the Obligations; may grant extensions, renewals or indulgences with respect to the Obligations and may apply any other security therefor held by it to the satisfaction of the Obligations without prejudice to any of its rights hereunder.

9. NOTICES.

All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, personally delivered, sent by overnight courier service, sent by facsimile telecopier, or sent by certified mail, return receipt requested, addressed to the other party at its respective address stated below the signature of such parties or at such other addresses as such parties shall from time to time designate in writing to the other parties; and shall be effective from the date of receipt.

10. LENDER'S RIGHT TO PERFORM FOR BORROWER.

- (a) Performance and Reimbursement. If Borrower fails to perform or comply with any of its agreements contained herein, Lender shall have the right, but shall not be obligated, to effect such performance or compliance, and the amount of any out-of-pocket expenses and other reasonable expenses of Lender thereby incurred, together with interest thereon at the Default Rate, shall be due and payable by Borrower upon demand.
- (b) Power of Attorney. Borrower hereby appoints Lender as Borrower's attorney-in-fact (which power shall be deemed coupled with an interest) to execute, endorse and deliver any deed, conveyance, assignment or other instrument in writing as may be required to vest in Lender any right, title or power which by the terms hereof are expressed to be conveyed to or conferred upon Lender, including, without limitation, real property waivers, and documents and checks or drafts relating to or received in payment for any loss or damage under the policies of insurance required hereby, but only to the extent that the same relates to the Collateral.

11. SUCCESSORS AND ASSIGNS.

This Agreement shall inure to the benefit of Lender, its successors and assigns, and shall be binding upon the successors of Borrower. The rights and obligations of Borrower under this Agreement may not be assigned or delegated. Lender reserves the right to sell, assign, transfer, negotiate or grant

participations in all or any part of, or any interest in, Lender's rights and obligations hereunder, in the Promissory Notes, in the Collateral and/or the Obligations held by it to others at any time and from time to time; and Lender may disclose to any such purchaser, assignee, transferee or participant (the "Participant"), or potential Participant, this Agreement and all information, reports, financial statements and documents executed or obtained in connection with this Agreement which Lender now or hereafter may have relating to the Loan, Borrower, or the business of Borrower. Borrower hereby grants to any Participant all Liens, rights and remedies of Lender under the provisions of this Agreement or any other documents relating hereto or under applicable laws. Borrower agrees that any Participant may enforce such Liens and exercise such rights and remedies in the same manner as if such Participant were Lender and a direct creditor of Borrower.

12. CHOICE OF LAW: JURISDICTION: WAIVER OF JURY TRIAL.

- (a) GOVERNING LAW. THIS AGREEMENT AND ALL OTHER RELATED INSTRUMENTS AND DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL, IN ALL RESPECTS, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ALBERTA (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH PROVINCE) AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE COLLATERAL.
- (b) Jurisdiction. The parties agree that any action or proceeding arising out of or relating to this Agreement shall be commenced in the courts of the Province of Alberta, and each party irrevocably submits to the non-exclusive jurisdiction of such court and agrees that a summons and complaint commencing an action or proceeding in any such court shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it at its address designated pursuant hereto, or as otherwise provided under the laws of the Province of Alberta.
- (c) WAIVER OF JURY TRIAL. BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH BORROWER AND LENDER MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS AGREEMENT OR ANY PROMISSORY NOTE. BORROWER AUTHORIZES LENDER TO FILE THIS PROVISION WITH THE CLERK OR JUDGE OF ANY COURT HEARING SUCH CLAIM. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY BORROWER AND BORROWER HEREBY ACKNOWLEDGES THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. BORROWER FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND ANY PROMISSORY NOTE AND IN THE MAKING OF THIS WAIVER BY LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

13. MISCELLANEOUS.

- (a) Entire Agreement. The Loan Documents constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and shall not be amended or altered in any manner except by a document in writing executed by both parties.
- (b) Survival. All representations, warranties, and covenants of Borrower contained herein or made pursuant hereto shall survive closing and continue throughout the term hereof and until the Obligations are satisfied in full.


- (c) Severability. Any provision of the Loan Documents which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by Applicable Law, Borrower hereby waives any provision of law which renders any provision hereof or thereof prohibited or unenforceable in any respect.
- (d) Captions. The captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.
- (e) Expenses. Borrower agrees to pay or reimburse Lender for all costs and expenses (including the fees and expenses of all counsel, advisors, consultants and auditors retained in connection therewith), incurred in connection with: (1) the preparation, negotiation, execution, delivery, performance and enforcement of the Loan Documents and the preservation of any rights thereunder (including, without limitation, filing or recording fees and taxes); (2) collection, including deficiency collections; (3) any amendment, waiver or other modification or waiver of, or consent with respect to, any Loan Document or advice in connection with the administration of the Loan or the rights thereunder; (4) any litigation, dispute, suit, proceeding or action (whether instituted by or between any combination of Lender, Borrower or any other Person), and an appeal or review thereof, in any way relating to the Collateral, any Loan Document, or any action taken or any other agreements to be executed or delivered in connection therewith, whether as a party, witness or otherwise; and (5) any effort (i) to monitor the Loan, (ii) to evaluate, observe or assess Borrower or the affairs of such Person, and (iii) to verify, protect, evaluate, assess, appraise, collect, sell, liquidate or otherwise dispose of the Collateral.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Loan and Security Agreement to be duly executed as of the day and year first above written.

NATIONS FUND I, LLC


Lender

By: 
Name: Dennis J. Bickerstaff
Title: Chief Risk Officer & EVP

501 Merritt Seven
Norwalk, Connecticut 06851
Facsimile: (203) 939-1597

BEARSTONE ENVIRONMENTAL SOLUTIONS INC.

Borrower

By: 
Name: GRANT KERKHOFF
Title: PRESIDENT

500, 435 - 4 Avenue SW
Calgary, AB T2P 3A8
Facsimile: (780) 672-8599
Form of Organization: Corporation
Jurisdiction of Organization: Alberta

SCHEDULE A

DEFINITIONS

Capitalized terms used in this Agreement and the other Loan Documents shall have (unless otherwise provided elsewhere in this Agreement or in the Loan Documents) the following respective meanings:

"Adverse Environmental Condition" shall mean (i) the existence or the continuation of the existence of an Environmental Contamination (including, without limitation, a sudden or non-sudden accidental or non-accidental Environmental Contamination), or exposure to any substance, chemical, material, pollutant, Hazardous Substance, odor or audible noise or other release or emission in, into or onto the environment (including without limitation, the air, ground, water or any surface) at, in, by, from or related to any Collateral, (ii) the environmental aspect of the transportation, storage, treatment or disposal of materials in connection with the operation of any Collateral, or (iii) the violation, or alleged violation, of any Environmental Law, permits or licenses of, by or from any governmental authority, agency or court relating to environmental matters connected with any of the Collateral.

"Affiliate" means, with respect to any Person: (i) each other Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, five (5) percent or more of the Stock having ordinary voting power for the election of directors of such Person; (ii) each other Person that controls, is controlled by or is under common control with such Person or any Affiliate of such Person; or (iii) each of such Person's officers, directors, joint venturers and partners. For the purpose of this definition, "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting Stock, by contract or otherwise.

"Agreement" means this Loan and Security Agreement including all appendices, exhibits or schedules attached or otherwise identified thereto, restatements and modifications and supplements thereto, and any appendices, exhibits or schedules to any of the foregoing, each as in effect at the time such reference becomes operative.

"Applicable Law" means any law, rule, regulation, ordinance, order, code, common law, interpretation, judgment, directive, decree, treaty, injunction, writ, determination, award, permit or similar norm or decision of any Governmental Authority having jurisdiction over Borrower or the matters herein.

"Borrower" means the Person identified as such in the preamble of this Agreement.

"BSA" has the meaning assigned to it in Section 6(1) of this Agreement.

"Business Day" means any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of New York or the Province of Alberta-

"Closing Date" means the date on which a Promissory Note is executed and delivered to Lender pursuant to this Agreement.

"Collateral" has the meaning assigned to it in Section 3 of this Agreement.

"Collateral Schedule" has the meaning assigned to it in section 3 of this Agreement. **"Default"** has the meaning assigned to it in Section 7 of this Agreement

"Default Rate" has the meaning assigned to it in Section 2(d) of this Agreement.

"Environment" or **"Environmental"** or **"Environmentally"** means the components of that earth and includes: (i) air, land subsurface strata, water, surface water and groundwater; (ii) all layers of the

atmosphere; (iii) all organic and inorganic matter and living organisms; and (iv) the interacting natural systems that include components referred to in (i) to (iii).

"**Environmental Claim**" shall mean any accusation, allegation, notice of violation, claim, demand, abatement or other order on direction (conditional or otherwise) by any governmental authority or any Person for personal injury (including sickness, disease or death), tangible or intangible property damage, damage to the environment or other adverse affects on the environment, or for fines, penalties or restrictions, resulting from or based upon any Adverse Environmental Condition.

"**Environmental Contamination**" shall mean any actual or threatened release, spill, emission, leaking, pumping, injection, presence, deposit, abandonment, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, or into or out of any of the Collateral, including, without limitation, the movement or any Hazardous Substance or other substance through or in the air, soil, surface water, groundwater, or property which is not in compliance with applicable Environmental Laws.

"**Environmental Law**" means any Applicable Law, including any applicable guidelines and standards, relating in any way to the Environment, Environmental protection or occupational health and safety.

"**Environmental Loss**" shall mean any loss, cost, damage, liability, deficiency, fine, penalty or expense (including, without limitation, reasonable attorneys' fees, engineering and other professional or expert fees), investigation, removal, cleanup and remedial costs (voluntarily or involuntarily incurred) and damages to, loss of the use of or decrease in value of the Collateral arising out of or related to any Adverse Environmental Condition.

"**Equipment**" has the meaning assigned to it in Section 3 of this Agreement.

"**ERISA**" means the Employee Retirement Income Security Act of 1974 (or any successor legislation thereto), as amended from time to time, and any regulations promulgated thereunder.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that, together with Borrower, is treated as a single employer under Section 414(b), (c), (m) or (o) of the IRC, or, solely for the purposes of Section 302 of ERISA and Section 412 of the IRC, is treated as a single employer under Section 414 of the IRC.

"**ERISA Event**" shall mean (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the IRC or Section 302 of whether or not waived; (c) the filing pursuant to Section 412(b) of the IRC or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or to appoint a trustee to administer any Plan; (f) the incurrence by Borrower or any ERISA Affiliate of any liability with respect to any withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"**Event**" has the meaning assigned to it in Section 70) of this Agreement.

"**Event of Loss**" has the meaning assigned to it in Section 6(e) of this Agreement.

"**Financing statements**" has the meaning assigned to it in Section 3 of this Agreement.

"GAAP" means, generally accepted accounting principles in the Canada as in effect from time to time, consistently applied, including, if applicable to Borrower, IFRS or ASPE.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Hazardous Substances" means any pollutants, contaminants, hydrocarbon contaminants, asbestos materials, hazardous, corrosive or toxic substances or underground or aboveground tanks, urea formaldehyde, deleterious substances, special waste or waste of any kind, including any substance the storage, manufacture, disposal, handling, treatment, generation, use, transport, remediation or release into the Environment which is prohibited, controlled, regulated or licensed under Environmental Laws.

"Interest Period" has the meaning assigned to it in the applicable Promissory Note.

"IRC" means the Internal Revenue Code of 1986, as now or hereafter amended.

"Lender" has the meaning assigned to it in the preamble of this Agreement and, if at any time Lender shall decide to assign, participate or syndicate all or any of the Obligations, such term shall include each such assignee, Participant or such other members of the syndicate; together with its or their successors and assigns.

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

"Loan" means the loan in the amount of the aggregate principal amount of all advances and evidenced by the Promissory Notes, and made to Borrower under the terms of this Agreement, and any renewals, extensions, revisions, modifications or replacements therefor or thereof.

"Loan Documents" means this Agreement, any Promissory Note, any guaranty and the other documents and instruments executed pursuant hereto, the financial statements, and all other documents, instruments, certificates and notices at any time delivered by Borrower, any of its Affiliates or any other Person (other than Lender) in connection with the Obligations or in connection with any of the foregoing.

"Loan Rate" has the meaning assigned to it in the applicable Promissory Note.

"Material Adverse Effect" means: a material adverse effect on (a) the business, assets, operations, prospects or financial or other condition of Borrower or the industry within which Borrower operates, (b) Borrower's ability to pay or -perform the Obligations under the Loan Documents in accordance with the terms thereof, (c) the Collateral or the Lien of tender on the Collateral or the priority of any such Lien, or (d) Lender's rights and remedies under this Agreement and the other Loan Documents.

"Maximum Amount" means \$18,000.

"Minimum Actionable Amount" means \$18,000.

"Multiemployer Plan" means a "multiemployer plan," as defined in Section 4001 (a) (3) of ERISA, to which Borrower or any ERISA Affiliate is making, is obligated to make, has made or been obligated to make, contributions on behalf of participants who are or were employed by any of them.

"Obligations" means all loans, interest, advances, debts, expense reimbursement, fees (including if applicable, the Prepayment Fee), liabilities, and obligations for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or amounts are liquidated or determinable) owing by Borrower to Lender or any of Lender's Affiliates, of any kind or nature, present or future, whether or not evidenced by any note, agreement or other instrument, whether arising under any of the Loan Documents or under any other agreement between Borrower and Lender or any of Lender's Affiliates, and all covenants and duties regarding such amounts. This term includes all principal, interest (including interest accruing at the then applicable rate provided in this Agreement after the maturity of the Loan and interest accruing at the then applicable rate provided in this Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), fees, charges, expenses, attorneys' fees and any other sum chargeable to Borrower under any of the Loan Documents, and all principal, and interest due in respect of the Loan.

"OFAC" has the meaning assigned to it in Section 6(k) of this Agreement.

"Other Currency" has the meaning assigned to it in Section 1(f) of this Agreement.

"Participant" has the meaning assigned to it in Section 11 of this Agreement.

"Payment Date" has the meaning assigned to it in the applicable Promissory Note.

"PBGC" means the Pension Benefit Guaranty Corporation or any successor thereto. "Permitted Liens" has the meaning assigned to it in Section 6(c) of this Agreement.

"Person" means any individual, sole proprietorship, entity, limited liability entity, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation or government (whether Federal, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof), and shall include such Person's successors and assigns.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the IRC or Section 302 of ERISA, and in respect of which Borrower or any ERISA Affiliate is (or, if such plan were terminated, could under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"PPSA" means the *Personal Property Security Act* (Alberta) and the regulations thereunder, as in effect from time to time.

"Premises" has the meaning assigned to it in Section 6(f) of this Agreement.

"Prepayment Fee" has the meaning assigned to it in the applicable Promissory

Note.

"Proceeds" means "proceeds," as such term is defined in the PPSA and, in any event, shall include: (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to Borrower from time to time with respect to any Collateral; (ii) any and all payments (in any form whatsoever) made or due and payable to Borrower from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of any Collateral by any governmental body, authority, bureau or agency (or any Person acting under color of governmental authority); (iii) any recoveries by borrower against third parties with respect to any litigation or dispute concerning any Collateral, including claims arising at of the loss or nonconformity of, interference with the use of, defects in, or infringement of rights in, or damage to, Collateral; and (iv) any and all other amounts, rights to payment or other property acquired upon the sale, lease, licence exchange or other disposition of Collateral and all rights arising out of Collateral.

"Promissory Note" has the meaning assigned to it in Section 1(b) of this Agreement.

"Regulatory Authority" has the meaning assigned to it in Section 6U) of this agreement.

"Specified Rate" has the meaning assigned to it in Section 1(f) of this Agreement.

"Stated Maturity Date" has the meaning assigned to it in the applicable Promissory Note.

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

"Taxes" means taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto; excluding taxes imposed on or measured by the net income of Lender.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

Any accounting term used in this Agreement or the other Loan Documents shall have, unless otherwise specifically provided therein, the meaning customarily given such term in accordance with GAAP, and all financial computations thereunder shall be computed, unless otherwise specifically provided therein, in accordance with GAAP consistently applied; provided, that all financial covenants and calculations in the Loan Documents shall be made in accordance with GAAP as in effect on the Closing Date unless Borrower and Lender shall otherwise specifically agree in writing. That certain items or computations are explicitly modified by the phrase "in accordance with GAAP" shall in no way be construed to limit the foregoing. All other undefined terms contained in this Agreement or the other Loan Documents all, unless the context indicates otherwise, have the meanings provided for by the UCC. The words "herein," "hereof" and "hereunder" or other words of similar import refer to this Agreement as a whole, including the exhibits and schedules thereto, as the same may from time to time be amended, modified or supplemented, and not to any particular section, subsection or clause contained in this Agreement.

For purposes of this Agreement and the other Loan Documents, the following additional rules of construction shall apply, unless specifically indicated to the contrary: (a) wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural; (b) the term "or" is not exclusive; (c) the term "including" (or any form thereof) shall not be limiting or exclusive; (d) all references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations; and (e) all references to any instruments or agreements, including references to any of the Loan Documents, shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof.

ORIGINAL

NATIONS FUND I, LLC

PROMISSORY NOTE NO. BEAR-0008

CAD\$207,068.40
January 2, 2019

For value received, the receipt and sufficiency of which are hereby acknowledged, BEARSTONE ENVIRONMENTAL SOLUTIONS INC. (the "Borrower"), hereby promises to pay to the order of NATIONS FUND I, LLC (together with its successors and assigns, the "Lender"), the amount of TWO HUNDRED SEVEN THOUSAND, SIXTY EIGHT AND 40/100 DOLLARS (\$207,068.40) (the "Principal Sum") in lawful money of Canada, as the Principal Sum may become payable in accordance with this Promissory Note and the Agreement (as defined below), together with interest on the unpaid balance of the Principal Sum remaining from the date of this Promissory Note at the Loan Rate or, under the circumstances contemplated by the Agreement, at the Default Rate, until paid in full.

The Borrower hereby acknowledges receipt of the Principal Sum in accordance with the terms of the Agreement. Interest shall begin to accrue on the Principal Sum as of the Closing Date and shall be computed on the basis of a thirty day month/360 day year.

"Loan Rate" shall mean nine (9) percent per annum, subject to a possible increase in the Loan Rate of two (2) percent per annum in accordance with Section 2(d) of the Agreement.

This Promissory Note is the Promissory Note referred to in, and issued under the Term Loan and Security Agreement dated as of Dec 14, 2018, between the Borrower and the Lender (said agreement, as the same shall be amended, restated or supplemented from time to time, being herein called the "Agreement"), to which reference is made for a statement of all of the terms and conditions of the Loan evidenced hereby. Capitalized terms used and not defined in this Promissory Note shall have the respective meanings assigned to them in the Agreement. This Promissory Note is secured by the Agreement, the other Loan Documents and the Collateral, and is entitled to the benefit of the rights and security provided thereby. In the event of any conflict or inconsistency between the provisions of this Promissory Note and the provisions of the Agreement, the provisions of the Agreement shall govern.

The Principal Sum and interest due thereon shall be payable as follows:

- (a) Interest only shall be payable for the period from the date of execution of this Promissory Note to February 1, 2019, payable on February 1, 2019 at the Loan Rate.
- (b) Sixty (60) consecutive monthly installments of principal and interest, each in the amount of CAD\$4,298.40 shall be payable, in arrears, on the 1st day of each calendar month during the term hereof, commencing February 1, 2019 (the "Payment Date"), as set forth in the payment schedule attached hereto as Schedule "A", subject to adjustment pursuant to terms hereof and prepayment of the Principal Sum as permitted pursuant to the terms of the Agreement.
- (c) The Borrower shall repay, or cause to be repaid, the Loan in full on the earlier of February 1, 2024 (the "Stated Maturity Date") and any date of acceleration or prepayment in full of the Loan pursuant to the terms of the Agreement, at which time the Borrower shall repay in full, if any, the aggregate of the then outstanding Principal Sum plus all accrued and unpaid interest thereon, any Prepayment Fee applicable to the Loan and all other fees, expenses or other amounts owed hereunder and under each Loan Document related to the Loan.
- (d) If any payment due hereunder is not received within five (5) days of its due date, the Borrower shall pay a late charge equal to five (5) percent of the amount in arrears.

The Borrower is entitled to prepay in accordance with the terms of the Agreement.

Interest Act (Canada). Solely for purposes of the *Interest Act (Canada)*: (1) whenever the interest is to be computed or expressed at any rate (the "Specified Rate") on the basis of a year of less than 365 days or any other period of time less than a calendar year hereunder, the annual rate of interest to which each such Specified Rate is equal is such Specified Rate multiplied by a fraction, the numerator of which is the actual number of days in the relevant year and the denominator of which is 360 or such other period of time, respectively; (2) the principle of deemed reinvestment of interest shall not apply to any interest calculation hereunder; and (3) the rates of interest stipulated herein are intended to be nominal rates and not effective rates or yields.

To the fullest extent permitted by Applicable Law, the Borrower waives: (a) presentment, demand and protest, and notice of presentment, dishonor, intent to accelerate, acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all of the Obligations, this Promissory Note or the other Loan Documents; (b) all rights to notice and a hearing prior to Lender's taking possession or control of, or to Lender's replevy, attachment or levy upon, the Collateral or any bond or security that might be required by any court prior to allowing Lender to exercise any of its remedies; and (c) the benefit of all valuation, appraisal and exemption laws.

The Borrower acknowledges that this Promissory Note is executed as part of a commercial transaction and that the proceeds of this Promissory Note will not be used for any personal or consumer purpose.

In the event of the declaration by Lender of a Default under the Agreement, then this Promissory Note shall be in default and the balance of the Principal Sum then due hereunder, together with all accrued interest thereon, immediately shall accelerate and become due and payable without further notice, such further notice being expressly waived, and the Borrower shall be liable to the holder hereof for reasonable attorneys' fees and costs of suit and enforcement.

The remedies of Lender as provided herein and in the Agreement shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of Lender, and may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

It is the intention of the parties hereto to comply with the applicable usury laws. Accordingly, it is agreed that, notwithstanding any provisions to the contrary in this Promissory Note or the Agreement, in no event shall this Promissory Note or the Agreement require the payment or permit the collection of interest in excess of the maximum amount permitted by Applicable Law. If any such excess interest is contracted for, charged or received under this Promissory Note or the Agreement, or in the event that all of the principal balance shall be prepaid, so that under any of such circumstances the amount of interest contracted for, charged or received under this Promissory Note or the Agreement on the principal balance shall exceed the maximum amount of interest permitted by Applicable Law, then in such event: (a) the provisions of this paragraph shall govern and control, (b) neither the Borrower nor any other person or entity now or hereafter liable for the payment hereof shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest permitted by Applicable Law, (c) any such excess which may have been collected shall either be forthwith applied as a credit against the then unpaid principal balance or refunded to the Borrower, at the option of Lender, and (d) the effective rate of interest shall be automatically reduced to the maximum lawful contract rate allowed under Applicable Law as now or hereafter construed by the courts having jurisdiction thereof. It is further agreed that, without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received under this Promissory Note or the Agreement which are made for the purpose of determining whether such rate exceeds the maximum lawful contract rate, shall be made, to the extent permitted by Applicable Law, by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the indebtedness evidenced hereby, all interest at any time contracted for, charged or received from the Borrower or otherwise by Lender in connection with such Obligations; provided, however, that if any applicable provincial or state law is amended or the law of the United States of America or Canada pre-empts any applicable provincial or state law, so that it becomes lawful for Lender to receive a greater interest per annum rate than is presently allowed by law, the Borrower agrees that, on the effective date of such amendment or pre-emption, as the case may be, the lawful maximum hereunder shall be

increased to the maximum interest rate per annum allowed by the amended provincial law, state law or the law of Canada or the United States of America (but not in excess of the Loan Rate (or, if applicable, the Default Rate) provided for herein).

THE BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH SUCH BORROWER AND LENDER MAY BE PARTIES ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS PROMISSORY NOTE. THE BORROWER AUTHORIZES LENDER TO FILE THIS PROVISION WITH THE CLERK OR JUDGE OF ANY COURT HEARING SUCH CLAIM. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY SUCH BORROWER AND SUCH BORROWER HEREBY ACKNOWLEDGES THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. THE BORROWER FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS PROMISSORY NOTE AND IN THE MAKING OF THIS WAIVER BY LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

THE BORROWER AGREES THAT THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL IN ALL RESPECTS, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ALBERTA (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH PROVINCE) AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. Actions for any action hereunder or related hereto shall be subject to the non-exclusive jurisdiction of the Courts of the Province of Alberta, and the Borrower irrevocably submits to the non-exclusive jurisdiction of such courts. Nothing herein shall affect the right to serve process in any manner permitted by Applicable Law or limit the right of the Lender to bring proceedings against the Borrower in the courts of any other jurisdiction.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Promissory Note has been duly executed as of the date first written above.

BEARSTONE ENVIRONMENTAL SOLUTIONS INC.

By: 
Name: Gerry E. Werkhoff
Title: President

SCHEDULE "A"

PAYMENT INSTRUCTIONS

1. CAD\$52,920.00 to be paid to Auburn Rentals

Wires sent from outside Canada:

Denille Industries Ltd -- 14440 Yellowhead Trail Edmonton, AB T5L 3C5

- Beneficiary Bank Name: The Toronto-Dominion Bank – 101 St. Albert Road, Unit 40, St. Albert, AB T8N 6L5
- Beneficiary Bank ID: TDOMCATTOR
- Beneficiary Account Number: 0177-7300850

2. CAD\$154,148.40 to be paid to Tank & Trailer Repair Grande Prairie LP

Pay through:	* For USD FIs only. The originating US F.I.'s CDN Corresponding Bank Swift CUCXCATTAL
Account with Institution	//CC089910199 (where XXXX - Transit#) Servus Credit Union Ltd Branch Address 5012 49 Street Lloydminster, AB T9V 0K2
Beneficiary:	Member's Account Number 616825093825 Member Name (Individual=First and Last Name, Business/Organization=Full Legal Name. Do not include individual's name if business/organization): T "N" T Tank & Trailer Repair Grande Prairie Limited Partnership Additional Lines: Member's Physical address (including Postal Code): 40 120 Portage Close Sherwood Park, AB T8H 2W2

SCHEDULE "A"

TO PROMISSORY NOTE NO. BEAR-0008

BEAR-0008 Loan Amortization (CAD)

<u>Date</u>	<u>Funding</u>	<u>Payment Amount</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
02/01/2019	\$207,068.40				\$207,068.40
01/02/2019		\$1,501.25	\$1,501.25	\$0.00	\$207,068.40
01/03/2019		\$4,298.40	\$1,553.01	\$2,745.39	\$204,323.01
01/04/2019		\$4,298.40	\$1,532.42	\$2,765.98	\$201,557.04
01/05/2019		\$4,298.40	\$1,511.68	\$2,786.72	\$198,770.32
01/06/2019		\$4,298.40	\$1,490.78	\$2,807.62	\$195,962.69
01/07/2019		\$4,298.40	\$1,469.72	\$2,828.68	\$193,134.01
01/08/2019		\$4,298.40	\$1,448.51	\$2,849.89	\$190,284.12
01/09/2019		\$4,298.40	\$1,427.13	\$2,871.27	\$187,412.85
01/10/2019		\$4,298.40	\$1,405.60	\$2,892.80	\$184,520.05
01/11/2019		\$4,298.40	\$1,383.90	\$2,914.50	\$181,605.55
01/12/2019		\$4,298.40	\$1,362.04	\$2,936.36	\$178,669.19
01/01/2020		\$4,298.40	\$1,340.02	\$2,958.38	\$175,710.81
01/02/2020		\$4,298.40	\$1,317.83	\$2,980.57	\$172,730.24
01/03/2020		\$4,298.40	\$1,295.48	\$3,002.92	\$169,727.32
01/04/2020		\$4,298.40	\$1,272.95	\$3,025.44	\$166,701.88
01/05/2020		\$4,298.40	\$1,250.26	\$3,048.14	\$163,653.74
01/06/2020		\$4,298.40	\$1,227.40	\$3,071.00	\$160,582.74
01/07/2020		\$4,298.40	\$1,204.37	\$3,094.03	\$157,488.71
01/08/2020		\$4,298.40	\$1,181.17	\$3,117.23	\$154,371.48
01/09/2020		\$4,298.40	\$1,157.79	\$3,140.61	\$151,230.87
01/10/2020		\$4,298.40	\$1,134.23	\$3,164.17	\$148,066.70
01/11/2020		\$4,298.40	\$1,110.50	\$3,187.90	\$144,878.80
01/12/2020		\$4,298.40	\$1,086.59	\$3,211.81	\$141,666.99
01/01/2021		\$4,298.40	\$1,062.50	\$3,235.90	\$138,431.10
01/02/2021		\$4,298.40	\$1,038.23	\$3,260.17	\$135,170.93
01/03/2021		\$4,298.40	\$1,013.78	\$3,284.62	\$131,886.31
01/04/2021		\$4,298.40	\$989.15	\$3,309.25	\$128,577.06
01/05/2021		\$4,298.40	\$964.33	\$3,334.07	\$125,242.99
01/06/2021		\$4,298.40	\$939.32	\$3,359.08	\$121,883.91
01/07/2021		\$4,298.40	\$914.13	\$3,384.27	\$118,499.64
01/08/2021		\$4,298.40	\$888.75	\$3,409.65	\$115,089.99
01/09/2021		\$4,298.40	\$863.17	\$3,435.22	\$111,654.76
01/10/2021		\$4,298.40	\$837.41	\$3,460.99	\$108,193.78
01/11/2021		\$4,298.40	\$811.45	\$3,486.95	\$104,706.83
01/12/2021		\$4,298.40	\$785.30	\$3,513.10	\$101,193.73
01/01/2022		\$4,298.40	\$758.95	\$3,539.45	\$97,654.28

01/02/2022	\$4,298.40	\$732.41	\$3,565.99	\$94,088.29
01/03/2022	\$4,298.40	\$705.66	\$3,592.74	\$90,495.56
01/04/2022	\$4,298.40	\$678.72	\$3,619.68	\$86,875.87
01/05/2022	\$4,298.40	\$651.57	\$3,646.83	\$83,229.04
01/06/2022	\$4,298.40	\$624.22	\$3,674.18	\$79,554.86
01/07/2022	\$4,298.40	\$596.66	\$3,701.74	\$75,853.12
01/08/2022	\$4,298.40	\$568.90	\$3,729.50	\$72,123.62
01/09/2022	\$4,298.40	\$540.93	\$3,757.47	\$68,366.15
01/10/2022	\$4,298.40	\$512.75	\$3,785.65	\$64,580.50
01/11/2022	\$4,298.40	\$484.35	\$3,814.05	\$60,766.45
01/12/2022	\$4,298.40	\$455.75	\$3,842.65	\$56,923.80
01/01/2023	\$4,298.40	\$426.93	\$3,871.47	\$53,052.33
01/02/2023	\$4,298.40	\$397.89	\$3,900.51	\$49,151.82
01/03/2023	\$4,298.40	\$368.64	\$3,929.76	\$45,222.06
01/04/2023	\$4,298.40	\$339.17	\$3,959.23	\$41,262.83
01/05/2023	\$4,298.40	\$309.47	\$3,988.93	\$37,273.90
01/06/2023	\$4,298.40	\$279.55	\$4,018.85	\$33,255.05
01/07/2023	\$4,298.40	\$249.41	\$4,048.99	\$29,206.07
01/08/2023	\$4,298.40	\$219.05	\$4,079.35	\$25,126.71
01/09/2023	\$4,298.40	\$188.45	\$4,109.95	\$21,016.76
01/10/2023	\$4,298.40	\$157.63	\$4,140.77	\$16,875.99
01/11/2023	\$4,298.40	\$126.57	\$4,171.83	\$12,704.16
01/12/2023	\$4,298.40	\$95.28	\$4,203.12	\$8,501.04
01/01/2024	\$4,298.40	\$63.76	\$4,234.64	\$4,266.40
01/02/2024	\$4,298.40	\$32.00	\$4,266.40	\$0.00

ORIGINAL

NATIONS FUND I, LLC

COLLATERAL SCHEDULE NO. BEAR-0008

THIS COLLATERAL SCHEDULE NO. BEAR-0008 is executed, pursuant to and made a part of that certain Loan and Security Agreement dated as of Dec. 14, 2018 (the "Agreement"), between Nations Fund I, LLC, as Lender, and BearStone Environmental Solutions Inc., as Borrower, and describes collateral in which Borrower has granted Lender a security interest in connection with the Obligations (as defined in the Agreement).

Year	Make	Model	Serial Number
		12x62 Four Man Wet Sleeper (#4399)	S1262-200799-4399
2015	Dura-Haul	Tridem	3P9KT4435F1033934

including (i) all manuals, documents, data, log books and other records in respect of the equipment or any part thereof; (ii) all rights to money or other value payable under insurance policies in respect of the equipment; (iii) all warranties, representations, service contracts, product support or other agreements of any nature in respect of or that shall apply to the equipment or any part thereof from any manufacturer, vendor, contractor or supplier thereof; and (iv) all rights under any sublease or rental of the equipment, including any payments under such sublease or rental.

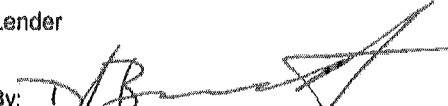
Location:

500, 435 -4 Avenue SW
Calgary, AB T2P 3A8

Date: 01/02/19

NATIONS FUND I, LLC

Lender

By: 
Name: Dennis J. Bickerstaff
Title: Chief Risk Officer & EVP

BearStone Environmental Solutions Inc.

By: 
Name: Gerry Redhoff
Title: President

ORIGINAL

NATIONS FUND I, LLC

COLLATERAL SCHEDULE NO. BEAR-0008

THIS COLLATERAL SCHEDULE NO. BEAR-0008 is executed, pursuant to and made a part of that certain Loan and Security Agreement dated as of Dec. 14, 2018 (the "Agreement"), between Nations Fund I, LLC, as Lender, and BearStone Environmental Solutions Inc., as Borrower, and describes collateral in which Borrower has granted Lender a security interest in connection with the Obligations (as defined in the Agreement).

Year	Make	Model	Serial Number
		12x62 Four Man Wet Sleeper (#4399)	S1262-200799-4399
2015	Dura-Haul	Tridem	3P9KT4435F1033934

including (i) all manuals, documents, data, log books and other records in respect of the equipment or any part thereof; (ii) all rights to money or other value payable under insurance policies in respect of the equipment; (iii) all warranties, representations, service contracts, product support or other agreements of any nature in respect of or that shall apply to the equipment or any part thereof from any manufacturer, vendor, contractor or supplier thereof; and (iv) all rights under any sublease or rental of the equipment, including any payments under such sublease or rental.

Location:

500, 435 -4 Avenue SW
Calgary, AB T2P 3A8

Date: 01/02/19

NATIONS FUND I, LLC

Lender

By: 

Name: Dennis J. Bickertaff

Title: Chief Risk Officer & EVP

BearStone Environmental Solutions Inc.

By: 

Name: Gerry Kerkhoff

Title: President

EXHIBIT 7

This is EXHIBIT "7" referred
to in the Affidavit of Mark Skura sworn
before me this 12~~th~~ day of June, 2019.

Christine L. Cokeley
Notary Public in and for the
State of Connecticut

CHRISTINE L. COKELEY
Notary Public-Connecticut
My Commission Expires
October 31, 2021



Kelsey Meyer

From: Ken Lenz
Sent: Thursday, June 6, 2019 4:04 PM
To: Van de Mosselaer, Randal
Cc: Mark Skura; Honess, Neil; Denise Bright
Subject: Demand and NOI
Attachments: Bearstone Letter.PDF

Randal

I attach a copy of the Demand and NOI.



Ken Lenz Q.C.
Partner, Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
T. [403 298 3317](tel:4032983317) | F. [403 265 7219](tel:4032657219) | M. [403 830 3317](tel:4038303317)
E. lenzk@bennettjones.com
BennettJones.com



Bennett Jones

Bennett Jones LLP
4500 Bankers Hall East, 855 2nd Street SW
Calgary, Alberta, T2P 4K7 Canada
T: 403.298.3100
F: 403.265.7219

Ken T. Lenz, Q.C.
Partner
Direct Line: 403.298.3317
e-mail: lenzk@bennettjones.com
Our File No.: 70924.7

June 6, 2019

Via Facsimile (780-672-8599)

Bearstone Environmental Solutions Inc.
500, 435 – 4th Avenue S.W.
Calgary, AB T2P 3A8

Dear Sir/Madam:

Re: Demand on Loan and Security Agreement dated January 12, 2017; Term Loan and Security Agreement dated March 9, 2017 (as amended); Revolving Term Loan and Security Agreement dated March 9, 2017; Loan and Security Agreement dated December 1, 2017; Loan and Security Agreement dated March 16, 2018; Term Loan and Security Agreement dated May 3, 2018; Loan and Security Agreement dated December 14, 2018 and Promissory Notes related to each of the foregoing (the "Loan and Security")

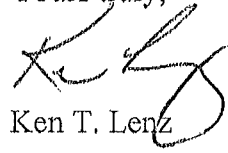
We are counsel for Nations Fund 1, Inc. in relation to the Loan and Security granted by Bearstone Environmental Solutions Inc. ("**Bearstone**"). The Loan and Security is in default because Bearstone has ceased or demonstrated an intention to cease carrying on business, and has failed to pay its debts generally as they come due.

We hereby demand immediate repayment in the total amount of \$5,132,649.80 plus interest from June 6, 2019 and costs on a solicitor-client basis. We enclose with this letter a Notice of Intent to Enforce Security and put you on notice that our client is entitled to take steps to appoint a receiver in accordance with that notice. If you are prepared to waive the balance of the 10-day notice period, I would ask you to acknowledge that fact by signing the document where indicated and returning it to our office. In any event, please acknowledge service, by return email at your early convenience.

June 6, 2019
Page 2

I look forward to your reply.

Yours truly,



Ken T. Lenz

KTL:/dmk

cc: Mark Skura
Randal Van Mosselaer



NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1))

To: BEARSTONE ENVIRONMENTAL SOLUTIONS INC. (the "Debtor")

TAKE NOTICE THAT:

1. Nations Fund 1, LLC, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
 - (a) all present and after-acquired personal property of the Debtor.
2. The security that is to be enforced is in the form of:
 - (a) a General Security Agreement;
3. As of June 6, 2019, the total amount of indebtedness secured by the security described herein was \$5,132,649.80, plus costs and recoverable expenses, with additional interest and costs accruing thereafter.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Calgary, Alberta this 4th day of June, 2019.

NATIONS FUND 1, LLC
by their agents and solicitors,
BENNETT JONES LLP

Per: _____


Ken Lenz

The Debtor hereby consents to the immediate enforcement by the Secured Creditor of its security against the Debtor.

Dated at _____, _____ on the _____ day of _____, 2019.

Bearstone Environmental Solutions Inc.

Per: _____

**** Transmit Conf. Report ****

P.1

Bennett Jones LLP

Fax 4032657219

Jun 10 2019 08:52am

Fax/Phone Number	Mode	Start	Time	Page	Result	Note
94039849799	Normal	10:08:51am	0'51"	3	* O K	



Bennett Jones

Bennett Jones LLP
4500 Bankers Hall East, 855 2nd Street SW
Calgary, Alberta, T2P 4K7 Canada
T: 403.298.3100
F: 403.265.7219

Ken T. Leuz, Q.C.
Partner
Direct Line: 403.298.3317
e-mail: leuzk@bennettjones.com
Our File No.: 70924.7

June 10, 2019

Via Facsimile (403-984-9799)

Bearstone Environmental Solutions Inc.
500, 435 – 4th Avenue S.W.
Calgary, AB T2P 3A8

Dear Sir/Madam:

Re: Demand on Loan and Security Agreement dated January 12, 2017; Term Loan and Security Agreement dated March 9, 2017 (as amended); Revolving Term Loan and Security Agreement dated March 9, 2017; Loan and Security Agreement dated December 1, 2017; Loan and Security Agreement dated March 16, 2018; Term Loan and Security Agreement dated May 3, 2018; Loan and Security Agreement dated December 14, 2018 and Promissory Notes related to each of the foregoing (the "Loan and Security")

We are counsel for Nations Fund 1, Inc. in relation to the Loan and Security granted by Bearstone Environmental Solutions Inc. ("Bearstone"). The Loan and Security is in default because Bearstone has ceased or demonstrated an intention to cease carrying on business, and has failed to pay its debts generally as they come due.

We hereby demand immediate repayment in the total amount of \$5,132,649.80 plus interest from June 6, 2019 and costs on a solicitor-client basis. We enclose with this letter a Notice of Intent to Enforce Security and put you on notice that our client is entitled to take steps to appoint a receiver in accordance with that notice. If you are prepared to waive the balance of the 10-day notice period, I would ask you to acknowledge that fact by signing the document where indicated and returning it to our office. In any event, please acknowledge service, by return email at your early convenience.



Bennett Jones

Bennett Jones LLP
4500 Bankers Hall East, 855 2nd Street SW
Calgary, Alberta, T2P 4K7 Canada
T: 403.298.3100
F: 403.265.7219

Ken T. Lenz, Q.C.
Partner
Direct Line: 403.298.3317
e-mail: lenzk@bennettjones.com
Our File No.: 70924.7

June 10, 2019

Via Facsimile (403-984-9799)

Bearstone Environmental Solutions Inc.
500, 435 -- 4th Avenue S.W.
Calgary, AB T2P 3A8

Dear Sir/Madam:

Re: Demand on Loan and Security Agreement dated January 12, 2017; Term Loan and Security Agreement dated March 9, 2017 (as amended); Revolving Term Loan and Security Agreement dated March 9, 2017; Loan and Security Agreement dated December 1, 2017; Loan and Security Agreement dated March 16, 2018; Term Loan and Security Agreement dated May 3, 2018; Loan and Security Agreement dated December 14, 2018 and Promissory Notes related to each of the foregoing (the "Loan and Security")

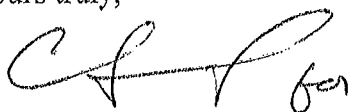
We are counsel for Nations Fund 1, Inc. in relation to the Loan and Security granted by Bearstone Environmental Solutions Inc. ("**Bearstone**"). The Loan and Security is in default because Bearstone has ceased or demonstrated an intention to cease carrying on business, and has failed to pay its debts generally as they come due.

We hereby demand immediate repayment in the total amount of \$5,132,649.80 plus interest from June 6, 2019 and costs on a solicitor-client basis. We enclose with this letter a Notice of Intent to Enforce Security and put you on notice that our client is entitled to take steps to appoint a receiver in accordance with that notice. If you are prepared to waive the balance of the 10-day notice period, I would ask you to acknowledge that fact by signing the document where indicated and returning it to our office. In any event, please acknowledge service, by return email at your early convenience.

June 10, 2019
Page 2

I look forward to your reply.

Yours truly,

A handwritten signature in black ink, appearing to read 'Ken T. Lenz', with a stylized flourish at the end.

Ken T. Lenz

KTL:/dmk

cc: Mark Skura
Randal Van Mosselaer

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1))

To: BEARSTONE ENVIRONMENTAL SOLUTIONS INC. (the "Debtor")

TAKE NOTICE THAT:

1. Nations Fund 1, LLC, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
 - (a) all present and after-acquired personal property of the Debtor.
2. The security that is to be enforced is in the form of:
 - (a) a General Security Agreement;
3. As of June 6, 2019, the total amount of indebtedness secured by the security described herein was \$5,132,649.80, plus costs and recoverable expenses, with additional interest and costs accruing thereafter.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Calgary, Alberta this 4th day of June, 2019.

NATIONS FUND 1, LLC
by their agents and solicitors,
BENNETT JONES LLP

Per: _____

Ken Lenz

The Debtor hereby consents to the immediate enforcement by the Secured Creditor of its security against the Debtor.

Dated at _____, _____ on the _____ day of _____, 2019.

Bearstone Environmental Solutions Inc.

Per: _____