

**THIRD AMENDING AGREEMENT
TO THE EIGHTH AMENDED AND RESTATED CREDIT AGREEMENT
DATED DECEMBER 24, 2018**

THIS THIRD AMENDING AGREEMENT is made effective as of December 5, 2019

AMONG:

**ROCKY MOUNTAIN DEALERSHIPS INC., ROCKY MOUNTAIN EQUIPMENT
CANADA LTD., ROCKY MOUNTAIN DEALER ACQUISITION CORP., RME
HOLDINGS USA, INC. AND RME USA, INC.**

as Borrowers

- and -

CANADIAN IMPERIAL BANK OF COMMERCE,

as Agent for the Lenders and the Swap Lenders

PREAMBLE:

- A. Pursuant to the eighth amended and restated credit agreement dated as of December 24, 2018 between Rocky Mountain Dealerships Inc., Rocky Mountain Equipment Canada Ltd., Rocky Mountain Dealer Acquisition Corp., RME Holdings USA, Inc. and RME USA, Inc., as borrowers (collectively, the "**Borrowers**", and each, a "**Borrower**"), the financial institutions party thereto from time to time, as lenders and swap lenders (collectively the "**Lenders**", and each, a "**Lender**"), Canadian Imperial Bank of Commerce, as agent for the Lenders (in such capacity, the "**Agent**"), as amended by a first amending agreement made effective as of May 28, 2019 and a second amending agreement made effective as of September 3, 2019 (as amended, restated, supplemented or otherwise modified to the date hereof, the "**Credit Agreement**"), the Lenders made certain credit facilities available to the Borrowers.
- B. On November 28, 2019, the Borrowers delivered a repayment notice to the Agent pursuant to Section 3.7 of the Credit Agreement, which repayment notice provided notice of the cancellation of (i) Cdn. \$10,000,000 of the Operating Facility Commitment, and (ii) Cdn.\$50,000,000 of the Revolving Term Facility Commitment, effective the date hereof (the "**December 2019 Cancellation**"), such that, as at the date hereof, the Operating Facility Commitment has been reduced from Cdn. \$50,000,000 to Cdn. \$40,000,000 and the Revolving Term Facility Commitment has been reduced from Cdn. \$85,000,000 to Cdn. \$35,000,000.
- C. The parties hereto wish to amend the Credit Agreement on the terms and conditions provided in this third amending agreement (this "**Amending Agreement**").

AGREEMENT:

NOW THEREFORE in consideration of the premises, the covenants and the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged between the parties, the parties agree as follows:

1. **Definitions.** Capitalized terms used in this Amending Agreement will, unless otherwise defined herein, have the meanings attributed to such terms in the Credit Agreement.
2. **Amendment Date.** This Amending Agreement shall be effective as of the date hereof (the "**Amendment Date**").
3. **Amendments to the Credit Agreement.** Effective as of the Amendment Date the Credit Agreement is amended as follows:
 - (a) The definition of "Applicable Margin" is hereby deleted in its entirety, and the following increases are substituted therefor:

"**Applicable Margin**" means for any period set forth below, the percentage set forth under such period in the applicable table below for the applicable type of Advance or fee:

for the period commencing on the Third Amendment Date up to and including June 30, 2020¹:

	Total Debt to Tangible Net Worth Ratio ("X")	Prime Rate Advances	US Base Rate Advances	LIBOR Advance, BA Stamping Fee Rate, and Issuance Fees for Letters of Credit	Standby Fee Rate
Level 1	X < 2.75:1.00	[] bps	[] bps	[] bps	[] bps
Level 2	2.75:1.00 =< X < 3.25:1.00	[] bps	[] bps	[] bps	[] bps
Level 3	3.25:1.00 =< X < 3.75:1.00	[] bps	[] bps	[] bps	[] bps
Level 4	3.75:1.00 =< X < 4.00:1.00	[] bps	[] bps	[] bps	[] bps

¹ Fee information has been redacted from chart.

for the period commencing on July 1, 2020 and thereafter²:

	Total Debt to Tangible Net Worth Ratio ("X")	Prime Rate Advances	US Base Rate Advances	LIBOR Advance, BA Stamping Fee Rate, and Issuance Fees for Letters of Credit	Standby Fee Rate
Level 1	X < 2.75:1.00	[] bps	[] bps	[] bps	[] bps
Level 2	2.75:1.00 =< X < 3.25:1.00	[] bps	[] bps	[] bps	[] bps
Level 3	3.25:1.00 =< X < 3.75:1.00	[] bps	[] bps	[] bps	[] bps
Level 4	3.75:1.00 =< X < 4.00:1.00	[] bps	[] bps	[] bps	[] bps

provided that:

- (a) issuance fees for Non-Financial LCs shall be 66⅔% of the rate specified above for Letters of Credit; provided that, if any such Non-Financial LC is determined by OSFI to not be a Non-Financial LC after the issuance thereof, the foregoing rate for such Non-Financial LC shall be adjusted back to 100% of the rate specified above with retroactive effect to the date of issuance and the incremental issuance fee payable for the period from the date of issuance to the date of such determination by OSFI shall be payable on the first Business Day following the end of the Fiscal Quarter in which OSFI makes such determination;
- (b) upon the occurrence and during the continuation of an Event of Default or any Borrowing Base Shortfall hereunder, each of the rates in the above applicable table shall increase by an additional [] bps³ if and for so long as the Event of Default continues or the Borrowing Base Shortfall subsists; and
- (c) for the purposes of this definition, the Total Debt to Tangible Net Worth Ratio shall be calculated by RMDI, for and on behalf of itself and the other Borrowers, and reported to the Agent in the Compliance Certificate provided by RMDI from time to time in accordance with Section 9.2(h). The Agent shall be entitled to rely on such calculation and the Applicable Margin so determined shall be applied from and after the first day of the Fiscal Quarter of RMDI following the date that the Compliance Certificate was required to be delivered. In the event that RMDI fails to deliver a Compliance Certificate for any Fiscal Quarter in accordance with Section 9.2(h), the applicable Level shall be deemed to be Level 4 until such

² Fee information has been redacted from chart.

³ Fee information has been redacted.

Compliance Certificate is delivered confirming that a different Level is applicable. The Bankers' Acceptance Stamping Fee for BA Advances outstanding prior to and continuing after the date of a change in applicable Level shall be re-calculated as provided for in Section 4.3. The Agent and Borrowers acknowledge that Level 1 applies as of the Third Amendment Date."

- (b) The definition of "EBITDA" in Section 1.1 of the Credit Agreement is hereby amended by deleting existing paragraph (d) of such definition and replacing it with the following:

"(d) non-cash expenses, including (i) stock-based compensation and other similar expenses, (ii) write-downs of inventory up to a maximum aggregate amount of Cdn.\$6,500,000 during any period, and (iii) other non-recurring expenses that are non-cash in nature;"

- (c) The definition of "Permitted Dispositions" in Section 1.1 of the Credit Agreement is hereby amended by:

- (i) inserting a new paragraph (a.1) immediately following existing paragraph (a) of such definition as follows:

"(a.1) the sale, transfer or other disposition of the Kindersley Property, provided that, (i) the Proceeds of such sale, transfer or other disposition are no less than Cdn. \$[]⁴ and (ii) at the time of any sale, transfer or other disposition, no Default or Event of Default shall have occurred and be continuing, and no Default or Event of Default shall occur after giving effect to any such sale, transfer or other disposition;" and

- (ii) deleting the words "10% of the Book Value of the Net Tangible Total Assets in such Fiscal Year, as calculated based on the most recent Financial Statements delivered to the Agent in accordance with Section 9.2(g)" where they appear in paragraph (c) of such definition and substituting "Cdn. \$5,000,000" therefor.

- (d) Section 1.1 of the Credit Agreement is hereby amended by inserting the following new definitions in appropriate alphabetical order:

"Third Amendment Date" means December 5, 2019.

"Kindersley Property" means the real property legally described as []⁵, Kindersley, Saskatchewan.

⁴ Minimum Proceeds have been redacted.

⁵ Legal description of land has been redacted.

- (e) Section 2.4 of the Credit Agreement is hereby amended by inserting the following new paragraph (d) immediately following existing paragraph (c) of such Section as follows:
 - "(d) Notwithstanding anything in this Agreement to contrary, during the period commencing the Third Amendment Date up to and including June 30, 2020, the Borrower shall not be able to request any new Advances under the Revolving Term Facility other than Conversions or Rollovers of any Advances which are outstanding under the Revolving Term Facility as at the Third Amendment Date. For certainty, the Borrowers shall continue to pay standby fees in accordance with Section 4.6 hereof with reference to the entire amount of the Revolving Term Facility Commitment."
- (f) Section 3.13 of the Credit Agreement is hereby amended by inserting a new paragraph (a.1) immediately following existing paragraph (a) of such Section as follows:
 - "(a.1) within 3 Business Days of the receipt thereof, all Proceeds from the sale, transfer or other disposition of the Kindersley Property;"
- (g) Section 3.18(a) of the Credit Agreement is hereby amended by:
 - (i) inserting the words ", with the consent of all of the Lenders," immediately following words "the Borrowers may" where they appear in such Section; and
 - (ii) deleting the reference to "\$310,000,000" where it appears in such Section and substituting "\$250,000,000" therefor.
- (h) Section 9.1 of the Credit Agreement is hereby amended by (i) deleting the word "and" where it appears at the end of paragraph (dd) of such Section, (ii) deleting the "." where it appears at the end of paragraph (ee) of such Section and substituting "; and" therefor and (iii) inserting a new paragraph (ff) immediately following existing paragraph (ee) of such Section as follows:
 - "(ff) sell, transfer or dispose of the Kindersley Property on or before April 30, 2020 for Proceeds of no less than Cdn. \$[]⁶, which Proceeds shall be applied to a repayment of the Obligations pursuant to Section 3.13(a.1) hereof."
- (i) Section 9.3(j)(i) of the Credit Agreement is hereby amended by deleting the reference to "\$20,000,000" where it appears therein and substituting "\$5,000,000" therefor.

⁶ Minimum Proceeds have been redacted.

- (j) Section 9.3(k)(iv) of the Credit Agreement is hereby amended by deleting the reference to "\$7,500,000" where it appears therein and substituting "\$2,500,000" therefor.
 - (k) Section 9.3(v) of the Credit Agreement is hereby amended by deleting the reference to "\$15,000,000" where it appears therein and substituting "\$5,000,000" therefor.
 - (l) Section 9.4(c) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:
 - "(c) its Fixed Charge Coverage Ratio shall be at least:
 - (i) 1.05:1.00 as at the end of the Fiscal Quarters ending December 31, 2019, March 31, 2020 and June 30, 2020; and
 - (ii) 1.20:1.00 as at the end of each Fiscal Quarter thereafter;"
 - (m) Section 3(c) of Schedule "B" to the Credit Agreement is hereby deleted in its entirety and replaced with the following:
 - "(c) the Fixed Charge Coverage Ratio is **[[●]:[●]]** and **[is/is not]** compliant with the required ratio of **[1.05:1.00 [for the Fiscal Quarters ending December 31, 2019, March 31, 2020 and June 30, 2020]/1.20:1.00 [for each Fiscal Quarter thereafter]]** or greater."
 - (n) Exhibit 1 of the Credit Agreement is hereby deleted in its entirety and replaced with Exhibit 1 hereto.
 - (o) Schedule "A" of the Credit Agreement is hereby deleted in its entirety and replaced with Exhibit 2 hereto to evidence the December 2019 Cancellation.
4. **Consent to EBITDA Add Back.** The Agent for itself, and on behalf of the Majority Lenders, hereby consents to the add-back of up to Cdn. \$1,000,000, in aggregate, of severance costs incurred on or prior to June 30, 2020 into the calculation of EBITDA as an "extraordinary item" as per paragraph (h) in the definition of EBITDA.
5. **Conditions Precedent.** This Amending Agreement shall become effective upon each of the following conditions precedent being performed to the satisfaction of, or waived in writing by, the Agent for and on behalf of the Majority Lenders:
- (a) no Default, Event of Default or Borrowing Base Shortfall has occurred and is continuing;

- (b) the Borrowers shall have paid to the Agent, for each Lender, an amendment fee equal to [] bps⁷ multiplied by each Lender's Commitment (after giving effect to December 2019 Cancellation); and
- (c) the Borrowers have delivered or cause to be delivered to the Agent, on behalf of the Majority Lenders, a fully executed copy of this Amending Agreement.

6. **Representations and Warranties.** The Loan Parties each agree with and confirm to the Agent, for itself, and on behalf of the Majority Lenders, that, as of the date hereof, each of the representations and warranties listed in Article 8.1 of the Credit Agreement is true and accurate. Further, the Loan Parties each hereby represent and warrant to the Agent for itself, and on behalf of the Majority Lenders that:

- (a) the execution and delivery of this Amending Agreement and the performance by it of its obligations hereunder (i) are within its corporate powers, (ii) have been duly authorized by all necessary corporate action, (iii) have received all necessary governmental approval (if any required), and (iv) do not and will not contravene or conflict with any provision of any Applicable Law or of its constating documents;
- (b) this Amending Agreement is a legal, valid and binding obligation of the Loan Parties, enforceable against each of them in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, winding-up, moratorium or similar applicable laws relating to the enforcement of creditors' rights generally and by general principles of equity; and
- (c) no Default, Event of Default or Borrowing Base Shortfall has occurred and is continuing.

7. **Confirmation of Security.** Each of the Loan Parties acknowledge and agree that all Security granted by it to the Agent and the Lenders in connection with the Credit Agreement, the other Credit Documents and any other documents executed and delivered pursuant or in connection with any of the foregoing, continue in full force and effect, without in any way impairing or derogating from any of the obligations, mortgages, pledges, charges, assignments, security interests, subordinations and covenants therein contained or thereby constituted, as continuing guarantees and security for all of its indebtedness, liabilities and other obligations under the Credit Agreement, as amended by this Amending Agreement, the Security and the other applicable Credit Documents.

8. **Continuing Effect.** Except as expressly provided in Section 3 hereof, nothing herein shall waive, limit or affect any Obligations, the Credit Agreement, the Security or any other Credit Documents, all of which continue in full force and effect. Without limiting the foregoing, each of the parties hereto acknowledges and agrees that the Credit Agreement, as amended by this Amending Agreement, and the other Credit Documents is hereby confirmed and the rights and obligations of all parties thereunder will not be effected or prejudiced in any manner except as specifically provided herein.

⁷ Fee information has been redacted.

9. **Further Assurance.** Each of the Loan Parties will from time to time forthwith at the Agent's request and at the Borrowers' own cost and expense, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, financing change statements, assignments, acts, matters and things which may be reasonably required by the Agent and as are consistent with the intention of the parties as evidenced herein, with respect to all matters arising under this Amending Agreement.
10. **Expenses.** The Borrowers will be liable for all expenses of the Agent and the Lenders, including, without limitation, reasonable legal fees (on a solicitor and his own client full indemnity basis) and other out-of-pocket expenses in connection with the negotiation, preparation, establishment, operation or enforcement of this Amending Agreement (whether or not consummated) by the Agent or the Lenders.
11. **Counterparts.** This Amending Agreement may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which when executed and delivered will be deemed to be an original, but all of which when taken together constitutes one and the same instrument. Any party may execute this Amending Agreement by signing any counterpart.
12. **Governing Law.** This Amending Agreement shall be construed and governed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each of the Loan Parties irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom and waives any defence of *forum non conveniens*.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Amending Agreement to be duly executed by their respective authorized officers as of the Amendment Date.

The Loan Parties:

ROCKY MOUNTAIN DEALERSHIPS INC.,
as Borrower and Guarantor

Per: _____
Name:
Title:

Per: _____
Name:
Title:

**ROCKY MOUNTAIN EQUIPMENT
CANADA LTD.,** as Borrower and Guarantor

Per: _____
Name:
Title:

Per: _____
Name:
Title:

**ROCKY MOUNTAIN DEALER
ACQUISITION CORP.,** as Borrower and
Guarantor

Per: _____
Name:
Title:

Per: _____
Name:
Title:

RME HOLDINGS USA, INC., as Borrower and
Guarantor

Per: _____
Name:
Title:

Per: _____
Name:
Title:

RME USA, INC., as Borrower and Guarantor

Per: _____
Name:
Title:

Per: _____
Name:
Title:

The Agent:

**CANADIAN IMPERIAL BANK OF
COMMERCE**, as Agent for itself, and on behalf
of the Majority Lenders

Per:_____

Name:

Title:

Per:_____

Name:

Title:

**EXHIBIT 1 TO THE THIRD AMENDING AGREEMENT
MADE AS OF DECEMBER 5, 2019**

EXHIBIT 1

attached to and forming part of the Eighth Amended and Restated Credit Agreement made as of
December 24, 2018

(see attached)

**EXHIBIT 2 TO THE THIRD AMENDING AGREEMENT
MADE AS OF DECEMBER 5, 2019**

SCHEDULE "A"

attached to and forming part of the Eighth Amended and Restated Credit Agreement made as of
December 24, 2018

COMMITMENTS OF LENDERS⁸

(expressed in Cdn. Dollars)

	Lender	Operating Facility Commitment	Swingline Facility Commitment	Letter of Credit Commitment	Flooring Facility Commitment	Revolving Term Facility Commitment	Total
1.	Canadian Imperial Bank of Commerce	\$[]	\$[] <i>(sublimit of Operating Facility Commitment)</i>	\$[] <i>(sublimit of Operating Facility Commitment)</i>	\$[]	\$[]	\$[]
2.	The Bank of Nova Scotia	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]
3.	Rabobank Canada	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]
4.	ATB Financial	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]
5.	National Bank of Canada	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]
6.	De Lage Landen Financial Services Canada Inc.	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]
Total:		\$40,000,000	\$7,500,000	\$10,000,000	\$125,000,000	\$35,000,000	\$200,000,000

Note – Pursuant to Section 3.18, the Operating Facility Commitment, the Flooring Facility Commitment and/or the Revolving Term Facility Commitment may be increased by up to the aggregate amount of \$50,000,000, resulting in a maximum Total Commitment of \$250,000,000, subject to the terms and provisions set forth in Section 3.18, including the agreement of the Lenders.

⁸ Commitment amounts for all Lenders have been redacted.