

CIELO WASTE SOLUTIONS CORP.

DEMAND DEBENTURE

Secured Party: *NAME REDACTED* (the "Secured Party")

Address Redacted

November 2, 2017

Date:

PREAMBLE:

- A. the Secured Party has agreed to make loans in the maximum principal amount of up to \$3,500,000 available to Cielo Waste Solutions Corp. (the "**Debtor**"), a corporation existing under the laws of the Province of British Columbia and carrying on business in the Province of Alberta, on the terms and conditions contained in that certain loan agreement dated as of the date hereof among the Debtor, as borrower, 1888711 Alberta Inc., as guarantor, the other guarantors from time to time party thereto and the Secured Party, as lender (as amended, supplemented, restated, replaced or otherwise modified from time to time, the "**Loan Agreement**");
- B. it is a requirement of the Loan Agreement that the Debtor execute and deliver to the Secured Party a demand debenture; and
- C. the Debtor accordingly desires to execute this Demand Debenture (this "**Debenture**") in order to satisfy the requirement to deliver the debenture described above, and, to secure the payment and performance of the Principal Sum (as hereinafter defined), the Debtor has agreed to grant to the Secured Party, a Security Interest (as hereinafter defined) over the Collateral (as hereinafter defined) in accordance with the terms of this Debenture.

ARTICLE 1

PROMISE TO PAY

1.1 The Debtor, for value received, hereby acknowledges itself indebted and promises to pay **ON DEMAND** to or to the order of the Secured Party from time to time or any subsequent holder or holders of this Debenture, the Principal Sum set out below in lawful money of Canada at such place as the Secured Party, from time to time, may designate by notice in writing to the Debtor, and to pay interest thereon from the date of demand at the rate set out below in like money at the same place on the last day of each month following demand and, should the Debtor at any time make default in payment of any principal or interest, to pay interest both before and after default and judgment on the amount in default at the same rate in like money at the same place on the same dates.

1.2 Definitions:

- (a) Capitalized words and phrases used but not otherwise defined in this Debenture will have the meanings set out in the Loan Agreement;
- (b) Words used herein which are defined in the PPSA have the meanings ascribed to them in the PPSA; and
- (c) "**PPSA**" means the *Personal Property Security Act* (Alberta), RSA 2000, c P-7 as amended or replaced and restated from time to time and the regulations with respect thereto.

ARTICLE 2
PRINCIPAL SUM

2.1 The "**Principal Sum**" is \$10,000,000.

ARTICLE 3
INTEREST RATE

3.1 The "**Interest Rate**" will be a nominal interest rate equal to 21% per annum.

ARTICLE 4
SECURITY

4.1 As general and continuing collateral security for the due payment of the Principal Sum, interest and all other monies payable hereunder or from time to time secured hereby and as security for the performance and observance of the covenants and agreements on the part of the Debtor herein contained and contained in the other Loan Documents, the Debtor hereby irrevocably:

- (a) assigns, transfers, mortgages, pledges and charges as and by way of a first, fixed and specific mortgage and charge to and in favour of the Secured Party and grants to and in favour of the Secured Party, a continuing first priority security interest in and to all of its right, title, estate and interest in and to:
 - (i) all the lands listed and described on Schedule "A" attached hereto (the "**Lands**"); and
 - (ii) all proceeds, rents, issues, revenues, profits and other income (including insurance proceeds) accruing from or in respect of any of the properties and assets described in or contemplated by paragraph (i);(collectively, the "**Fixed Charge Property**");
- (b) grants to the Secured Party a continuing first priority security interest in and to all of the Debtor's present and after-acquired personal property; and

- (c) mortgages and charges as and by way of a first floating charge to and in favour of the Secured Party the undertaking and all the property and assets, rights and things of the Debtor both present and future, legal or equitable, of which the Debtor may be possessed or to which it may be entitled or which may hereafter be acquired by the Debtor (other than any of the same to the extent validly charged hereunder as Fixed Charge Property), including all of its right, title, estate and interest in and to any and all real, personal or mixed property, now owned or hereafter acquired by the Debtor, and all its present and future revenues, incomes, moneys, rights, franchises, goods, wares, merchandise, inventories, materials, supplies, book debts, accounts and accounts receivable, negotiable and non-negotiable instruments, judgments, securities, choses in action, chattel paper, shares and investments, and all other property and things of value of every kind and nature, tangible or intangible, legal or equitable and all proceeds and all products of, and all accessions to, any of the foregoing.

In this Debenture, the mortgages, charges and security interests hereby constituted are referred to collectively as the "**Security Interest**" and the subject matter of the Security Interest, including the Fixed Charge Property are collectively referred to as the "**Collateral**".

4.2 Until the occurrence and during the continuance of an Event of Default, the Debtor, subject to the terms of the Loan Agreement, the other Loan Documents and the other documents, instruments and agreements entered into pursuant thereto or in connection therewith from time to time (collectively, the "**Credit Documents**"), may dispose of or deal with the Collateral in the ordinary course of its business and for the purpose of carrying on the same, so that purchasers thereof or parties dealing with the Debtor take title thereto free and clear of the Security Interest. In the event of any such disposition in the ordinary course of business or as permitted by the Loan Agreement, the Secured Party will, at the written request of the Debtor, which will include a certificate of the Debtor stating that such Collateral is being dealt with or disposed of in accordance with this Section 4.2, release its Security Interest over the Collateral which has been disposed.

4.3 The Security Interest will not extend or apply to the last day of the term of any lease of real property or agreement therefor, but upon the enforcement of the Security Interest, the Debtor will stand possessed of such last day in trust to assign the same at the direction of the Secured Party to any Person acquiring such term.

4.4 The Debtor confirms that value has been given, that the Debtor has rights in the Collateral and that the Debtor and the Secured Party have not agreed to postpone the time for attachment of the Security Interest to any of the Collateral. In respect of Collateral which is acquired after the date of execution hereof, the time for attachment will be the time when the Debtor acquires rights or interests in such Collateral.

4.5 The Security Interest does not and will not extend to, and the Collateral will not include, any agreement, right, franchise, intellectual property, licence or permit (the "**Contractual Rights**") to which the Debtor is a party or of which the Debtor has the benefit, to the extent that the creation of the Security Interest would constitute a breach of the terms of or permit any Person to terminate the Contractual Rights, but the Debtor will hold its interest therein in trust

for the Secured Party to the extent permitted by law and will assign such Contractual Rights to the Secured Party forthwith upon obtaining the consent of the other party or parties thereto. With respect to any Contractual Rights which the Secured Party determines to be material, the Debtor shall use its reasonable commercial efforts to obtain the consent of any necessary third party to its assignment under this Debenture and to its further assignment by the Secured Party to any third party as a result of the exercise by the Secured Party of remedies hereunder. Upon such consent being obtained or waived, this Debenture shall apply to the applicable Contractual Right without regard to this Section and without the necessity of any further assurance to effect such assignment.

4.6 Notwithstanding the provisions of this Debenture, (i) the Debtor shall remain liable to perform all of its duties and obligations in regard to the Collateral (including, without limitation, all of its duties and obligations arising under any leases, licenses, permits, reservations, contracts, agreements, instruments, contractual rights and governmental orders, authorizations, licenses and permits now or hereafter pertaining thereto) to the same extent as if this Debenture had not been executed; (ii) the exercise by the Secured Party of any of its rights and remedies under or in regard to this Debenture shall not release the Debtor from such duties and obligations; and (iii) the Secured Party shall have no liability for such duties and obligations or be accountable for any reason to the Debtor by reason only of the execution and delivery of this Debenture.

4.7 The Secured Party and its successors and assigns shall have and hold the Collateral, together with all tenements, hereditaments and appurtenances thereto, in accordance with the terms of the Credit Documents.

4.8 To the extent permitted by Applicable Law, the Security Interest shall not be impaired by any indulgence, moratorium or release which may be granted including, but not limited to, any renewal, extension or modification which may be granted with respect to any secured indebtedness, or any surrender, compromise, release, renewal, extension, exchange or substitution which may be granted in respect of the Collateral, or any part thereof or any interest therein, or any release or indulgence granted to any endorser, guarantor or surety of any of the Principal Sum.

ARTICLE 5 **ENFORCEMENT**

5.1 **Remedies.** Subject to Section 5.2 hereof and the terms of the Credit Documents, upon the occurrence and during the continuance of any Event of Default, the Secured Party will be entitled to exercise any of the remedies specified below:

- (a) **Receiver.** The Secured Party may appoint, by instrument in writing, one or more receivers, managers or receiver/ manager for the Collateral or the business and undertaking of the Debtor pertaining to the Collateral (the "**Receiver**"). Any such Receiver will have, in addition to any other rights, remedies and powers which a Receiver may have at law, in equity or by statute, the rights and powers set out in clauses (b) through (e) in this Section 5.1. In exercising such rights and powers, any Receiver will act as and for all purposes will be deemed to be the agent of the Debtor, and the Secured Party will not be responsible for any act or default of any

Receiver. The Secured Party may remove any Receiver and appoint another from time to time. No Receiver appointed by the Secured Party need be appointed by, nor need its appointment be ratified by, or its actions in any way supervised by, a court.

- (b) **Power of Sale.** Any Receiver subject to Applicable Law may sell, consign, lease or otherwise dispose of any Collateral by public auction, private tender, private contract, lease or deferred payment with or without notice, advertising or any other formality, all of which are hereby waived by the Debtor to the extent the Debtor may lawfully do so. Any Receiver may, at its discretion, establish the terms of such disposition, including terms and conditions as to credit, upset, reserve bid or price. All payments made pursuant to such dispositions will be credited against the Principal Sum only as they are actually received. Any Receiver may buy in, rescind or vary any contract for the disposition of any Collateral and may dispose of any Collateral without being answerable for any loss occasioned thereby. Any such disposition may take place whether or not the Receiver has taken possession of the Collateral.
- (c) **Pay Liens and Borrow Money.** Any Receiver may pay any liability secured by any actual or threatened Lien against any Collateral. Any Receiver may borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Debtor pertaining to the Collateral and may grant Liens in any Collateral (in priority to the Security Interest or otherwise) as security for the money so borrowed. The Debtor will forthwith upon demand reimburse the Receiver for all such payments and borrowings and such payments and borrowings will be secured hereby and will be added to the money hereby secured and bear interest at the rate set forth in Section 3.1 hereof.
- (d) **Dealing with Collateral.** Any Receiver may seize, collect, realize, dispose of, enforce, release to third parties or otherwise deal with any Collateral in such manner, upon such terms and conditions and at such time as it deems advisable, subject to Applicable Law, including without limitation:
 - (i) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with the Collateral;
 - (ii) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper in connection with Section 5.1(d)(i);
 - (iii) to file any claims or take any action or institute any proceedings which the Secured Party may deem to be necessary or desirable for the collection of the Collateral or to enforce compliance with the terms and conditions of any contract or any account; and

- (iv) to perform the affirmative obligations of the Debtor hereunder (including all obligations of the Debtor pursuant to this Debenture and the Credit Documents).
- (e) **Carry on Business.** The Secured Party or any Receiver may, subject to Applicable Law, carry on, or concur in the carrying on of, any or all of the business or undertaking of the Debtor and enter on, occupy and use (without charge by the Debtor) any of the premises, buildings, plant and undertaking of, or occupied or used by, the Debtor.
- (f) **Right to Have Court Appoint a Receiver.** The Secured Party may, at any time, apply to a court of competent jurisdiction for the appointment of a Receiver, or other official, who may have powers the same as, greater or lesser than, or otherwise different from, those capable of being granted to a Receiver appointed by the Secured Party pursuant to this Debenture.
- (g) **Secured Party May Exercise Rights of a Receiver.** In lieu of, or in addition to, exercising its rights, remedies and powers under clauses (a), (f) and (h) of this Section 5.1, the Secured Party has, and may exercise, any of the rights and powers which are capable of being granted to a Receiver appointed by the Secured Party pursuant to this Debenture.
- (h) **Retention of Collateral.** The Secured Party may, subject to Applicable Law, elect to retain any Collateral in satisfaction of the Principal Sum. The Secured Party may designate any part of the Principal Sum to be satisfied by the retention of particular Collateral which the Secured Party considers to have a net realizable value approximating the amount of the designated part of the Principal Sum, in which case only the designated part of the Principal Sum will be deemed to be satisfied by the retention of the particular Collateral.
- (i) **Foreclosure.** The Secured Party may foreclose upon the Collateral or take the Collateral in satisfaction of the Secured Obligations and take all steps as may be required in connection therewith, including the crystallization of any floating charge on any real property and completing any required registrations in all applicable land titles or registry offices.
- (j) **Limitation of Liability.** The Secured Party will not be liable or accountable for any failure to take possession of, seize, collect, realize, dispose of, enforce or otherwise deal with any Collateral and none of them will be bound to institute proceedings for any such purposes or for the purpose of reserving any rights, remedies and powers of the Secured Party, the Debtor or any other Person in respect of any Collateral. If any Receiver or the Secured Party takes possession of any Collateral, neither the Secured Party nor any Receiver will have any liability as a mortgagee in possession or be accountable for anything except actual receipts.

- (k) **Extensions of Time.** Following the occurrence and during the continuance of any Event of Default, the Secured Party may grant renewals, extensions of time and other indulgences, accept compositions, grant releases and discharges, and otherwise deal or fail to deal with the Debtor, debtors of the Debtor, guarantors, sureties and others and with any Collateral as the Secured Party may see fit, all without prejudice to the liability of the Debtor to the Secured Party or the Secured Party's rights, remedies and powers under this Debenture or under any other Credit Documents.
- (l) **Validity of Sale.** No Person dealing with the Secured Party or any Receiver, or with any officer, employee, agent or solicitor of the Secured Party or any Receiver will be concerned to inquire whether the Security Interests have become enforceable, whether the right, remedy or power of the Secured Party or the Receiver has become exercisable, whether the Principal Sum remaining outstanding or otherwise as to the proprietary or regularity of any dealing by the Secured Party or the Receiver with any Collateral or to see to the application of any money paid to the Secured Party or the Receiver, and in the absence of fraud on the part of such Person such dealings will be deemed, as regards such Person, to be within the rights, remedies and powers hereby conferred and to be valid and effective accordingly.
- (m) **Effect of Appointment of Receiver.** As soon as the Secured Party takes possession of any Collateral or appoints a Receiver, all powers, functions, rights and privileges of the Debtor including, without limitation, any such powers, functions, rights and privileges which have been delegated to directors, officers of the Debtor or committees with respect to such Collateral will cease, unless specifically continued by the written consent of the Secured Party or the Receiver.
- (n) **Time for Payment.** If the Secured Party demands payment of the Principal Sum that is payable on demand or if the Principal Sum is otherwise due by maturity or acceleration, it will be deemed reasonable for the Secured Party to exercise its remedies immediately if such payment is not made, and any days of grace or any time for payment that might otherwise be required to be afforded to the Debtor at law or in equity is hereby irrevocably waived to the extent that the Debtor may lawfully do so.
- (o) **No Implied Waiver.** The rights of the Secured Party (whether arising under this Debenture, any other Credit Document, any other agreement or at law or in equity) will not be capable of being waived or varied otherwise than by an express waiver or variation in writing, and in particular any failure to exercise or any delay in exercising any of such rights will not operate as a waiver or variation of that or any other such right; any defective or partial exercise of any of such rights will not preclude any other or further exercise of that or any other such right, and no act or course of conduct or negotiation on the part of the Secured Party will in any way preclude the Secured Party from exercising any such right or constitute a suspension or any variation of any such right.

- (p) **Rights Cumulative.** The rights, remedies and powers conferred by this Section 5.1 are in addition to, and not in substitution for, any other rights, remedies or powers that the Secured Party may have under this Debenture, at law, in equity, by or under the PPSA or by any other statute or agreement. The Secured Party may proceed by way of any action, suit or other proceeding at law or in equity and no right, remedy or power of the Secured Party will be exclusive of or dependent on any other. The Secured Party may exercise any of their rights, remedies or powers separately or in combination and at any time.

5.2 **Application of Amounts Received.** The proceeds of realization or enforcement hereunder or any other amount from time to time received by the Secured Party or the Receiver will be applied as set forth in Section 13(b) of the Loan Agreement.

5.3 **Realization.** The Secured Party will not, nor will it be entitled to, demand payment pursuant hereto or enforce the Security Interest constituted hereunder unless and until the Secured Party will be entitled or obligated to do so pursuant to the provisions of the Loan Agreement, but thereafter the Secured Party may at any time exercise and enforce all of the rights and remedies of a holder of this Debenture in accordance with Applicable Law and subject to the Loan Agreement and other Credit Documents, as if the Secured Party was the absolute owner thereof and any such right or remedy may be exercised separately or in combination with, and will be in addition to and not in substitution for, any other right or remedy of the Secured Party however created, provided that the Secured Party will not be bound to exercise any such right or remedy.

5.4 **Deliver Possession.** If the Secured Party or any Receiver exercises its rights herein to take possession of the Collateral, the Debtor will, upon request from the Secured Party or any such Receiver, assemble and deliver possession of the Collateral at such place or places as directed by the Secured Party or any such Receiver.

5.5 **Release.** If the Secured Party receives the balance of the Principal Sum (including, without limitation, all amounts forming part thereof) with interest thereon as set forth in this Debenture and any and all other amounts that are payable to the Secured Party on or in relation to the repayment thereof, then the Secured Party will, at the written request and sole expense of the Debtor, reassign and reconvey the Collateral to the Debtor and release the Security Interest, at the Debtor's expense.

ARTICLE 6 **ATTORNEY IN FACT**

6.1 The Debtor hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Debtor and in the name of the Debtor or in its own name, from time to time in the Secured Party's reasonable discretion, for the purpose of carrying out the terms of this Debenture, to, upon the occurrence and during the continuance of an Event of Default, take any and all appropriate action and to execute any and all documents and instruments which may be reasonably necessary or desirable to accomplish the purposes of this Debenture and which the Debtor being reasonably required to take or execute

has failed to take or execute. The Debtor hereby ratifies all that said attorneys will lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and will be irrevocable until the Principal Sum and all obligations under the Credit Documents have been unconditionally and irrevocably paid and performed in full. The Debtor also authorizes the Secured Party, at any time and from time to time, to execute any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral in connection with the sale provided for in Section 5.1(b).

ARTICLE 7 **REPRESENTATIONS**

7.1 The Debtor represents and warrants to the Secured Party that the address of the Debtor's chief executive office is Suite 115, 5114 – 58 Street, Red Deer, Alberta T4N 2L8, and, as of the date hereof, the Debtor carries on business only in the Province of Alberta.

ARTICLE 8 **COVENANTS**

8.1 The Debtor covenants and agrees with the Secured Party that:

- (a) **Further Documentation.** At any time and from time to time, upon the written request of the Secured Party, and at the sole expense of the Debtor, the Debtor will promptly and duly execute and deliver such further instruments and documents and take such further action as the Secured Party may reasonably request for the purposes of obtaining or preserving the full benefits of this Debenture and of the rights and powers herein granted, including the filing or execution of any financing statements or financing change statements under any Applicable Law with respect to this Debenture. The Debtor also hereby authorizes the Secured Party to file any such financing statement or financing change statement. Without limiting the generality of the foregoing, the Debtor acknowledges that this Debenture has been prepared based on Applicable Law and the Debtor agrees that the Secured Party will have the right, acting reasonably, to require that this Debenture be amended or supplemented: (i) to reflect any changes in Applicable Law, whether arising as a result of statutory amendments, court decisions or otherwise; (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions; or (iii) if the Debtor amalgamates with any other Person or enters into any reorganization, in each case in order to confer upon the Secured Party the security intended to be created hereby.

- (b) **Further Identification of Collateral.** The Debtor shall furnish to the Secured Party from time to time such statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party may reasonably request, all to the extent necessary to permit the Collateral to be sufficiently described. Notwithstanding the generality of the foregoing, the Debtor shall immediately notify the Secured Party in writing of any acquisition of right, title and interest, whether freehold, leasehold or other, under

or in respect of lands and leases, within 5 Business Days of such acquisition, and the Debtor agrees that the Secured Party may amend Schedule "A" hereto to include such additional right, title and interest upon receiving such notice from the Debtor.

ARTICLE 9

[Reserved.]

ARTICLE 10

PLEDGE OF DEBENTURE

10.1 This Debenture may be assigned, deposited or pledged by the Debtor as security for its present and future obligations. This Debenture will not be deemed to have been redeemed by reason of the account of the Debtor having ceased to be in debt while this Debenture was so assigned, deposited or pledged and no payment will reduce the amount owing or payable under this Debenture unless specifically appropriated to this Debenture by the Secured Party at the time of payment.

10.2 This Debenture is not a negotiable instrument.

ARTICLE 11

RECOURSE

11.1 The Secured Party will not be obliged to exhaust its recourse against the Debtor, any other party or surety or any other security it may hold with respect to the obligations of the Debtor pursuant to this Debenture and the Credit Documents before realizing upon or otherwise dealing with this Debenture in such manner in the Secured Party's discretion. The Secured Party may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other parties, sureties or securities in its discretion, without prejudice to the liability of the Debtor in respect of this Debenture.

ARTICLE 12

PRESENTMENT

12.1 The Debtor hereby expressly waives demand for payment, presentment, protest and notice of dishonour of this Debenture. Any failure or omission by the Secured Party to present this Debenture for payment, protest or provide notice of dishonour will not invalidate or adversely affect in any way any demand for payment or enforcement proceeding taken under this Debenture.

ARTICLE 13

DEEMED SATISFACTION

13.1 Payment in full to the Secured Party of all the Secured Obligations will be deemed to be payment in full satisfaction of all amounts due under this Debenture. Notwithstanding the Principal Sum, interest and other monies expressed to be payable or secured hereunder, the obligations payable or secured hereunder shall not exceed the Secured Obligations.

ARTICLE 14
NO LIABILITY

14.1 The Secured Party shall not be liable for any error of judgment or act done by it in good faith, or be otherwise responsible or accountable under any circumstances whatsoever, except for its gross negligence or wilful misconduct. The Secured Party shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by the Secured Party hereunder, believed by the Secured Party in good faith to be genuine. All moneys received by the Secured Party shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by Applicable Law), and the Secured Party shall be under no liability for interest on any moneys received by it hereunder. The Debtor hereby ratifies and confirms any and all acts which the Secured Party or its successors or substitutes shall do lawfully by virtue hereof.

ARTICLE 15
ENUREMENT AND ASSIGNMENT

15.1 The provisions of this Debenture will be binding upon the Debtor and its permitted successors and will enure to the benefit of the Secured Party and its successors and assigns. Subject to the terms of the Credit Documents, the Debtor will not assign this Debenture without the Secured Party's prior written consent.

ARTICLE 16
GOVERNING LAW

16.1 This Debenture will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, without giving effect to the conflict of law principles thereof. Without prejudice to the ability of the Secured Party to enforce this Debenture in any other proper jurisdiction, the Debtor hereby irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta, or any appellate courts thereof, for the purposes of this Debenture.

ARTICLE 17
SEVERABILITY

17.1 If any portion of this Debenture or the application thereof to any circumstance will be held invalid or unenforceable by a court of competent jurisdiction from which no further appeal has or is taken, to an extent that does not affect in a fundamental way the operation of this Debenture, the remainder of the provision in question, or its application to any circumstance other than that to which it has been held invalid or unenforceable, and the remainder of this Debenture will not be affected thereby and will be valid and enforceable to the fullest extent permitted by Applicable Law.

ARTICLE 18
CONSENT AND WAIVER

18.1 No consent or waiver by the Secured Party will be effective unless made in writing and signed by an authorized officer of the Secured Party.

ARTICLE 19
NOTICE

19.1 Any notice, demand, consent, approval or other communication from the Debtor to the Secured Party, or vice versa, will be in writing and will be sufficiently given or made if given in the manner prescribed in the Loan Agreement.

ARTICLE 20
INCONSISTENCY

20.1 To the extent that there is any inconsistency or ambiguity between the provisions of this Debenture and the Loan Agreement, the provisions of the Loan Agreement will govern to the extent necessary to eliminate such inconsistency or ambiguity.

ARTICLE 21
RECEIPT OF COPY

21.1 The Debtor acknowledges receipt of an executed copy of this Debenture. The Debtor waives the right to receive any amount that it may now or hereafter be entitled to receive (whether by way of damages, fine, penalty, or otherwise) by reason of the failure of the Secured Party to deliver to the Debtor a copy of any financing statement or any statement issued by any registry that confirms registration of a financing statement relating to this Debenture.

ARTICLE 22
ALBERTA STATUTORY COVENANTS

22.1 The Debtor hereby covenants and agrees that:

- (a) it is the legal and beneficial owner of the Collateral;
- (b) it has the right to mortgage its interest in the Collateral;
- (c) on default, the Secured Party shall have quiet possession of its interest in the Collateral; and
- (d) it will execute such further assurances of its interest in the Collateral as may be requisite.

ARTICLE 23
LAW OF PROPERTY ACT (ALBERTA)

23.1 The Debtor hereby waives any protection or rights granted to it pursuant to the provisions of the *Law of Property Act* (Alberta) and amendments thereto, to the extent such waiver is not void as against public policy.

ARTICLE 24
CHARGE

24.1 For the better securing to the Secured Party the repayment in the manner set out above of the Principal Sum and interest (and all other obligations secured hereby), the Debtor does hereby mortgage to the Secured Party all of its right, title, estate and interest in the Lands.

*[Remainder of page intentionally left blank -
signature page follows]*

IN WITNESS WHEREOF the Debtor has affixed its name and corporate seal, duly attested by its proper officer in that behalf, as of the date first written above.

DEBTOR:

CIELO WASTE SOLUTIONS CORP.

Per:  c/s
Name: Don Allen
Title: President & CEO

The undersigned hereby acknowledges and consents to this Debenture, and further agrees to the provisions of same.

SECURED PARTY:

NAME AND SIGNATURE REDACTED

**SCHEDULE "A" TO THE DEMAND DEBENTURE DATED NOVEMBER 2, 2017
MADE BY CIELO WASTE SOLUTIONS CORP. IN FAVOUR OF *NAME
REDACTED***

LANDS

1. PLAN 9812255
LOT 26
EXCEPTING THEREOUT ALL MINES AND MINERALS