FORM S-1/A

General form of registration statement for all companies including face-amount certificate companies [amend]

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SIC: **1389** Oil & gas field services, nec

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As filed with the Securities and Exchange Commission on May 19, 2017

Registration No. 333-217601

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Nine Energy Service, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**1389**	**80-0759121**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification No.)

16945 Northchase Drive, Suite 1600
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(Address, including zip code, and telephone number, including area code, of registrant' s principal executive offices)

Theodore R. Moore
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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of ‘‘large accelerated filer,’’ ‘‘accelerated filer,’’ ‘‘smaller reporting company,’’ and ‘‘emerging growth company’’ in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐ Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. The securities described herein may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated , 2017

Prospectus

shares

Nine Energy Service, Inc.

Common stock

This is the initial public offering of common stock of Nine Energy Service, Inc. We are offering shares of common stock, and the selling stockholders identified in this prospectus are offering shares of common stock. We will not receive any proceeds from the sale of shares by the selling stockholders. The estimated initial public offering price of our common stock is between $ and $ per share.

We expect to apply to list our common stock on the New York Stock Exchange under the symbol "NINE."

We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act of 2012, and as such, we have elected to take advantage of certain reduced public company reporting requirements for this prospectus and future filings. See "Risk factors" and "Prospectus summary–Emerging growth company."

	Per share	Total
Initial public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds to us, before expenses	$	$
Proceeds to selling stockholders, before expenses	$	$

(1) See "Underwriting (conflicts of interest)" for additional information regarding underwriting compensation.

The selling stockholders have granted the underwriters an option for a period of 30 days to purchase up to an aggregate of additional shares of our common stock on the same terms and conditions set forth above.

Investing in our common stock involves risks. See "Risk factors" beginning on page 24.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock on or about , 2017.

J.P. Morgan	**Goldman Sachs & Co. LLC**	***Wells Fargo Securities***
BofA Merrill Lynch	***Credit Suisse***	
Raymond James	***Simmons & Company International***	***Tudor, Pickering, Holt & Co.***
HSBC	***Scotia Howard Weil***	**UBS Investment Bank**

, 2017

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You should rely only on the information contained in this prospectus and any free writing prospectus prepared by or on behalf of us or to which we have referred you. Neither we, the selling stockholders nor the underwriters have authorized anyone to provide you with information different from that contained in this prospectus and any free writing prospectus. We, the selling stockholders and the underwriters are offering to sell shares of common stock and seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. See "Risk factors" and "Cautionary note regarding forward-looking statements."

Until , 2017 (25 days after commencement of this offering), all dealers that buy, sell or trade our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Presentation of information

Unless otherwise indicated, information presented in this prospectus (i) assumes that the underwriters' option to purchase additional common stock is not exercised, (ii) is adjusted to reflect the for 1 stock split effected on , 2017 (the "Stock Split"), (iii) assumes that the initial public offering price of the shares of our common stock will be $ per share (which is the midpoint of the estimated price range set forth on the cover page of this prospectus), (iv) assumes the issuance of shares of common stock issuable upon the exercise of outstanding warrants held by our existing stockholders, which will automatically be exercised on a cashless basis upon the consummation of this offering assuming no warrants are exercised before the consummation of this offering, and (v) assumes the filing and effectiveness of the Third Amended and Restated Certificate of Incorporation (our "charter"), which will be adopted prior to the completion of this offering, and the Fourth Amended and Restated Bylaws (our "bylaws"), which will be adopted in connection with the consummation of this offering. Please see "Description of capital stock" for a description of our charter and bylaws.

In addition, except as expressly stated or the context otherwise requires, our financial and other information in this prospectus relating to periods prior to the Combination (as defined in "Prospectus summary") gives effect to the Combination and related transactions. See "Prospectus summary–Our history and the Combination" for more information regarding the Combination. In this prospectus, unless the context otherwise requires, the term "SCF" refers to SCF-VII, L.P. and SCF-VII(A), L.P., collectively, or any of them individually.

Industry and market data

The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, government publications or other published independent sources. The industry data sourced from Spears & Associates, Inc. is from a report published in the first quarter of 2017. The industry data sourced from Baker Hughes is from its "North America Rotary Rig Count" published on May 12, 2017. Although we believe these third-party sources are reliable as of their respective dates, neither we, the selling stockholders nor the underwriters have independently verified the accuracy or completeness of this information. Some data is also based on our good faith estimates and our management' s understanding of industry conditions. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section entitled "Risk factors". These and other factors could cause results to differ materially from those expressed in these publications.

Trademarks and trade names

We own or have rights to various trademarks, service marks and trade names that we use in connection with the operation of our business. This prospectus may also contain trademarks, service marks and trade names of third parties, which are the property of their respective owners. Our use or display of third parties' trademarks, service marks, trade names or products in this prospectus is not intended to, and does not imply, a relationship with us or an endorsement or sponsorship by or of us. Solely for convenience, the trademarks, service marks and trade names referred to in this prospectus may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks, service marks and trade names.

Prospectus summary

This summary provides a brief overview of information contained elsewhere in this prospectus. Because it is abbreviated, this summary does not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully before making an investment decision, including the information presented under the headings "Risk factors," "Cautionary note regarding forward-looking statements" and "Management's discussion and analysis of financial condition and results of operations" and the historical combined financial statements and related notes thereto included elsewhere in this prospectus.

On February 28, 2017, Nine Energy Service, Inc. ("Nine") merged (the "Combination") with Beckman Production Services, Inc. ("Beckman"). In this prospectus, unless the context otherwise requires, the terms "Nine," "we," "us," "our" and the "Company" refer to (i) Nine Energy Service, Inc. and its subsidiaries together with Beckman prior to the Combination and (ii) Nine Energy Service, Inc. and its subsidiaries after the Combination. In the Combination, all of the issued and outstanding shares of Beckman common stock were converted into shares of common stock of Nine Energy Service, Inc., other than 1.6% of Beckman shares paid in cash, and Beckman became a wholly owned subsidiary of Nine. See "Presentation of information."

Company overview

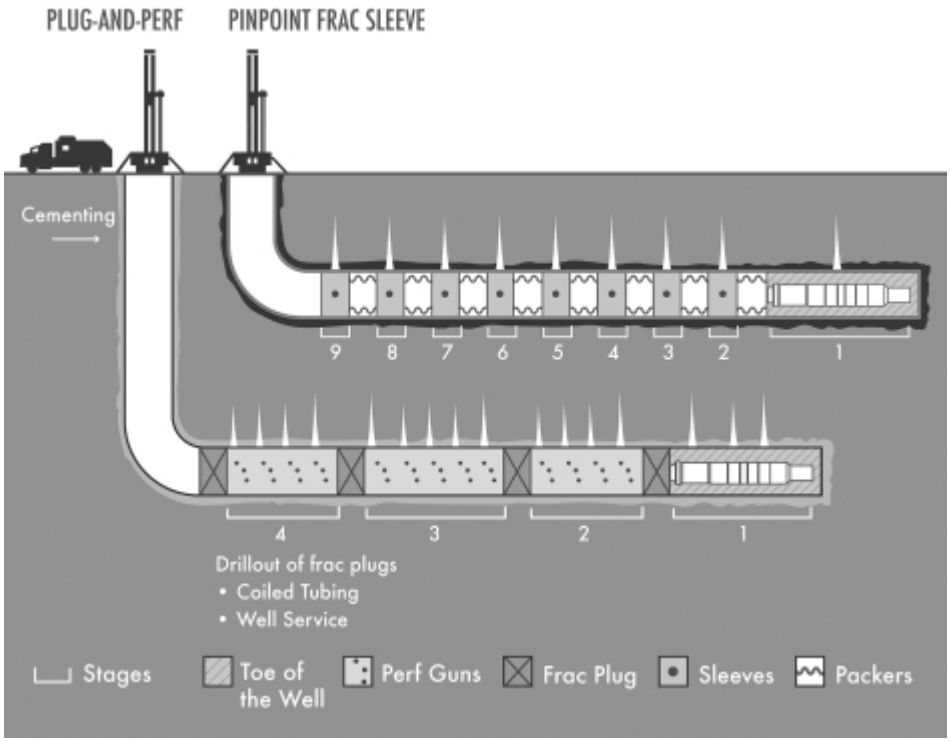
We are a leading North American onshore completion and production services provider that targets unconventional oil and gas resource development. We partner with our exploration and production ("E&P") customers across all major onshore basins in both the U.S. and Canada to design and deploy downhole solutions and technology to prepare horizontal, multistage wells for production. We focus on providing our customers with cost-effective and comprehensive completion solutions designed to maximize their production levels and operating efficiencies. We believe our success is a product of our culture, which is driven by our intense focus on performance and wellsite execution as well as our commitment to forward-leaning technologies that aid us in the development of smarter, customized applications that drive efficiencies.

We provide our comprehensive completion solutions across a diverse set of well-types, including on the most complex, technically demanding unconventional wells. Modern, high-intensity completion techniques are a more effective way for our customers to maximize resource extraction from horizontal oil and gas wells. These completion techniques provide improved estimated ultimate recovery ("EUR") per lateral foot and a superior return on investment, which make them attractive to operators despite their associated increased well cost. We compete with a limited number of service companies for the most intricate and demanding projects, which are characterized by extended reach horizontal laterals, increased stage counts per well and increased proppant loading per lateral foot. As stage counts per well increase, so do our operating leverage and returns, as we are able to complete more jobs and stages with the same number of units and crews. Service providers for these demanding projects are selected based on their technical expertise and ability to execute safely and efficiently, rather than only price.

We offer a variety of completion applications and technologies to match customer needs across the broadest addressable completions market. Our comprehensive well solutions range from cementing the well at the initial stages of the completion, preparing the well for stimulation, isolating all the stages of an extended reach lateral, and drilling out plugs and performing associated remedial work as production comes online. Our completion techniques are specifically tailored to the customer and geology of each well. At the initial stage of a well completion, our lab facilities produce customized cementing slurries used to secure the production casing to ensure well integrity throughout the life of the well. Once the casing is in place, we utilize our proprietary tools at the toe (end) of the well, often called stage one, to prepare for the well stimulation process. We provide

customers with plug-and-perf or pinpoint frac sleeve system technology to complete the remaining stages of the well. Through our wireline units, we provide plug-and-perf services that, when combined with our fully-composite frac plugs, create perforations to isolate and divert the fracture to the correct stage. Our pinpoint frac sleeve system involves packers, either hydraulic or swellable, to isolate sections of the wellbore and frac sleeves to provide access to each stage for stimulation and production. Our equipment also includes high-specification coiled tubing units and workover rigs that are capable of reaching the farthest depths for the removal of plugs and cleaning of the wellbore to prepare for production. Once a well is producing, we are able to offer a range of production enhancement services through our fleet of well service rigs and ancillary equipment.

The following graphic provides a summary of our comprehensive well solutions that span the life cycle of a well completion.



Our services

We operate in two segments: Completion Solutions and Production Solutions. Our Completion Solutions segment provides services integral to the completion of unconventional wells through a full range of tools and methodologies. Our Production Solutions segment provides a range of production enhancement and well workover services that are performed with a well servicing rig and ancillary equipment.

Completion Solutions

The following is a description of the primary service offerings and deployment methods within the Completion Solutions business segment:

Cementing services: Our cementing services consist of blending high-grade cement and water with various solid and liquid additives to create a cement slurry that is pumped between the casing and the wellbore of the well. We currently have two high-quality lab facilities, and plan to open a third in the second quarter of 2017, capable of designing and testing all of the current industry cement designs. The lab facilities operate twenty-four hours a day and are fully staffed by qualified technicians with the latest equipment and modeling software. Our technicians and engineers ensure that all tests are performed to API specifications and results are delivered to customers promptly. Our cement slurries are designed to achieve the proper cement thickening time, compressive strength and fluid loss control. Our slurries can be modified to address a wide range of downhole needs of our E&P customers, including varying well depths, downhole temperatures, pressures and formation characteristics. We deploy our slurries by using our customized design twin-pumping units, which are fully redundant and significantly decrease our risk of downtime due to mechanical failure. From January 2014 to December 2016, we completed approximately 9,200 cementing jobs, with an on-time rate of approximately 92%. Punctuality of service has become one of the primary metrics that E&P operators use to evaluate the cementing services they receive. Key contributors to our 92% on-time rate include our lab capabilities, personnel, close proximity to our customers' acreage, dual-sided bulk loading plants and our service-driven culture.

Completion tools: We provide unconventional and conventional downhole solutions and technology used for multistage completions. Our comprehensive completion service offerings are complemented by our unconventional open hole and cemented completion tool products, such as liner hangers and accessories, fracture isolation packers, frac sleeves, stage one prep tools, fully composite frac plugs and specialty open hole float equipment and centralizers. Our completion tools provide pinpoint frac sleeve system technologies that enable comparable rates per stage while providing more control over fracture initiation. A few examples of our innovative portfolio of completion tools are: (i) the Scorpion Fully-Composite Plug™, a patented packer-style fully composite plug designed to provide zonal isolation in a multi-stage well completion; we offer a diverse product group of fully-composite plugs designed for 3.5" to 5.5" well casings as well as a unique Scorpion Extended Range plug, which is used in demanding well applications where operators have to negotiate through internal diameter restrictions, (ii) the SmartStart PLUS™, an interventionless time-delayed pressure-activated sleeve that we have the exclusive distribution rights to in the northeastern U.S. and with certain customers in other regions, that eliminates the need for tubing or pipe-conveyed perforating when completing the toe stage of horizontal wells, (iii) the Storm Re-Frac Packer™, a system that allows our customers to re-stimulate their existing wells using standard size plug-and-perf procedures to extend and enhance their production profiles with minimal flow restriction during stimulation, (iv) the FlowGun™, a stage one interventionless casing-conveyed perforating technology that eliminates the need to run wireline or coil tubing and requires no electronic detonation allowing our customers to perform a maximum pressure test and perforate stage one more efficiently with less risk and with no lateral length limitations, and (v) the Coil Frac Sleeve System, a system that utilizes coiled tubing to deploy a resettable frac packer, that we have the exclusive distribution rights to in the U.S., which is used to open and isolate frac sleeves that have been installed as an integral part of the casing. Our systems provide completion efficiencies at the wellsite by reducing our customers' equipment needs and stimulation time and allowing for specific zonal treatment. From March 2011 to December 2016, we have deployed approximately 65,000 swell and hydro-mechanical packers and approximately 17,000 frac sleeves for downhole completions.

Additionally, we offer a portfolio of completion technologies used for completing the toe stage of a horizontal well, as well as fully-composite and extended-range frac plugs to isolate stages during plug-and-perf operations.

Wireline services: Our wireline services involve the use of a wireline unit equipped with a spool of wireline that is unwound and lowered into oil and gas wells to convey specialized tools or equipment for well completion, well intervention or pipe recovery. Our wireline units are equipped with the latest technology utilized to service long lateral completions, including head tension tools, ballistic release tools and addressable switches. The majority of our wireline work consists of plug-and-perf completions, which is a multistage well completion technique for cased-hole wells that consists of deploying perforating guns to a specified depth. We deploy proprietary specialized tools like our fully-composite frac plugs through our wireline units. From January 2014 to December 2016, we have completed approximately 45,000 wireline stages in the U.S. with a success rate of over 98%.

Coiled tubing services: Coiled tubing services perform wellbore intervention operations utilizing a continuous steel pipe that is transported to the wellsite wound on a large spool in lengths of up to 25,000 feet. Coiled tubing provides a cost-effective solution for well work due to the ability to deploy efficiently and safely into a live well using specialized well-control equipment. The live well work capability limits the customer's risk of formation damage associated with "killing" a well (the temporary placement of heavy fluids in a wellbore to keep reservoir fluids in place), while allowing for safer operations due to minimal equipment handling. Coiled tubing facilitates a variety of services in both new and old wells, such as milling, drilling, fishing, production logging, artificial lift installation, cementing, stimulation and restimulation services. In addition, our units are also used in conjunction with pinpoint hydraulic fracturing operations. Most of our coiled tubing units are capable of reaching total measured depths of 21,500 feet and beyond; including lateral lengths in excess of 12,500 feet, keeping pace with the industry's most challenging downhole environments. While we specialize in larger-diameter (2 3/8" and 2 5/8") applications, we also offer 2" and 1 1/4" diameter solutions to our customers. From May 2014 to December 2016, we have performed approximately 3,750 jobs and deployed more than 65.5 million running feet of coiled tubing, with a success rate of over 99%.

Production Solutions

The following is a description of the primary service offerings conducted within the Production Solutions business segment:

Well services: Our well servicing business encompasses a full range of services performed with a mobile well servicing rig (or workover rig) and ancillary equipment throughout a well's life cycle from completion to plugging and abandonment. Our rigs and personnel install and remove downhole equipment and eliminate obstructions in the well to facilitate the flow of oil and natural gas, often immediately increasing a well's production. We believe the production increases generated by our well services substantially enhance our customers' returns and significantly reduce their payback periods. Activities performed with our well servicing rigs can range from the milling of plugs following a plug-and-perf completion, to the installation in repair of artificial lift, to the ultimate plug and abandonment of a depleted well. Key components of our well services success include our geographic footprint, employee culture, fleet of rigs and inventory of equipment. Our operations extend across six major onshore U.S. basins, and our employee culture fosters local relationships within this expansive geographic footprint through excellent customer service and basin-level expertise.

We utilize a fleet of more than 100 rigs, approximately 40% of which are capable of performing completion-oriented work. This fleet and the inventory of equipment maintained at each of our regional locations are

tailored to the needs of our customers in each particular basin. The high-specification rigs we utilize are engineered to perform in the most demanding laterals being drilled in the U.S. today. From January 2014 to December 2016, we operated more than 700,000 rig hours. According to the Association of Energy Service Companies ("AESC"), only 54% of industry reported well service rigs were active or available from January 2015 to December 2016. In contrast, 75% of our rigs have remained active or available in the same period.

Our competitive strengths

We believe that the following strengths differentiate us from many of our competitors and will contribute to our ongoing success:

Technology-driven business model enhances ability to capitalize on industry trend towards more technically demanding unconventional wells

We invest in innovative technology and equipment designed for modern completion and production techniques that increase efficiencies and production for our customers. North American unconventional onshore wells are increasingly characterized by extended lateral lengths, tighter spacing between hydraulic fracturing stages, increased cluster density and heightened proppant loads. Drilling and completion activities for wells in unconventional resource plays are extremely complex, and downhole risks and operating costs increase as the complexity and lateral length of these wells increase. For these reasons, E&P companies with complex wells generally prefer to partner with technically-proficient, established service companies that are capable of providing the necessary equipment and techniques to complete the services safely, efficiently and with a focus on operational excellence. We believe that these unconventional wells will comprise a growing portion of the market, and that our comprehensive completion service and solutions offerings position us well to capture this growing market.

We have developed a suite of proprietary downhole tools, products and techniques, such as the Scorpion Fully-Composite Plug™, SmartStart PLUS™, Flow Gun™, Coil Frac Sleeve System and Storm Re-Frac Packer™, through both internal resources as well as strategic partnerships with manufacturers and engineering companies looking for a reliable and expansive channel to market. We have also made an investment in an advanced electromagnetic (EM) fracture monitoring service, Deep Imaging Technologies, which allows our customers to measure fracture efficacy, informing well spacing and infill development decisions. We believe we have become a "go-to" service provider for piloting new technologies across the U.S. and Canada because of our service quality and scale. These strategic partnerships provide us and our customers with access to unique downhole technology from independent innovators. This also allows us to minimize exposure to potential technology adoption risks and the significant costs associated with developing and implementing research and development ("R&D") internally. Our internal resources are focused on evolving our existing proprietary tools to stay on trend and ensure quicker, lower cost completions for our customers.

Customized solutions offerings and a differentiated level of customer service

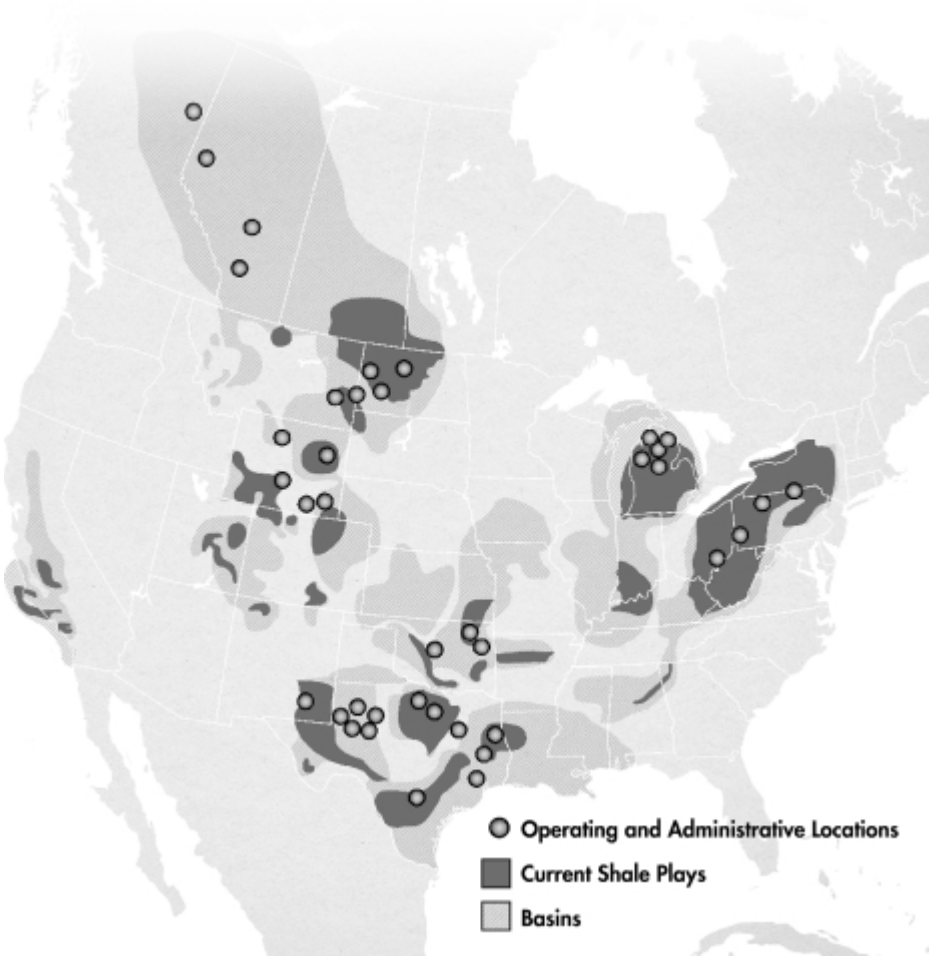
We are able to provide customized solutions for all completion types across North America, including plug-and-perf, pinpoint frac sleeve systems and hybrid wells. Our comprehensive completion service offerings, together with our complementary production services, enable us to deliver the most value to our customers throughout the life of the well. Through our strong relationships with our customers, we maintain a continuous dialogue and real-time feedback loop, allowing us to remain nimble and evolve our service offerings in concert with changing demands from our customers. We believe that our ability to be highly responsive to customers

and nimbly address requests for changes in service delivery is a distinct competitive advantage and a cornerstone of our brand.

Established presence in all major onshore basins in both the U.S. and Canada

We operate in all major onshore basins in both the U.S. and Canada, including the Permian Basin, Marcellus and Utica Shales, Eagle Ford Shale, SCOOP / STACK Formation, Bakken Formation, Haynesville Formation and Western Canada Sedimentary Basin. We provide our services through strategically placed operating facilities located in-basin throughout North America. This local presence allows us to quickly respond to customer demands and operate efficiently. Additionally, through our extensive footprint, we are able to track and implement best practices around completion and production trends and technology across all divisions and geography.

The following map demonstrates our geographic footprint.



We believe that our strategic geographic positioning will benefit us as activity increases in our core operating areas. Our broad geographic footprint provides us with exposure to the ongoing recovery in drilling and completion activity and will allow us to opportunistically pursue new business in basins with the most active drilling environments.

Returns-focused business model with high operational leverage

We are focused on generating attractive returns on capital for our stockholders. Our completion and production services require less equipment and fewer people than many other oilfield service lines. Unlike pressure pumping, the increase in oil and gas well completion intensity does not significantly impact our equipment. The rising level of completion intensity in our core operating areas contributes to improved margins and returns for us on a per job basis. This provides us significant operational leverage, and we believe positions us well to continue to generate attractive returns on capital as industry activity increases and the market for oilfield services improves. As part of our returns-focused approach to capital spending, we are focused on maintaining a capital efficient program with respect to the development of new products. We do not make large investments in R&D; instead we primarily rely on strategic partnerships with oilfield product development companies, who view us as an attractive distribution platform for their products. This allows us to benefit from new products and technologies while minimizing our R&D expenditures. We believe our return on invested capital ("ROIC") generally exceeds that of many other oilfield service providers. For a definition of ROIC, which is a non-GAAP financial measure, see "–Summary financial data–Non-GAAP financial measures."

Experienced and entrepreneurial management team and board of directors with a successful track record of executing growth and acquisition strategies

The members of our management team and board of directors have a blend of operating, financial and leadership experience in the industry, that we believe provides us with a competitive advantage. We have a deep management team, with experienced mid-level and field managers, many of whom previously started and managed smaller independent onshore oilfield services companies. Our management team has an average of over 20 years of experience in the oilfield service industry, and our field managers have expertise in the geological basins in which they operate and understand the regional challenges that our customers face. We believe this experience provides our management team with an in-depth understanding of our customers' needs, which enhances our ability to deliver innovative, customer-driven solutions throughout varying industry cycles, which in turn strengthens our relationships with our customers. Many members of our senior management team are entrepreneurs and company founders who joined our company and remain major stockholders. This is an important part of our growth-focused corporate culture. We focus on partnering with the right management teams and companies, which has enabled us to identify and acquire high-quality businesses with a similar culture to us and synergistically integrate them into our existing operation. Nine has completed four acquisitions as well as the Combination with Beckman. We believe this significant experience in identifying and closing acquisitions will help us identify additional attractive acquisition opportunities in the future. In addition, we believe that our extensive industry contacts and those of SCF Partners, L.P. ("SCF Partners"), our equity sponsor, will facilitate the identification of acquisition opportunities. See "–Our equity sponsor" for information regarding SCF Partners.

Balance sheet flexibility to selectively pursue accretive growth avenues

On a pro forma basis giving effect to (i) this offering and the use of net proceeds therefrom to fully repay all outstanding borrowings under the Existing Nine Credit Facility and the Existing Beckman Credit Facility, as defined and described in "Management's discussion and analysis of financial condition and results of operations–Our credit facilities," and the remainder for general corporate purposes and (ii) the entry into a new revolving credit facility (our "new credit facility"), which we expect to be undrawn upon consummation of this offering, as of April 30, 2017, we had $ million of cash on hand and $ million of availability under our new credit facility, providing us with the flexibility to pursue opportunities to grow our business. See "Management's

discussion and analysis of financial condition and results of operations–Liquidity and capital resources–Our credit facilities–Our new credit facility" for information regarding our new credit facility, which we expect to enter into concurrently with, and conditioned upon, the consummation of this offering. Given our broad geographic and services footprint and strong reputation in the industry, we believe that we will have significant optionality to grow in existing service areas or expand into new areas as demanded by our customers.

Our business strategies

Our company strategy is very focused on returns on invested capital achieved through serving our customers' needs to help maximize production and drive cost efficiencies through a unique combination of technology and service. We expect to achieve this through the following strategies:

Continue to innovate and enhance our technology-driven offerings

We intend to continue to invest and develop new technologies, techniques and equipment to provide our customers with continuously innovating services and the tools of tomorrow needed to efficiently complete and produce the most complex wells. The growth of unconventional oil and gas resources drives the need for new technologies, completion techniques and equipment to increase recovery rates, lower production costs and accelerate field development. Our customers operate in an extremely competitive environment, and they demand technology-driven service and innovative tools suitable for the most modern completion and production techniques. We have instilled in our employees a culture of innovation and open communication with both our customers and management to be the first responders to our customers' need for the next innovation or tool. We will continue to listen and learn from operators and experts in the field to facilitate a fast and informative feedback loop that allows us to stay ahead of customers' needs and share industry best practices across basins. With this real-time information, we seek strategic partnerships and accretive acquisitions with companies and innovators that specialize in developing new production equipment and technologies. We believe that our real-time access to information and focus on technology-driven innovation and efficiency will continue to differentiate us from our competitors and will drive our success with customers that demand a technologically focused and tailored approach.

Continue to focus on service quality and flawless wellsite execution

A successful completion requires both the implementation of a variety of technologies and the commitment to wellsite execution. As well complexities continue to increase, service quality becomes a key criteria used by operators in selecting their oilfield service providers. An E&P operator's downhole risks and operating costs increase as the complexity and lateral lengths of wells increase. Our customers demand high quality service with fast and nimble responses. We seek to meet this demand by developing our employees through extensive classroom and on the job training, as well as health, safety and environmental ("HSE") and the U.S. Department of Transportation (the "DOT") training programs. This also enables us to have a flatter organization and empower employees throughout all levels of the company. Our employees' extensive knowledge and training allows for more autonomy in the field, ultimately reducing response time and establishing trust with our customers. We continue to develop and implement comprehensive metrics and company standards while allowing our regional leadership to operate autonomously in accordance with those standards. We believe this nimble, customer-focused approach to service will allow us to increase efficiencies for our customers and drive success for our company.

Continue to capitalize on efficiencies being demanded by our customer base

Our customers are increasingly focused on driving efficiencies in drilling and completion techniques of unconventional wells. This focus has led to an increase in the adoption of pad drilling, zipper fracs and other techniques intended to reduce the time and cost inherent in drilling and completing wells. We believe that we are well-positioned to benefit from these efficiencies, which allow us to complete a greater number of jobs (such as stages, plugs or drillouts) with fewer workers and minimal capital maintenance and equipment, ultimately generating additional revenue and better margins. Prior to the adoption of longer laterals, more stages and pad drilling, the completion of 100 stages would require approximately ten wireline, coil or workover units (one unit per well). The increase in operating efficiencies of our E&P customers produced by developments in horizontal drilling have produced efficiencies in our operations. For example, operators in the current environment are completing 100 stages at a single pad, allowing us to send one unit and two crews to location. We now require less people and equipment to generate the same stage counts or drillouts. For example, in 2014, we averaged approximately 5.5 stages per employee per month compared to approximately 7.2 stages per employee per month in 2016. We have and will continue to be aligned to our customers' efficiencies, which drive down our costs and increase our utilization.

Leverage our strategic footprint to pilot new technologies and share best practices

Our strategy includes leveraging our broad geographic and services footprint, customer network and strong reputation in the industry to serve as a channel to market for new and innovative technology and communicate best practices internally and to our customers. Having a local presence within each basin allows us to provide more responsive customer service, as well as significant exposure to every type of completion methodology and technology across North America. This expertise and knowledge is quickly shared across the company allowing us to inform customers, modify techniques and introduce new technology across all basins. For example, we have successfully leveraged our Canadian team that has helped introduce new technologies across the company, including a new coated wireline recently deployed in the SCOOP / STACK formation and the Permian Basin. We will continue to bring innovative best practices to our customers and alter completion applications to help customers maximize production. With a broad geographic footprint, we are also the ideal service provider for manufacturing, engineering and independent innovators looking for a reliable channel to market for new technology. We provide exposure to a large customer base across all major North American basins coupled with a high quality sales team with the ability to capture market share and promote new products in every onshore basin in North America. We will continue to establish regional locations to maintain high quality customer service, implement best practices and seek strategic partnerships.

Grow our product and service offerings through internal development, strategic partnerships and accretive acquisitions

We anticipate demand for our services to increase over the medium- and long-term throughout all onshore basins in North America. We plan to drive growth both organically and through strategic partnerships and accretive acquisitions. Our organic growth strategies, which focus on continuing to provide customers with exceptional service and a comprehensive array of technology-based solutions, give us a cost effective way of growing our revenue base by leveraging our existing infrastructure and customer network. Our organic growth initiatives target areas that are expected to provide the highest economic return while taking into consideration strategic goals, such as growing or maintaining our key customer relationships. To complement our organic growth, we intend to continue to enter into strategic partnerships, including with technology-focused companies to enhance our ability to provide technologically-advanced solutions at a comparatively lower cost. We also intend to continue

to actively pursue targeted, accretive acquisitions that will enhance our portfolio of products and services, market positioning or geographic presence. We seek potential acquisition targets with cultures compatible with our recognized service quality and forward-looking company culture. While we operate in all major onshore basins in both the U.S. and Canada, we do not currently offer all of our services in each of these basins. We plan to efficiently leverage our existing infrastructure in select basins to grow the breadth of our service offerings. We believe this will provide us with a cost-effective way to offer additional, complementary services to existing customers, thereby offering them a more comprehensive service offering and allowing us to respond more quickly to their needs and enhancing our revenue generation potential.

Maintain a strong balance sheet to preserve operational and strategic flexibility

We intend to maintain a conservative approach to managing our balance sheet, which allows us to better react to changes in commodity prices and related demand for our services as well as overall market conditions. We carefully manage our liquidity and debt position through monitoring our cash flows and spending levels. We intend to use a portion of the proceeds from this offering to improve our liquidity by repaying all outstanding borrowings under the Existing Nine Credit Facility and the Existing Beckman Credit Facility and the remainder for general corporate purposes, which may include the acquisition of additional equipment and complementary businesses that enhance our existing service offerings, broaden our service offerings or expand our customer relationships. On a pro forma basis giving effect to (i) this offering and the use of net proceeds therefrom to fully repay all outstanding borrowings under the Existing Nine Credit Facility and the Existing Beckman Credit Facility and the remainder for general corporate purposes and (ii) the entry into our new credit facility, which we expect to be undrawn upon consummation of this offering, as of April 30, 2017, we had $ million of cash on hand and $ million of availability under our new credit facility, providing us with the flexibility to pursue opportunities to grow our business.

Risk factors

Investing in our common stock involves risks. You should read carefully the section of this prospectus entitled ‘‘Risk factors’’ for an explanation of these risks before investing in our common stock. In particular, the following considerations may offset our competitive strengths or have a negative effect on our strategy or operating activities, which could cause a decrease in the price of our common stock and result in a loss of all or a portion of your investment:

- Our business is cyclical and depends on capital spending and well completions by the onshore oil and natural gas industry in North America, and the level of such activity is volatile. Our business has been, and may continue to be, adversely affected by industry and financial market conditions that are beyond our control.
- A decline in oil and natural gas commodity prices may adversely affect the demand for our services and the rates we are able to charge.
- We may be unable to employ, or maintain the employment of, a sufficient number of key employees, technical personnel and other skilled and qualified workers.
- We may be unable to implement price increases or maintain existing prices on our services.
- Our operations are subject to conditions inherent in the oilfield services industry.
- Restrictions in our debt agreements could limit our growth and our ability to engage in certain activities.

Our current and potential competitors may have longer operating histories, significantly greater financial or technical resources and greater name recognition than we do.

Our success may be affected by our ability to implement new technologies and services.

Our success may be affected by the use and protection of our proprietary technology as well as our ability to enter into license agreements. There are limitations to our intellectual property rights and, thus, our right to exclude others from the use of such proprietary technology.

The growth of our business through acquisitions may expose us to various risks, including those relating to difficulties in identifying suitable, accretive acquisition opportunities and integrating businesses, assets and personnel, as well as difficulties in obtaining financing for targeted acquisitions and the potential for increased leverage or debt service requirements.

We are subject to federal, state and local laws and regulations regarding issues of health, safety and protection of the environment. Under these laws and regulations, we may become liable for penalties, damages or costs of remediation or other corrective measures. Any changes in laws or government regulations could increase our costs of doing business.

We may be subject to claims for personal injury and property damage or other litigation, which could materially adversely affect our financial condition, prospects and results of operations.

We are dependent on customers in a single industry. The loss of one or more significant customers could adversely affect our financial condition, prospects and results of operations.

SCF controls a significant percentage of our voting power.

SCF and its affiliates are not limited in their ability to compete with us, and the corporate opportunity provisions in our charter could enable SCF to benefit from corporate opportunities that may otherwise be available to us.

Our equity sponsor

We have a valuable relationship with SCF Partners, which has made significant equity investments in us since our formation. At an institutional level, SCF Partners has specialized in investments in the oilfield services sector since it was founded in 1989, and has been instrumental in working with our management team to develop and execute our business strategies. SCF Partners is focused exclusively on oilfield services companies and has supported the development of 13 leading public companies in the sector, including National Oilwell Varco (NYSE: NOV), Oil States International (NYSE: OIS), Complete Production Services (merged into Superior Energy Services) (NYSE: CPX/SPN) and Forum Energy Technologies (NYSE: FET). We believe we will benefit from SCF Partners' investment experience in the oilfield services sector, its expertise in mergers and acquisitions and its support on various near-term and long-term strategic initiatives.

Upon completion of this offering, SCF will own approximately % of our common stock (or % of our common stock if the underwriters exercise in full their option to purchase additional shares of common stock) and will therefore be able to strongly influence all matters that require approval by our stockholders, including the election and removal of directors, changes to our organizational documents and approval of acquisition offers and other significant corporate transactions. SCF' s interests may not coincide with the interests of other holders of our common stock. Additionally, SCF Partners is in the business of making investments in companies and may, from time to time, acquire and hold interests in businesses that compete directly or indirectly with us.

We have renounced any interest in specified business opportunities, and SCF and its director nominees on our board of directors generally have no obligation to offer us those opportunities. L.E. Simmons & Associates, Incorporated, a Delaware corporation ("LESA"), SCF Partners' ultimate general partner, may allocate any potential opportunities to its other portfolio companies where LESA determines, in its discretion, such opportunities are the most logical strategic and operational fit. See "Risk factors–Risks related to this offering and owning our common stock–SCF and its affiliates are not limited in their ability to compete with us, and the corporate opportunity provisions in our charter could enable SCF to benefit from corporate opportunities that may otherwise be available to us."

Our history and the Combination

We were formed on February 28, 2013 through a combination of three service companies owned by SCF, the first of which was acquired in March 2011. Our foundation consisted of an entrepreneurial team with proven industry expertise and technological solutions for well completions, which we have continued to build upon organically and through acquisitions. We subsequently acquired Peak Pressure Control in August 2013, Dak-Tana Wireline in April 2014, Crest Pumping Technologies in June 2014 and G8 Oil Tool and its intellectual property related to its Scorpion frac plug in September 2015. These acquisitions provided us additional size, scale, product and service diversity and capabilities as well as an expanded geographic footprint. We have focused on the integration of these companies to create one united brand, culture and vision, while combining their expertise to develop customized completion solutions to the market.

On February 28, 2017, we merged with Beckman, a growth-oriented oilfield services company that provides a wide range of well service and coiled tubing services. Pursuant to the Combination, all of the issued and outstanding shares of Beckman common stock were converted into shares of our common stock, other than 1.6% of Beckman shares paid in cash. Prior to the Combination, Beckman was also an SCF Partners portfolio company since July 2012. A key strategic rationale for the Combination was to enhance our ability to serve customers and our growth potential through broader product lines and basin diversification, enabling us to cross-sell our products and compete with larger companies. For more information on the Combination, see "Certain relationships and related party transactions–The Combination."

In connection with the Combination, we completed the following offerings:

- $5 million of shares of our common stock to pre-Combination holders of our common stock (the "Nine Subscription Offer"), the proceeds of which were retained by us to ensure compliance with our financial covenants under the Existing Nine Credit Facility;
- $15 million of shares of common stock of Beckman to the holders of Beckman common stock (the "Beckman Subscription Offer"), the proceeds of which were used to pay outstanding indebtedness under the Existing Beckman Credit Facility; and
- $20 million of shares of our common stock to pre-Combination holders of our common stock and holders of Beckman common stock, the proceeds of which were used to (i) to finance the purchase of non-accredited investors' shares in the Combination and pay fees and expenses related to the Combination and (ii) for general corporate purposes, including ensuring compliance with our financial covenants under the Existing Nine Credit Facility (the "Combined Nine Subscription Offer" and, together with the Nine Subscription Offer and the Beckman Subscription Offer and related warrant issuances described below, the "Subscription Offers").

In connection with the Nine and Combined Nine Subscription Offers, we issued warrants to purchase additional shares of our common stock, on the basis of one warrant share for every two shares purchased in the Nine and Combined Nine Subscription Offers, to stockholders who purchased our shares. In connection with the Beckman Subscription Offer, Beckman issued warrants to purchase additional shares of its common stock, on the basis of one warrant share for every two shares purchased in the Beckman Subscription Offer, to those stockholders who purchased shares of its common stock. Beckman shares of common stock issued in the Beckman Subscription Offer and warrants purchased in the Beckman Subscription Offer converted into shares and warrants of our common stock based on the exchange ratio used with respect to the Combination. We collectively issued 769,162 shares of our common stock and 79,890 warrants to purchase additional shares of our common stock in connection with the Nine and Combined Nine Subscription Offers and subsequent conversion of Beckman shares and warrants issued in connection with the Beckman Subscription Offer. For more information on the Subscription Offers, see ‘‘Certain relationships and related party transactions–Subscription and warrants agreements.’’

Emerging growth company

We are an ‘‘emerging growth company’’ as defined in the Jumpstart Our Business Startups Act (the ‘‘JOBS Act’’). For as long as we are an emerging growth company, unlike public companies that are not emerging growth companies under the JOBS Act, we will not be required to:

- provide an auditor’ s attestation report on management’ s assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 (the ‘‘Sarbanes-Oxley Act’’);
- provide more than two years of audited financial statements and related management’ s discussion and analysis of financial condition and results of operations;
- comply with any new requirements adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation or a supplement to the auditor’ s report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer;
- provide certain disclosures regarding executive compensation required of larger public companies or hold stockholder advisory votes on executive compensation required by the Dodd-Frank Wall Street Reform and Consumer Protection Act; or
- obtain stockholder approval of any golden parachute payments not previously approved.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the ‘‘Securities Act’’), for adopting new or revised financial accounting standards. We intend to take advantage of all of the reduced reporting requirements and exemptions, including the longer phase-in periods for the adoption of new or revised financial accounting standards under Section 107 of the JOBS Act until we are no longer an emerging growth company. Our election to use the phase-in periods permitted by this election may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the longer phase-in periods under Section 107 of the JOBS Act and who will comply with new or revised financial accounting standards. See ‘ ‘Risk factors–Risk related to this offering and owning our common stock–Taking advantage of the reduced disclosure requirements applicable to ‘emerging growth companies’ may make our common stock less attractive to investors.’’ If we were to

subsequently elect instead to comply with these public company effective dates, such election would be irrevocable pursuant to Section 107 of the JOBS Act.

We will cease to be an emerging growth company upon the earliest of:

- the last day of the fiscal year in which we have $1.07 billion or more in annual revenues;
- the date on which we become a "large accelerated filer" (the fiscal year-end on which the total market value of our common equity securities held by non-affiliates is $700 million or more as of June 30);
- the date on which we issue more than $1.0 billion of non-convertible debt securities over a three-year period; or
- the last day of the fiscal year following the fifth anniversary of our initial public offering.

Corporate information

Our principal executive offices are located at 16945 Northchase Drive, Suite 1600, Houston, TX 77060, and our telephone number at that address is (281) 730-5100. Our website is available at www.nineenergyservice.com. We expect to make our periodic reports and other information filed with or furnished to the Securities and Exchange Commission (the "SEC"), available free of charge through our website as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference herein and does not constitute a part of this prospectus.

The offering

Issuer	Nine Energy Service, Inc.
Common stock offered by us	shares.
Common stock offered by the selling stockholders	shares (shares if the underwriters exercise in full their option to purchase additional shares of common stock).
Common stock outstanding after this offering(1)	shares, including shares of common stock issuable upon the exercise of outstanding warrants held by our existing stockholders, which will automatically be exercised on a cashless basis upon the consummation of this offering.
Underwriters' option to purchase additional shares	The selling stockholders have granted the underwriters an option for a period of 30 days to purchase up to an aggregate of additional shares of our common stock.
Use of proceeds	We will receive net proceeds from this offering of approximately $ million, assuming an initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting estimated expenses and underwriting discounts and commissions payable by us. Each $1.00 increase (decrease) in the public offering price would increase (decrease) our net proceeds by approximately $ million. See "Use of proceeds." We intend to use a portion of the net proceeds from this offering to fully repay the outstanding borrowings under the Existing Nine Credit Facility and the Existing Beckman Credit Facility and the remainder for general corporate purposes, which may include the acquisition of additional equipment and complementary businesses that enhance our existing service offerings, broaden our service offerings or expand our customer relationships. As of March 31, 2017, we had $134.2 million and $117.3 million of outstanding borrowings under the Existing Nine Credit Facility and the Existing Beckman Credit Facility, respectively. See "Use of proceeds." We will not receive any proceeds from the sale of shares by the selling stockholders. Affiliates of several of the underwriters are lenders under the Existing Nine Credit Facility or the Existing Beckman Credit Facility and, accordingly, will receive a portion of the net proceeds from this offering. See "Use of proceeds" and "Underwriting (conflicts of interest)."

Dividend policy	We do not anticipate declaring or paying any cash dividends to holders of our common stock in the foreseeable future. In addition, our new credit facility will place restrictions on our ability to pay cash dividends.
Directed share program	The underwriters have reserved for sale at the initial public offering price up to % of the common stock being offered by this prospectus for sale to our employees, executive officers, directors and director nominees who have expressed an interest in purchasing common stock in this offering. We do not know if these persons will choose to purchase all or any portion of these reserved shares, but any purchases they do make will reduce the number of shares available to the general public. Please read "Underwriting (conflicts of interest)."
Risk factors	You should carefully read and consider the information set forth under the heading "Risk factors" beginning on page 24 of this prospectus and all other information set forth in this prospectus before deciding to invest in our common stock.
Listing and trading symbol	We expect to apply to list our common stock on the NYSE under the symbol "NINE."
Conflicts of interest	The net proceeds from this offering will be used to repay borrowings under the Existing Nine Credit Facility and the Existing Beckman Credit Facility. See "Use of proceeds." Because an affiliate of Wells Fargo Securities, LLC is a lender under the Existing Nine Credit Facility and the Existing Beckman Credit Facility, and an affiliate of J.P. Morgan Securities LLC is a lender under the Existing Nine Credit Facility, and such affiliates may receive 5% or more of the net proceeds of this offering due to the repayment of borrowings thereunder, each of Wells Fargo Securities, LLC and J.P. Morgan Securities LLC may be deemed to have a "conflict of interest" under Rule 5121 of the Financial Industry Regulatory Authority, Inc. ("FINRA"), and as a result, this offering will be conducted under that rule. Pursuant to FINRA Rule 5121, a "qualified independent underwriter" meeting certain standards is required to participate in the preparation of the registration statement and prospectus and exercise the usual standards of due diligence with respect thereto. has agreed to act as a "qualified independent underwriter" within the meaning of FINRA Rule 5121 in connection with this offering. will not receive any additional fees for serving as qualified independent underwriter in connection with this offering. We have agreed to indemnify against liabilities incurred in connection with acting as a qualified independent underwriter, including liabilities under the Securities Act. See "Underwriting (conflicts of interest)."

(1) The number of outstanding shares of common stock that will be outstanding after this offering excludes (a) shares of common stock reserved and available for issuance under our stock incentive plan as of , 2017 and (b) shares of common stock issuable upon the exercise of options outstanding as of , 2017 under our stock incentive plan. The number of outstanding shares of common stock that will be outstanding after this offering includes shares of restricted common stock issued to our directors, officers and other employees under our stock incentive plan that are subject to vesting.

Summary financial data

The following table presents our summary financial data for the periods and as of the dates indicated. The financial data set forth below, as well as our audited combined financial statements and related notes thereto and our unaudited condensed consolidated financial statements and related notes thereto, each included elsewhere in this prospectus and, except as otherwise indicated, all financial data provided in this prospectus, give effect to the Combination and represent the combined results of Nine and Beckman and their respective subsidiaries.

The summary historical combined financial data as of and for the years ended December 31, 2015 and 2016 are derived from our audited historical combined financial statements and related notes thereto included elsewhere in this prospectus. The summary historical condensed consolidated financial data for the three months ended March 31, 2016 and 2017, and as of March 31, 2017, are derived from our unaudited historical condensed consolidated financial statements and related notes thereto included elsewhere in this prospectus and which, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the unaudited interim periods. The summary historical combined financial data as of and for the year ended December 31, 2014 are derived from our unaudited combined financial statements not included in this prospectus, which were derived from the audited financial statements of Nine as of and for the year ended December 31, 2014 and the audited financial statements of Beckman as of and for the year ended December 31, 2014, also not included in this prospectus. The 2014 unaudited combined data of Nine and Beckman was prepared on the same basis as the audited combined financial statements included in this prospectus.

Historical results are not necessarily indicative of our future results of operations, financial position and cash flows.

The data presented below should be read in conjunction with, and are qualified in their entirety by reference to, "Capitalization" and "Management' s discussion and analysis of financial condition and results of operations" and our combined historical financial statements and the notes thereto included elsewhere in this prospectus. Among other things, those historical financial statements and related notes thereto include more detailed information regarding the basis of presentation for the following information.

(in thousands, except share and per share information)	Three months ended March 31, 2017	Three months ended March 31, 2016	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014(1)
	(unaudited)	(unaudited)			(unaudited)
Statement of operations data:					
Revenues	$105,353	$65,970	$282,354	$478,522	$663,191
Cost and expenses					
Cost of revenues (exclusive of depreciation and amortization shown separately below)	91,388	58,627	246,109	373,191	434,064
General and administrative expenses	12,769	8,590	39,387	42,862	51,321
Depreciation	13,561	14,185	55,260	58,894	40,173
Impairment of goodwill	–	–	12,207	35,540	–
Amortization of intangibles	2,201	2,287	9,083	8,650	6,389
Loss on sale of property and equipment	224	859	3,320	2,004	971
Income (loss) from operations	(14,790)	(18,578)	(83,012)	(42,619)	130,273
Other expense					
Interest expense	3,758	3,361	14,185	9,886	9,586
Total other expense	3,758	3,361	14,185	9,886	9,586
Income (loss) from continuing operations before income taxes	(18,548)	(21,939)	(97,197)	(52,505)	120,687
Provision (benefit) for income taxes	2,166	(6,578)	(26,286)	(14,323)	44,515
Income (loss) from continuing operations (net of tax)	(20,714)	(15,361)	(70,911)	(38,182)	76,172
Loss from discontinued operations, net of tax ($0, $0, $0, $513 and $11,158)(2)	–	–	–	(935)	(28,207)
Net income (loss)	(20,714)	(15,361)	(70,911)	(39,117)	47,965
Other comprehensive income, net of tax					
Foreign currency translation adjustments, net of tax of $0, $0, $0, $0 and $58	(7)	195	210	(4,067)	181
Total other comprehensive income (loss), net of tax	(7)	195	210	(4,067)	181

Total comprehensive income (loss)	$(20,721)	$(15,166)	$(70,701)	$(43,184)	$48,146
Historical earnings per share data(3):					
Weighted average shares outstanding–basic	1,719,446	1,647,715	1,653,277	1,643,912	1,374,510
Income (loss) from continuing operations per share–basic	$(12.05)	$(9.32)	$(42.89)	$(23.23)	$55.42
Loss from discontinued operations per share–basic	$–	$–	$–	$(0.57)	$(20.52)
Net income (loss) per share-basic	$(12.05)	$(9.32)	$(42.89)	$(23.80)	$34.90
Weighted average shares outstanding–fully diluted	1,719,446	1,647,715	1,653,277	1,643,912	1,597,866
Income (loss) from continuing operations per share-fully diluted	$(12.05)	$(9.32)	$(42.89)	$(23.23)	$47.67
Loss from discontinued operations per share-fully diluted	$–	$–	$–	$(0.57)	$(17.65)
Net income (loss) per share–fully diluted	$(12.05)	$(9.32)	$(42.89)	$(23.80)	$30.02
Pro forma earnings per share data(4) (Unaudited):					
Pro forma weighted average shares outstanding–basic and diluted					
Pro forma earnings (loss) per share–basic and diluted	$		$		

(in thousands)	Three months ended March 31, 2017	Three months ended March 31, 2016	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014(1)
	(unaudited)				(unaudited)
Balance sheet data at period end:					
Cash and cash equivalents	$27,039		$4,074	$18,877	$24,236
Property and equipment, net	269,780		273,210	325,894	376,920
Total assets	613,743		576,094	658,434	869,933
Long-term debt	251,473		245,888	252,378	379,658
Total stockholders' equity	308,409		288,186	352,676	389,642
Statement of cash flows data:					
Net cash (used in) provided by operating activities	$(10,138)	$4,459	$(3,290)	$140,367	$127,188
Net cash used in investing activities	(10,749)	(2,914)	(4,176)	(19,251)	(456,955)
Net cash (used in) provided by financing activities	43,859	17,677	(7,315)	(126,878)	335,813
Other financial data:					
EBITDA(5) (unaudited)	$972	$(2,106)	$(18,669)	$23,990	$148,628
Adjusted EBITDA(5) (unaudited)	6,054	1,082	9,824	73,901	188,192
ROIC(5) (unaudited)	(12)%	(9)%	(11)%	(5)%	16%
Adjusted gross profit (excluding depreciation and amortization)(5) (unaudited)	$13,965	$7,343	$36,245	$105,331	$229,127

(1) We closed the acquisitions of Dak-Tana Wireline on April 30, 2014 and Crest Pumping Technologies on June 30, 2014 and Beckman closed the acquisitions of RedZone Coil Tubing on May 2, 2014 and Big Lake Services, LLC on August 29, 2014. As a result, financial results relating to each acquisition for periods prior to the close of each of the aforementioned acquisitions are not reflected in the full year 2014 results.

(2) For 2014, represents a non-cash impairment charge related to the divestiture of certain assets of a subsidiary whose primary focus was conventional completions. See "Note 14–Discontinued Operations" to the financial statements included in this registration statement for additional detail regarding the Tripoint divestiture.

(3) Historical share and per share information does not give effect to the for 1 stock split of our issued and outstanding common stock effected on , 2017.

(4) Pro forma earnings per share data give effect to (i) the Subscription Offers and the application of net proceeds therefrom, (ii) the for 1 stock split of our issued and outstanding common stock effected on , 2017, (iii) the issuance of shares of common stock issuable upon the exercise of outstanding warrants held by our existing stockholders, which will automatically be exercised on a cashless basis upon the consummation of this offering (assuming no warrants are exercised before the consummation of this offering), and (iv) the issuance by us of shares of common stock pursuant to this offering, and the application of the net proceeds from this offering as set forth under "Use of proceeds," assuming an initial public offering price of $ per share (which is the midpoint of the estimated price range set forth on the cover page of this prospectus). This pro forma earnings per share data is presented for informational purposes only and does not purport to represent what our pro forma net income (loss) or earnings (loss) per share actually would have been had the referenced events occurred on January 1, 2016 or to project our net income or earnings per share for any future period.

(5) EBITDA, Adjusted EBITDA, ROIC and adjusted gross profit (excluding depreciation and amortization) are non-GAAP financial measures. For definitions of these measures, a reconciliation of EBITDA and Adjusted EBITDA to our net income (loss), an explanation of our calculation of ROIC and a reconciliation of adjusted gross profit (excluding depreciation and amortization) to gross profit (loss), see "–Non-GAAP financial measures" below.

Non-GAAP financial measures

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are supplemental non-GAAP financial measures that are used by management and external users of our combined financial statements, such as industry analysts, investors, lenders and rating agencies.

We define EBITDA as net income (loss) before interest expense, depreciation, amortization and income tax expense. EBITDA is not a measure of net income or cash flows as determined by U.S. generally accepted accounting principles ("GAAP").

We define Adjusted EBITDA as EBITDA further adjusted for (i) impairment of goodwill and other intangible assets, (ii) transaction expenses related to acquisitions or the Combination, (iii) loss from discontinued operations, (iv) loss or gains from the revaluation of contingent liabilities, (v) non-cash stock-based compensation expense, (vi) loss or gains on sale of assets, (vii) inventory writedown and (viii) adjustment for expenses or charges, to exclude certain items which we believe are not reflective of ongoing performance of our business, such as costs related to this offering, legal expenses and settlement costs related to litigation outside the ordinary course of business, and restructuring costs.

Management believes EBITDA and Adjusted EBITDA are useful because they allow for a more effective evaluation of our operating performance and compare the results of our operations from period to period without regard to our financing methods or capital structure. We exclude the items listed above from net income in arriving at these measures because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. These measures should not be considered as an alternative to, or more meaningful than, net income as determined in accordance with GAAP or as an indicator of our operating performance. Certain items excluded from these measures are significant components in understanding and assessing a company' s financial performance, such as a company' s cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of these measures. Our computations of these measures may not be comparable to other similarly titled measures of other companies. We believe that these are widely followed measures of operating performance.

The following table presents a reconciliation of the non-GAAP financial measures of EBITDA and Adjusted EBITDA to the GAAP financial measure of net income (loss):

(in thousands)(unaudited)	Three months ended March 31, 2017	Three months ended March 31, 2016	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014(1)	Six months ended June 30, 2014(1)	Six months ended December 31, 2014(1)
EBITDA reconciliation:							
Net income (loss)	$(20,714)	$(15,361)	$(70,911)	$(39,117)	$47,965	$ 27,059	$ 20,906
Interest expense	3,758	3,361	14,185	9,886	9,586	2,838	6,748
Depreciation	13,561	14,185	55,260	58,894	40,173	13,080	27,093
Amortization	2,201	2,287	9,083	8,650	6,389	2,056	4,333
Provision (benefit) from income taxes	2,166	(6,578)	(26,286)	(14,323)	44,515	16,957	27,558
EBITDA	$972	$(2,106)	$(18,669)	$23,990	$148,628	$ 61,990	$ 86,638
Adjusted EBITDA reconciliation:							
EBITDA	$972	$(2,106)	$(18,669)	$23,990	$148,628	$ 61,990	$ 86,638
Impairment of goodwill and other intangible assets	–	–	12,207	35,540	–	–	–
Transaction expenses	2,995	–	–	208	3,911	2,817	1,094
Loss from discontinued operations(2)	–	–	–	935	28,207	1,963	26,244
Loss or gains from the revaluation of contingent liabilities(3)	87	–	1,735	(293)	–	–	–
Non-cash stock-based compensation expense	1,536	1,500	5,711	5,473	5,445	1,947	3,498
Loss or gains on sale of assets	224	859	3,320	2,004	971	46	925
Legal fees and settlements(4)	240	336	4,145	–	–	–	–
Inventory writedown	–	177	287	2,772	1,030	–	1,030
Restructuring costs	–	316	1,088	3,272	–	–	–
Adjusted EBITDA	$6,054	$1,082	$9,824	$73,901	$188,192	$ 68,763	$ 119,429

(1) We closed the acquisitions of Crest Pumping Technologies on June 30, 2014 and Dak-Tana Wireline on April 30, 2014 and Beckman closed the acquisitions of RedZone Coil Tubing on May 2, 2014 and Big Lake Services, LLC on August 29, 2014. As a result, financial results relating to each acquisition for periods prior to the close of each of the aforementioned acquisitions are not reflected in the full year 2014 results. We believe that presenting investors with the selected information for the six months ended December 31, 2014 provides a representative period of the profitability of our business in a high demand environment, including six months of results from the acquisitions of Dak-Tana Wireline, Crest Pumping Technologies and RedZone Coil Tubing and the results of the acquisition of Big Lake Services, LLC from August 29, 2014 through December 31, 2014. For comparative purposes, we have also included such information for the six months ended June 30, 2014.

(2) For 2014, represents a non-cash impairment charge related to the divestiture of certain assets of a subsidiary whose primary focus was conventional completions. See "Note 14–Discontinued Operations" to the financial statements included in this registration statement for additional detail regarding the Tripoint divestiture.

(3) Loss or gain related to the revaluation of liability for contingent consideration relating to our acquisition of Scorpion to be paid in shares of Company common stock and in cash, contingent upon quantities of Scorpion Composite Plugs sold during 2016 and gross margin related to the product sales for three years following the acquisition.

(4) Amount represents fees and legal settlements associated with legal proceedings brought pursuant to the Fair Labor Standards Act and/or similar state laws.

Return on invested capital

ROIC is a supplemental non-GAAP financial measure. We define ROIC as after-tax net operating profit, divided by average total capital. We define after-tax net operating profit as income (loss) from continuing operations (net of tax) plus interest expense, less taxes on interest. We define total capital as book value of equity plus the book value of

debt less balance sheet cash and cash equivalents. We then take the average of the current and prior year-end total capital for use in this analysis.

Management believes ROIC is a meaningful measure because it quantifies how well we generate operating income relative to the capital we have invested in our business and illustrates the profitability of a business or project taking into account the capital invested. Management uses ROIC to assist them in capital resource allocation decisions and in evaluating business performance. Although ROIC is commonly used as a measure of capital efficiency, definitions of ROIC differ, and our computation of ROIC may not be comparable to other similarly titled measures of other companies.

The following table provides an explanation of our calculation of ROIC:

	Three months ended March 31,		Year ended December 31,		
(in thousands)	**2017**	**2016**	**2016**	**2015**	**2014**
Income (loss) from continuing operations (net of tax)	$(20,714)	$(15,361)	$(70,911)	$(38,182)	$76,172
Add back:					
Interest expense	3,758	3,361	14,185	9,886	9,586
Exclude:					
Taxes on interest	451	(1,008)	(3,836)	(2,697)	(3,536)
After-tax net operating profit	$(16,505)	$(13,008)	$(60,562)	$(30,993)	$82,222
Total capital as of prior year-end(1):					
Total stockholders' equity	$288,186	$352,676	$352,676	$389,644	$192,522
Total debt	245,888	252,378	252,378	379,658	140,767
Less: Cash and cash equivalents	(4,074)	(18,877)	(18,877)	(24,236)	(18,505)
Total capital	$530,000	$586,177	$586,177	$745,066	$314,784
Total capital as of year-end/quarter-end:					
Total stockholders' equity	$308,409	$339,012	$288,186	$352,676	$389,644
Total debt	251,473	271,290	245,888	252,378	379,658
Less: Cash and cash equivalents	(27,039)	(38,132)	(4,074)	(18,877)	(24,236)
Total capital	$532,843	$572,170	$530,000	$586,177	$745,066
Average total capital	$531,422	$579,174	$558,089	$665,622	$529,925
ROIC	(12)%	(9)%	(11)%	(5)%	16%

(1) For 2014, total capital as of prior year-end is based on Beckman and Nine combined unaudited historical financial information not included in this prospectus.

Adjusted gross profit (excluding depreciation and amortization)

GAAP defines gross profit as revenues less cost of revenues, and includes in costs of revenues depreciation and amortization. We define adjusted gross profit (excluding depreciation and amortization) as revenues less cost of revenues (excluding depreciation and amortization). This measure differs from the GAAP definition of gross profit because we do not include the impact of depreciation and amortization, which represent non-cash expenses.

Management uses adjusted gross profit (excluding depreciation and amortization) to evaluate operating performance and to determine resource allocation between segments. We prepare adjusted gross profit (excluding depreciation and amortization) to eliminate the impact of depreciation and amortization because we do not consider depreciation and amortization indicative of our core operating performance. Adjusted gross profit (excluding depreciation and amortization) should not be considered as an alternative to gross profit (loss), operating income (loss) or any other measure of financial performance calculated and presented in accordance with GAAP. Adjusted gross profit (excluding depreciation and amortization) may not be comparable to similarly titled measures of other companies because other companies may not calculate adjusted gross profit (excluding depreciation and amortization) or similarly titled measures in the same manner as we do.

The following table presents a reconciliation of adjusted gross profit (excluding depreciation and amortization) to GAAP gross profit (loss).

	Three months ended March 31,		Year ended December 31,		
(in thousands)	**2017**	**2016**	**2016**	**2015**	**2014(1)**
Calculation of gross profit (loss):					
Revenues	$105,353	$65,970	$282,354	$478,522	$663,191
Cost of revenue (exclusive of depreciation and amortization)	91,388	58,627	246,109	373,191	434,064
Depreciation (related to cost of revenues)	13,334	13,955	54,344	58,042	39,719
Amortization	2,201	2,287	9,083	8,650	6,389
Gross (loss) profit	$(1,570)	$(8,899)	$(27,182)	$38,639	$183,019
Adjusted gross profit (excluding depreciation and amortization) reconciliation:					
Gross (loss) profit	$(1,570)	$(8,899)	$(27,182)	$38,639	$183,019
Depreciation (related to cost of revenues)	13,334	13,955	54,344	58,042	39,719
Amortization	2,201	2,287	9,083	8,650	6,389
Adjusted gross profit (excluding depreciation and amortization)	$13,965	$7,343	$36,245	$105,331	$229,127

(1) We closed the acquisitions of Crest Pumping Technologies on June 30, 2014 and Dak-Tana Wireline on April 30, 2014 and Beckman closed the acquisitions of RedZone Coil Tubing on May 2, 2014 and Big Lake Services, LLC on August 29, 2014. As a result, financial results relating to each acquisition for periods prior to the close of each of the aforementioned acquisitions are not reflected in the full year 2014 results.

Risk factors

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below together with other information set forth in this prospectus before investing in shares of our common stock. If any of the following risks or uncertainties actually occur, our business, financial condition, prospects, results of operations and cash flow could be materially adversely affected. The risks discussed below are not the only risks we face. Additional risks or uncertainties not currently known to us, or that we currently deem immaterial, may also have a material adverse effect on our business, financial condition, prospects, results of operations or cash flows. We cannot assure you that any of the events discussed in the risk factors below will not occur. In that case, the market price of our common stock could decline and you may lose all or a part of your investment.

Risks related to our business and our industry

Our business is cyclical and depends on capital spending and well completions by the onshore oil and natural gas industry in North America, and the level of such activity is volatile. Our business has been, and may continue to be, adversely affected by industry and financial market conditions that are beyond our control.

Our business is cyclical, and we depend on our customers' willingness to make operating and capital expenditures to explore for, develop and produce oil and natural gas in North America, which, in turn, largely depends on prevailing industry and financial market conditions that are influenced by numerous factors beyond our control, including:

- the level of prices, and expectations about future prices, for oil and natural gas;
- the domestic and foreign supply of, and demand for, oil and natural gas and related products;
- the level of global and domestic oil and natural gas production;
- the supply of and demand for hydraulic fracturing and other oilfield services and equipment in North America;
- governmental regulations, including the policies of governments regarding the exploration for and production and development of their oil and natural gas reserves;
- the cost of exploring for, developing, producing and delivering oil and natural gas;
- available pipeline, storage and other transportation capacity;
- worldwide political, military and economic conditions;
- lead times associated with acquiring equipment and products and availability of qualified personnel;
- the discovery rates of new oil and natural gas reserves;
- federal, state and local regulation of hydraulic fracturing and other oilfield service activities, as well as E&P activities, including public pressure on governmental bodies and regulatory agencies to regulate our industry;
- economic and political conditions in oil and natural gas producing countries;
- actions of the Organization of the Petroleum Exporting Countries, its members and other state-controlled oil companies relating to oil price and production levels, including announcements of potential changes to such levels;

advances in exploration, development and production technologies or in technologies affecting energy consumption;

activities by non-governmental organizations to restrict the exploration, development and production of oil and natural gas so as to minimize emissions of carbon dioxide, a greenhouse gas;

the price and availability of alternative fuels and energy sources;

global weather conditions and natural disasters; and

uncertainty in capital and commodities markets and the ability of oil and natural gas producers to access capital.

A decline in oil and natural gas commodity prices may adversely affect the demand for our services and the rates we are able to charge.

The demand for our services and the rates we are able to charge are primarily influenced by current and anticipated oil and natural gas commodity prices and the related level of capital spending and drilling and completion activity in the areas in which we have operations. Volatility or weakness in oil and natural gas commodity prices (or the perception that oil and natural gas commodity prices will decrease) affects the spending patterns of our customers and may result in the drilling of fewer new wells or lower production spending on existing wells. The products and services we provide are, to a substantial extent, deferrable in the event oil and natural gas companies reduce capital expenditures. As a result, we may experience lower utilization of, and may be forced to lower our rates for, our equipment and services in weak oil and natural gas commodity price environments. For example, between the third quarter of 2014 and the first quarter of 2016, oil and natural gas commodity prices declined significantly, which resulted in most of our customers reducing their exploration, development and production activities, which in turn resulted in a reduction in the demand for our services, as well as the rates we were able to charge and the utilization of our assets, during this period as compared to levels in mid-2014. Reduced discovery rates of new oil and natural gas reserves in our market areas as a result of decreased capital spending may also have a negative long-term impact on our business, even in an environment of stronger oil and natural gas prices, to the extent the reduced number of wells for us to service more than offsets increasing completion activity and intensity.

Historically, oil and natural gas commodity prices have been extremely volatile. During the past six years, the posted price for West Texas Intermediate oil has ranged from a low of $26.19 per Bbl in February 2016 to a high of $113.39 per Bbl in April 2011, and the Henry Hub spot market price of gas has ranged from a low of $1.49 per MMBtu in March 2016 to a high of $7.51 per MMBtu in January 2010. Oil and natural gas commodity prices are expected to continue to be volatile. Moreover, the International Energy Agency forecasts continued low global demand growth in 2017. This environment could cause prices to remain at current levels or fall to lower levels. If the prices of oil and natural gas reverse their recent increases, our business, financial condition, results of operations, cash flows and prospects may be materially and adversely affected.

Our business could be adversely affected by a decline in general economic conditions or a weakening of the broader energy industry.

A prolonged economic slowdown or recession in North America, adverse events relating to the energy industry or regional, national and global economic conditions and factors, particularly a slowdown in the E&P industry, could negatively impact our operations and therefore adversely affect our results. The risks associated with our business are more acute during periods of economic slowdown or recession because such periods may be accompanied by decreased exploration and development spending by our customers, decreased demand for oil and natural gas and decreased prices for oil and natural gas.

We may be unable to employ, or maintain the employment of, a sufficient number of key employees, technical personnel and other skilled and qualified workers.

The delivery of our services and products requires personnel with specialized skills and experience, including personnel who can perform physically demanding work. Our ability to be profitable and productive will depend upon our ability to employ and retain skilled workers. Workers may choose to pursue employment with our competitors or in fields that offer a more desirable work environment as a result of the volatility in the oilfield service industry and the demanding nature of our work. The right-sizing of our and our competitors' labor force over the recent sustained period of commodity price declines, as well as a significant decrease in the wages paid by us or our competitors as a result of reduced industry demand, has resulted in a reduction of the available skilled labor force to service the energy industry, and there is no assurance that the availability of skilled labor will improve following a subsequent increase in demand for our services or an increase in wage rates. If any of these events were to occur, our capacity and profitability could be diminished and our growth potential could be impaired.

We may be unable to implement price increases or maintain existing prices on our services.

We periodically seek to increase the prices on our services to offset rising costs and to generate higher returns for our stockholders. However, we operate in a very competitive industry and as a result, we are not always successful in raising, or maintaining, our existing prices. Additionally, during periods of increased market demand, a significant amount of new service capacity, including new well service rigs, wireline units and coiled tubing units, may enter the market, which also puts pressure on the pricing of our services and limits our ability to increase prices.

Even when we are able to increase our prices, we may not be able to do so at a rate that is sufficient to offset such rising costs. In periods of high demand for oilfield services, a tighter labor market may result in higher labor costs. During such periods, our labor costs could increase at a greater rate than our ability to raise prices for our services. Also, we may not be able to successfully increase prices without adversely affecting our activity levels. The inability to maintain our pricing and to increase our pricing as costs increase could have a material adverse effect on our business, financial position, results of operations and cash flows.

Our operations are subject to conditions inherent in the oilfield services industry.

Conditions inherent in the oil and natural gas industry can cause personal injury or loss of life, disruption or suspension in operations, damage to geological formations, damage to facilities, substantial revenue loss, business interruption and damage to, or destruction of, property, equipment and the environment. Such risks may include, but are not limited to:

- equipment defects;
- liabilities arising from accidents or damage involving our fleet of trucks and other equipment;
- explosions and uncontrollable flows of gas or well fluids;
- unusual or unexpected geological formations or pressures and industrial accidents;
- blowouts;
- fires;
- cratering;
- loss of well control;

collapse of the borehole; and

damaged or lost equipment.

In addition, our completion and production services could become a source of spills or releases of fluids, including chemicals used during hydraulic fracturing activities, at the site where such services are performed, or could result in the discharge of such fluids into underground formations that were not targeted for fracturing or well completion activities, such as potable aquifers, or at third party properties. These risks could expose us to substantial liability for personal injury, wrongful death, property damage, loss of oil and natural gas production, pollution and other environmental damages and could result in a variety of claims, losses and remedial obligations that could have an adverse effect on our business and results of operations. The existence, frequency and severity of such incidents could affect operating costs, insurability and relationships with customers, employees and regulators. In particular, our customers may elect not to purchase our services if they view our safety record as unacceptable, which could cause us to lose customers and substantial revenue, and any litigation or claims, even if fully indemnified or insured, could negatively affect our reputation with our customers and the public and make it more difficult for us to compete effectively or obtain adequate insurance in the future.

We have operated at a loss in the past, and there is no assurance of our profitability in the future.

Historically, we have experienced periods of low demand for our services and have incurred operating losses. In the future, we may not be able to reduce our costs, increase our revenues or reduce our debt service obligations sufficiently to achieve or maintain profitability and generate positive operating income. Under such circumstances, we may incur further operating losses and experience negative operating cash flow.

Restrictions in our debt agreements could limit our growth and our ability to engage in certain activities.

We expect to enter into a new revolving credit facility concurrently with, and conditioned upon, the consummation of this offering, which we refer to as ‘‘our new credit facility.’’ The operating and financial restrictions and covenants in our new credit facility and any future financing agreements could restrict our ability to finance future operations or capital needs or to expand or pursue our business activities. For example, our new credit facility will restrict or limit our ability to:

pay dividends and move cash;

grant liens;

incur additional indebtedness;

engage in a merger, consolidation or dissolution;

enter into transactions with affiliates;

sell or otherwise dispose of assets, businesses and operations;

materially alter the character of our business as conducted at the closing of this offering; and

make acquisitions and investments.

Furthermore, our new credit facility will contain certain other operating covenants. Our ability to comply with the covenants and restrictions contained in our new credit facility, and, under certain circumstances, compliance with a fixed charge coverage ratio, may be affected by events beyond our control, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. Any violation of the restrictions, covenants, or ratio

tests in our new credit facility could result in an event of default, which may cause a significant portion of our indebtedness becoming immediately due and payable, and our lenders' commitment to provide further loans to us may terminate. We might not have, or be able to obtain, sufficient funds to make these accelerated payments. Any subsequent replacement of our new credit facility or any new indebtedness could have similar or greater restrictions. For more information about our new credit facility, please read "Management's discussion and analysis of financial condition and results of operations–Our credit facilities–Our new credit facility."

The Existing Nine Credit Facility and the Existing Beckman Credit Facility also contain various affirmative and negative covenants, including certain financial covenants. For the period ended March 31, 2017, Nine was in breach of the minimum EBITDA covenant and the fixed charge coverage ratio contained in the Existing Nine Credit Facility. However, Nine has cured such breaches by using a portion of the available proceeds from the Nine and Combined Nine Subscription Offers. In addition, based on current market conditions and the Company's potential level of expansion capital expenditures for the second quarter of 2017, the Company believes that Nine may be in breach of the fixed charge coverage ratio contained in the Existing Nine Credit Facility for the quarter ending June 30, 2017. In the event Nine is in breach of the fixed charge coverage ratio covenant with respect to such quarter, Nine intends to exercise its right under the Existing Nine Credit Facility to cure such breach by using a portion of the available proceeds from the Nine and Combined Nine Subscription Offers, which will prevent the occurrence of any event of default arising from the possible breach of this financial covenant. See "Management's discussion and analysis of financial condition and results of operations-Our credit facilities" for more information regarding the Existing Nine Credit Facility and the Existing Beckman Credit Facility and the restrictions and covenants contained therein.

We may incur additional indebtedness or issue additional equity securities to execute our long-term growth strategy, which may reduce our profitability or result in significant dilution to our stockholders.

We may require additional capital in the future to develop and execute our long-term growth strategy. For the year ended December 31, 2016 and the three months ended March 31, 2017, we incurred approximately $9.1 million and $10.0 million, respectively, in capital expenditures and our capital expenditure budget for 2017, excluding possible acquisitions, is expected to be $78 million. If we incur additional indebtedness or issue additional equity securities, our profitability may be reduced and our stockholders may experience significant dilution.

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under applicable debt instruments, which may not be successful.

Our ability to make scheduled payments on or to refinance our indebtedness obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. For example, we had $134.2 million of debt outstanding under the Existing Nine Credit Facility as of March 31, 2017 that is scheduled to mature on January 1, 2018, which is within twelve months of the date of the issuance of our audited financial statements and thereby resulted in a "going concern" paragraph being included in our independent registered public accounting firm's audit report. Delivery of audited financial statements including a going concern qualification would result in an event of default under the Existing Nine Credit Facility absent an amendment or waiver. On March 23, 2017, we received the requisite waiver from the lenders under the Existing Nine Credit Facility with respect to this potential event of default. We plan to repay the Existing Nine Credit Facility and the Existing Beckman Credit Facility in full with the proceeds from this offering and expect to have no debt following the completion of this offering. However, our ability to satisfy our liquidity requirements following this offering will depend on our future operating performance, which is affected by prevailing economic and competitive conditions, the level of drilling and

completions activities in the North American E&P industry, and financial, business and other factors, many of which are beyond our control.

If our cash flows and capital resources are insufficient to fund debt service obligations, we may be forced to reduce or delay investments and capital expenditures, sell assets, seek additional capital or restructure or refinance indebtedness. Our ability to restructure or refinance indebtedness will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. In the absence of sufficient cash flows and capital resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet debt service and other obligations. We may not be able to consummate those dispositions, and the proceeds of any such disposition may not be adequate to meet any debt service obligations then due. These alternative measures may not be successful and may not permit us to meet scheduled debt service obligations.

Our current and potential competitors may have longer operating histories, significantly greater financial or technical resources and greater name recognition than we do.

The oilfield services industry is highly competitive and fragmented and includes several large companies that compete in many of the markets we serve, as well as numerous small companies that compete with us on a local basis. The oilfield services industry competes primarily on a regional basis, and the intensity of competition may vary significantly from region to region at any particular time. We believe the principal competitive factors in the market areas we serve include price, equipment quality, supply chains, balance sheet strength and financial condition, product and service quality, safety record, availability of crews and equipment and technical proficiency.

Many of our existing and potential competitors have substantially greater financial, technical, manufacturing and other resources than we do. The greater size of many of our competitors provides them with cost advantages as a result of their economies of scale and their ability to obtain volume discounts and purchase raw materials at lower prices. As a result, such competitors may have stronger bargaining power with their suppliers and have an advantage over us in pricing as well as securing a sufficient supply of raw materials during times of shortage. Many of our competitors also have better brand name recognition, stronger presence in more geographic markets, more established distribution networks, larger customer bases, more in-depth knowledge of the target markets, and the ability to provide a much broader array of services. Some of our competitors may also be able to devote greater resources to the research and development, promotion and sale of their products and better withstand the evolving industry standards and changes in market conditions as compared to us. Our operations may be adversely affected if our competitors introduce new products or services with better features, performance, prices or other characteristics than our products and services or expand into service areas where we operate. Our operations may also be adversely affected if our competitors are able to respond more quickly to new or emerging technologies and services and changes in customer requirements.

Competitive pressures could reduce our market share or require us to reduce the price of our services and products, particularly during industry downturns, either of which would harm our business and operating results. Significant increases in overall market capacity have also caused active price competition and led to lower pricing and utilization levels for our services and products. The competitive environment has intensified since the recent industry downturn that began in late 2014, which caused an oversupply of, and reduced demand for, oilfield services, and we have seen substantial reductions in the prices we can charge for our

services. Any significant future increase in overall market capacity for completion and production services may adversely affect our business, financial condition and results of operations.

Fuel conservation measures may reduce oil and natural gas demand.

Fuel conservation measures, alternative fuel requirements and increasing consumer demand for alternatives to oil and natural gas could reduce demand for oil and natural gas. The impact of the changing demand for oil and natural gas may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. Additionally, the increased competitiveness of alternative energy sources (such as wind, solar geothermal, tidal, fuel cells and biofuels) could reduce demand for hydrocarbons and therefore for our services, which would lead to a reduction in our revenues.

Our success may be affected by our ability to implement new technologies and services.

Our success may be affected by the ongoing development and implementation of new product designs, methods and improvements, and our ability to protect, obtain and maintain intellectual property assets related to these developments. If we are not able to obtain patent or other protection of our technology, it may not be economical for us to continue to develop systems, services and technologies to meet evolving industry requirements at prices acceptable to its customers. Further, we may face competitive pressure to develop, implement or acquire certain new technologies at a substantial cost. Although we take measures to ensure that we use advanced technologies, changes in technology or improvements in our competitors' equipment could make our equipment less competitive or require significant capital investments to keep our equipment competitive.

Some of our competitors are large national and multinational companies that may be able to devote greater financial, technical, manufacturing and marketing resources to research and development of new systems, services and technologies. As competitors and others use or develop new or comparable technologies in the future, we may lose market share or be placed at a competitive disadvantage if we are not able to develop and implement new technologies or products on a timely basis or at an acceptable cost. If we are unable to compete effectively given these risks, our business and results of operations could be affected.

Our success may be affected by the use and protection of our proprietary technology as well as our ability to enter into license agreements. There are limitations to our intellectual property rights and, thus, our right to exclude others from the use of such proprietary technology.

Our success may be affected by our development and implementation of new product designs and improvements and by our ability to protect, obtain and maintain intellectual property assets related to these developments. We rely on a combination of patents and trade secret laws to establish and protect this proprietary technology. We have received patents and have filed patent applications with respect to certain aspects of our technology, and we generally rely on patent protection with respect to our proprietary technology, as well as a combination of trade secrets and copyright law, employee and third-party non-disclosure agreements and other protective measures to protect intellectual property rights pertaining to our products and technologies. In addition, we are a party to and rely on several arrangements with third parties, which give us exclusive distribution rights to certain product offerings with desirable intellectual property assets, and we may enter into similar arrangements in the future. Such measures may not provide meaningful protection of our trade secrets, know-how or other intellectual property in the event of any unauthorized use, misappropriation or disclosure. We cannot assure you that competitors will not infringe upon, misappropriate, violate or challenge our intellectual property rights in the future. If we are not able to adequately protect or enforce our intellectual property rights, such intellectual property rights may not provide significant value to our business, results of operations or financial condition.

Moreover, our rights in our confidential information, trade secrets, and confidential know-how will not prevent third parties from independently developing similar technologies or duplicating such technologies. Publicly available information (e.g., information in issued patents, published patent applications and scientific literature) can be used by third parties to independently develop technology, and we cannot provide assurance that this independently developed technology will not be equivalent or superior to our proprietary technology. In addition, while we have patented some of our key technologies, we do not patent all of our proprietary technology, even when regarded as patentable. The process of seeking patent protection can be long and expensive. There can be no assurance that patents will be issued from currently pending or future applications or that, if patents are issued, they will be of sufficient scope or strength to provide meaningful protection or any commercial advantage to us. Further, with respect to exclusive third-party arrangements, these arrangements could be terminated, which would result in our inability to provide the services and/or products covered by such arrangements.

We may be adversely affected by disputes regarding intellectual property rights and the value of our intellectual property rights is uncertain.

We may become involved in dispute resolution proceedings from time to time to protect and enforce our intellectual property rights. In these dispute resolution proceedings, a defendant may assert that our intellectual property rights are invalid or unenforceable. Third parties from time to time may also initiate dispute resolution proceedings against us by asserting that our businesses infringe, impair, misappropriate, dilute or otherwise violate another party' s intellectual property rights. We may not prevail in any such dispute resolution proceedings, and our intellectual property rights may be found invalid or unenforceable or our products and services may be found to infringe, impair, misappropriate, dilute or otherwise violate the intellectual property rights of others. The results or costs of any such dispute resolution proceedings may have an adverse effect on our business, operating results and financial condition. Any dispute resolution proceeding concerning intellectual property could be protracted and costly, is inherently unpredictable and could have an adverse effect on our business, regardless of its outcome.

We are exposed to the credit risk of our customers, and the deterioration of the financial condition of our customers could adversely affect our financial results.

We are subject to the risk of loss resulting from nonpayment or nonperformance by our customers, many of whose operations are concentrated solely in the domestic and Canadian E&P industry which, as described above, is subject to volatility and, therefore, credit risk. Our credit procedures and policies may not be adequate to fully reduce customer credit risk. If we are unable to adequately assess the creditworthiness of existing or future customers or unanticipated deterioration in their creditworthiness, any resulting increase in nonpayment or nonperformance by them and our inability to re-market or otherwise use our equipment could have a material adverse effect on our business, financial condition, prospects and/or results of operations. In the course of our business we hold accounts receivable from our customers. In the event of the financial distress or bankruptcy of a customer, we could lose all or a portion of such outstanding accounts receivable associated with that customer. Further, if a customer was to enter into bankruptcy, it could also result in the cancellation of all or a portion of our service contracts with such customer at significant expense or loss of expected revenues to us.

In addition, during times when the oil or natural gas markets weaken, our customers are more likely to experience financial difficulties, including being unable to access debt or equity financing, which could result in a reduction in our customers' spending for our services.

Our assets require capital for maintenance, upgrades and refurbishment, and we may require capital expenditures for new equipment.

Our equipment requires capital investment in maintenance, upgrades and refurbishment to maintain their competitiveness. For the year ended December 31, 2016 and the three months ended March 31, 2017, we spent approximately $3.8 million and $4.2 million, respectively, on capital expenditures related to maintenance. Our equipment typically does not generate revenue while it is undergoing maintenance, refurbishment or upgrades. Any maintenance, upgrade or refurbishment project for our assets could increase our indebtedness or reduce cash available for other opportunities. Further, such projects may require proportionally greater capital investments as a percentage of total asset value, which may make such projects difficult to finance on acceptable terms. To the extent we are unable to fund such projects, we may have less equipment available for service or our equipment may not be attractive to potential or current customers. Additionally, competition or advances in technology within our industry may require us to update our products and services. Such demands on our capital or reductions in demand and the increase in cost to maintain labor necessary for such maintenance and improvement, in each case, could have a material adverse effect on our business, liquidity position, financial condition, prospects and results of operations and may increase costs.

We may record losses or impairment charges related to idle assets or assets that we sell.

Prolonged periods of low utilization, changes in technology or the sale of assets below their carrying value may cause us to experience losses. These events could result in the recognition of impairment charges that increase our net loss. In 2015, we recognized $35.5 million of goodwill impairment charges for two reporting units, Crest Pumping Technologies and Dak-Tana. In 2016, we recognized $12.2 million of goodwill impairment in one of our operating units, Dak-Tana, due to persistent low completions activity in the market where the unit operates. Significant impairment charges as a result of a decline in market conditions or otherwise could have a material adverse effect on our results of operations in future periods.

Competition among oilfield service and equipment providers is affected by each provider's reputation for safety and quality.

Our activities are subject to a wide range of national, state and local occupational health and safety laws and regulations. In addition, customers maintain their own compliance and reporting requirements. Failure to comply with these health and safety laws and regulations, or failure to comply with our customers' compliance or reporting requirements, could tarnish our reputation for safety and quality and have a material adverse effect on our competitive position.

Seasonal and adverse weather conditions adversely affect demand for services and operations.

Weather can have a significant impact on demand as consumption of energy is seasonal, and any variation from normal weather patterns, cooler or warmer summers and winters, can have a significant impact on demand. Adverse weather conditions, such as hurricanes, tropical storms and severe cold weather, may interrupt or curtail operations, or customers' operations, cause supply disruptions and result in a loss of revenue and damage to our equipment and facilities, which may or may not be insured. Specifically, we typically have experienced a pause by our customers around the holiday season in the fourth quarter, which may be compounded as our customers exhaust their annual capital spending budgets towards year end. Additionally, our operations are directly affected by weather conditions. During the winter months (first and fourth quarters) and periods of heavy snow, ice or rain, particularly in the northeastern U.S., Michigan, North Dakota, Wyoming and western Canada, our customers may delay operations or we may not be able to operate or move our equipment between locations. Also, during the spring thaw, which normally starts in late March and continues through June, some areas, primarily in western Canada, impose transportation restrictions to prevent damage caused by the spring thaw. For the year ended December 31, 2016 and the three months ended March 31, 2017,

we generated approximately 4.4% and 4.0%, respectively, of our revenue from our operations in western Canada. Lastly, throughout the year heavy rains adversely affect activity levels, as well locations and dirt access roads can become impassible in wet conditions.

Oilfield anti-indemnity provisions enacted by many states may restrict or prohibit a party's indemnification of us.

We typically enter into agreements with our customers governing the provision of our services, which usually include certain indemnification provisions for losses resulting from operations. Such agreements may require each party to indemnify the other against certain claims regardless of the negligence or other fault of the indemnified party; however, many states place limitations on contractual indemnity agreements, particularly agreements that indemnify a party against the consequences of its own negligence. Furthermore, certain states, including Louisiana, New Mexico, Texas and Wyoming, have enacted statutes generally referred to as "oilfield anti-indemnity acts" expressly prohibiting certain indemnity agreements contained in or related to oilfield services agreements. Such oilfield anti-indemnity acts may restrict or void a party's indemnification of us, which could have a material adverse effect on our business, financial condition, prospects and results of operations.

The growth of our business through acquisitions may expose us to various risks, including those relating to difficulties in identifying suitable, accretive acquisition opportunities and integrating businesses, assets and personnel, as well as difficulties in obtaining financing for targeted acquisitions and the potential for increased leverage or debt service requirements.

As a component of our business strategy, we have pursued and intend to continue to pursue selected, accretive acquisitions of complementary assets, businesses and technologies. Acquisitions involve numerous risks, including:

- unanticipated costs and assumption of liabilities and exposure to unforeseen liabilities of acquired businesses, including, but not limited to, environmental liabilities;
- difficulties in integrating the operations and assets of the acquired business and the acquired personnel;
- limitations on our ability to properly assess and maintain an effective internal control environment over an acquired business, in order to comply with public reporting requirements;
- potential losses of key employees and customers of the acquired businesses;
- inability to commercially develop acquired technologies;
- risks of entering markets in which we have limited prior experience; and
- increases in our expenses and working capital requirements.

The process of integrating an acquired business may involve unforeseen costs and delays or other operational, technical and financial difficulties and may require a disproportionate amount of management attention and financial and other resources. Our failure to achieve consolidation savings, to incorporate the acquired businesses and assets into our existing operations successfully or to minimize any unforeseen operational difficulties could have a material adverse effect on our financial condition and results of operations. Furthermore, there is intense competition for acquisition opportunities in our industry. Competition for acquisitions may increase the cost of, or cause us to refrain from, completing acquisitions.

In addition to potential future acquisitions, the ongoing integration of our business in connection with the Combination present a number of risks that could affect our results of operations. In particular, integrating the businesses from the Combination is difficult and involves a number of special risks, including the diversion of management's attention to the assimilation of the operations, the unpredictability of costs related to the

Combination and the difficulty of integration of the businesses, products, services, technology and employees. The ability to achieve the anticipated benefits of the Combination will depend, in part, upon whether the integration of the various businesses, products, services, technology and employees is accomplished in an efficient and effective manner, and there can be no assurance that this will occur.

Furthermore, we may not have sufficient capital resources to complete additional acquisitions. Historically, we have financed acquisitions primarily with funding from our equity investors, cash generated by operations and borrowings under debt facilities. We may incur substantial indebtedness to finance future acquisitions and also may issue equity, debt or convertible securities in connection with such acquisitions. Debt service requirements could represent a significant burden on our results of operations and financial condition and the issuance of additional equity or convertible securities could be dilutive to our existing stockholders. Furthermore, we may not be able to obtain additional financing on satisfactory terms. Even if we have access to the necessary capital, we may be unable to continue to identify additional suitable acquisition opportunities, negotiate acceptable terms or successfully acquire identified targets.

Our ability to grow through acquisitions and manage growth will require us to continue to invest in operational, financial and management information systems and to attract, retain, motivate and effectively manage our employees. The inability to effectively manage the integration of acquisitions could reduce our focus on current operations and subsequent acquisitions, which, in turn, could negatively impact our earnings and growth. Our financial position and results of operations may fluctuate significantly from period to period, based on whether or not significant acquisitions are completed in particular periods.

We are subject to federal, state and local laws and regulations regarding issues of health, safety and protection of the environment. Under these laws and regulations, we may become liable for penalties, damages or costs of remediation or other corrective measures. Any changes in laws or government regulations could increase our costs of doing business.

Our operations are subject to stringent federal, state, local and tribal laws and regulations relating to, among other things, protection of natural resources, clean air and drinking water, wetlands, endangered species, greenhouse gasses, nonattainment areas, the environment, occupational health and safety, chemical use and storage, waste management, waste disposal and transportation of waste and other hazardous and nonhazardous materials. Our operations involve risks of environmental liability, including leakage from an operator' s casing during our operations or accidental spills onto or into surface or subsurface soils, surface water or groundwater. Some environmental laws and regulations may impose strict liability, joint and several liability, or both. In some situations, we could be exposed to liability as a result of our conduct that was lawful at the time it occurred or the conduct of, or conditions caused by, third parties without regard to whether we caused or contributed to the conditions. Additionally, environmental concerns, including clean air, drinking water contamination and seismic activity, have prompted investigations that could lead to the enactment of regulations, limitations, restrictions or moratoria that could potentially have a material adverse impact on our business. Actions arising under these laws and regulations could result in the shutdown of our operations, fines and penalties (administrative, civil or criminal), revocations of permits to conduct business, expenditures for remediation or other corrective measures and/or claims for liability for property damage, exposure to hazardous materials, exposure to hazardous waste, nuisance or personal injuries. Sanctions for noncompliance with applicable environmental laws and regulations may also include the assessment of administrative, civil or criminal penalties, revocation of permits and temporary or permanent cessation of operations in a particular location and issuance of corrective action orders. Such claims or sanctions and related costs could cause us to incur substantial costs or losses and could have a material adverse effect on our business, financial condition, prospects and results of operations. Additionally, an increase in regulatory requirements, limitations, restrictions or moratoria on oil and natural gas exploration and completion activities at a federal, state or local level could significantly delay or interrupt our operations, limit the amount of work we can perform, increase

our costs of compliance, or increase the cost of our services, thereby possibly having a material adverse impact on our financial condition.

If we do not perform our operations in accordance with government, industry, customer or our own stringent occupational safety, health and environmental standards, we could lose business from our customers, many of whom have an increased focus on environmental and safety issues.

We are subject to the U.S. Environmental Protection Agency (the "EPA"), the DOT, U.S. Nuclear Regulation Commission, Bureau of Alcohol, Tobacco, Firearms and Explosives, OSHA and state regulatory agencies that regulate operations to prevent air, soil and water pollution. The energy extraction sector is one of the sectors designated for increased enforcement by the EPA, which will continue to regulate our industry in the years to come, potentially resulting in additional regulations that could have a material adverse impact on our business, prospects or financial condition.

The EPA regulates air emissions from all engines, including off-road diesel engines that are used by us to power equipment in the field under the federal Clean Air Act' s ("CAA") Tier 4 emission standards. The Tier 4 standards require substantial reductions in emissions of particulate matter and nitrous oxide from off-road diesel engines. Such emission reductions can be achieved through the use of appropriate control technologies. Under these U.S. emission control regulations, we could be limited in the number of certain off-road diesel engines we can purchase if we are unable to find a sufficient number of Tier 4-compliant engines from manufacturers. Further, these emission control regulations could result in increased capital and operating costs.

Changes in environmental laws and regulations could lead to material increases in our costs, and liability exposure, for future environmental compliance and remediation. Additionally, if we expand the size or scope of our operations, we could be subject to regulatory requirements that are more stringent than the requirements under which we are currently allowed to operate or require additional authorizations to continue operations. Compliance with this additional regulatory burden could increase our operating or other costs.

Federal, state and local legislative and regulatory initiatives relating to hydraulic fracturing could prohibit, restrict or limit hydraulic fracturing operations, or increase our operating costs.

Our business is dependent on hydraulic fracturing and horizontal drilling activities. Hydraulic fracturing is an important common practice that is used to stimulate production of hydrocarbons, particularly natural gas, from tight formations, including shales. The process, which involves the injection of water, sand and chemicals under pressure into formations to fracture the surrounding rock and stimulate production, is typically regulated by state oil and natural gas commissions. However, federal agencies have asserted regulatory authority over certain aspects of the process. For example, the EPA has asserted federal regulatory authority pursuant to the federal Safe Drinking Water Act over certain hydraulic fracturing activities involving the use of diesel fuels and published permitting guidance in February 2014 addressing the performance of such activities using diesel fuels. The EPA has also issued final regulations under the federal Clean Air Act establishing performance standards, including standards for the capture of air emissions released during hydraulic fracturing, an advanced notice of proposed rulemaking under the Toxic Substances Control Act to require companies to disclose information regarding the chemicals used in hydraulic fracturing, and also finalized rules in June 2016 that prohibit the discharge of wastewater from hydraulic fracturing operations to publicly owned wastewater treatment plants. In addition, the Bureau of Land Management ("BLM") finalized rules in March 2015 that impose new or more stringent standards for performing hydraulic fracturing on federal and Native American lands. The U.S. District Court of Wyoming has temporarily stayed implementation of the rules in response to a lawsuit challenging the rules. More recently, following the issuance of a presidential executive order to review rules related to energy industry, the BLM announced that it intends to initiate a rulemaking to repeal its hydraulic fracturing rules. As a result of these developments, future implementation of the BLM rules is

uncertain at this time. Also, Congress has from time to time considered legislation to provide for federal regulation of hydraulic fracturing under the SDWA and to require disclosure of the chemicals used in the hydraulic fracturing process. It is unclear how any additional federal regulation of hydraulic fracturing activities may affect our operations.

Various studies analyzing the potential environmental impacts of hydraulic fracturing have also been performed. For example, in December 2016, the EPA released its final report on the potential impacts of hydraulic fracturing on drinking water resources. The final report concluded that ‘‘water cycle’’ activities associated with hydraulic fracturing may impact drinking water resources ‘‘under some circumstances,’’ noting that the following hydraulic fracturing water cycle activities and local- or regional-scale factors are more likely than others to result in more frequent or more severe impacts: water withdrawals for fracturing in times or areas of low water availability; surface spills during the management of fracturing fluids, chemicals or produced water; injection of fracturing fluids into wells with inadequate mechanical integrity; injection of fracturing fluids directly into groundwater resources; discharge of inadequately treated fracturing wastewater to surface waters; and disposal or storage of fracturing wastewater in unlined pits. As described elsewhere in this Information Memorandum, these risks are regulated under various state, federal, and local laws.

We are also aware that some states, counties and municipalities have enacted or are considering moratoria on hydraulic fracturing. For example, New York and Vermont have banned or are in the process of banning the use of high volume hydraulic fracturing. Alternatively, some municipalities are or have considered zoning and other ordinances, the conditions of which could impose a de facto ban on drilling and/or hydraulic fracturing operations. Further, some states, counties and municipalities are closely examining water use issues, such as permit and disposal options for processed water, which could have a material adverse impact on our financial condition, prospects and results of operations if such additional permitting requirements are imposed upon our industry. If the EPA or another federal or state-level agency asserts jurisdiction over certain aspects of hydraulic fracturing operations, an additional level of regulation established at the federal or state level could lead to operational delays, reduce demand for our services, and increase our operating costs. At this time, it is not possible to estimate the potential impact on our business of the enactment of additional federal, state, or legislation or regulations affecting hydraulic fracturing. Compliance or the consequences of any failure to comply, such as the issuance of fines, penalties, or injunctions prohibiting some or all of our operations or the operations of our customers could have a material adverse effect on our business, financial condition, prospects and results of operations.

Existing or future laws and regulations related to greenhouse gases and climate change could have a negative impact on our business and may result in additional compliance obligations with respect to the release, capture and use of carbon dioxide that could have a material adverse effect on our business, results of operations, prospects and financial condition.

Changes in environmental requirements related to greenhouse gas emissions and climate change may negatively impact demand for our services. For example, oil and natural gas E&P may decline as a result of environmental requirements, including land use policies responsive to environmental concerns. Federal, state and local agencies have been evaluating climate-related legislation and other regulatory initiatives that would restrict emissions of greenhouse gases in areas in which we conduct business. Because our business depends on the level of activity in the oil and natural gas industry, existing or future laws and regulations related to greenhouse gases and climate change, including incentives to conserve energy or use alternative energy sources, could have a negative impact on our business if such laws or regulations reduce demand for oil and natural gas. Likewise, such restrictions may result in additional compliance obligations with respect to the release, capture, sequestration and use of carbon dioxide that could have a material adverse effect on our business, results of operations, prospects and financial condition.

We may be subject to claims for personal injury and property damage or other litigation, which could materially adversely affect our financial condition, prospects and results of operations.

Our services are subject to inherent risks that can cause personal injury or loss of life, damage to or destruction of property, equipment or the environment or the suspension of our operations. As the wells we service continue to become more complex, our exposure to such inherent risks becomes greater as downhole risks increase exponentially with an increase in complexity and lateral length. Our operations are also exposed to risks of labor organizing and risks of claims for alleged employment-related liabilities, including risks of claims related to alleged wrongful termination or discrimination, wage payment practices, retaliation claims and other human resource related matters. Litigation arising from operations where our facilities are located, or our services are provided, may cause us to be named as a defendant in lawsuits asserting potentially large claims including claims for exemplary damages. For example, transportation of heavy equipment creates the potential for our trucks to become involved in roadway accidents, which in turn could result in personal injury or property damages lawsuits being filed against us.

We maintain what we believe is customary and reasonable insurance to protect our business against these potential losses, but such insurance may not be adequate to cover our liabilities, especially as the inherent risks in our operations increase with increasing well complexity, and we are not fully insured against all risks. Further, our insurance has deductibles or self-insured retentions and contains certain coverage exclusions. The current trend in the insurance industry is towards larger deductibles and self-insured retentions. In addition, insurance may not be available in the future at rates that we consider reasonable and commercially justifiable, compelling us to have larger deductibles or self-insured retentions to effectively manage expenses. As a result, we could become subject to material uninsured liabilities or situations where we have high deductibles or self-insured retentions that expose us to liabilities that could have a material adverse effect on our business, financial condition, prospects or results of operations.

In recent years, oilfield services companies have been the subject of a significant volume of wage and hour-related litigation, including claims brought under the Federal Labor Standards Act, in which employee pay practices have been challenged. We have been named as defendants in these lawsuits. Some of these cases remain outstanding and are in various states of negotiation and/or litigation. The frequency and significance of wage- or other employment-related claims may affect expenses, costs and relationships with employees and regulators.

Our operations are subject to cyber security risks that could have a material adverse effect on our combined results of operations and combined financial condition.

The efficient operation of our business is dependent on our information technology (“IT”) systems. Accordingly, we rely upon the capacity, reliability and security of our IT hardware and software infrastructure and our ability to expand and update this infrastructure in response to our changing needs. Our IT systems are subject to possible breaches and other threats that could cause us harm. If our systems for protecting against cyber security risks prove not to be sufficient, we could be adversely affected by, among other things, loss or damage of intellectual property, proprietary information, or customer data; interruption of business operations; or additional costs to prevent, respond to, or mitigate cyber security attacks. These risks could have a material adverse effect on our business, financial condition and result of operations.

Changes in transportation regulations may increase our costs and negatively impact our results of operations.

We are subject to various transportation regulations including as a motor carrier by the DOT and by various federal, state and tribal agencies, whose regulations include certain permit requirements of highway and safety authorities. These regulatory authorities exercise broad powers over our trucking operations, generally governing such matters as the authorization to engage in motor carrier operations, safety, equipment testing,

driver requirements and specifications and insurance requirements. Certain motor vehicle operators are required to register with the DOT. This registration requires an acceptable operating record. The DOT periodically conducts compliance reviews and may revoke registration privileges based on certain safety performance criteria, and a revocation could result in a suspension of operations. Since 2010, the DOT has pursued its Compliance, Safety, Accountability ("CSA") program in an effort to improve commercial truck and bus safety. A component of CSA is the Safety Measurement System ("SMS"), which analyzes all safety violations recorded by federal and state law enforcement personnel to determine a carrier's safety performance. The SMS is intended to allow DOT to identify carriers with safety issues and intervene to address those problems. However, in January 2016, the DOT proposed its Safety Determination rule, which would alter the DOT's methodology for determining when a motor carrier is unfit to operate a commercial motor vehicle. At this time, we cannot predict whether the rule will be adopted as proposed nor the effect such a revision may have on our safety rating.

The trucking industry is subject to possible regulatory and legislative changes that may impact our operations, such as changes in fuel emissions limits, hours of service regulations that govern the amount of time a driver may drive or work in any specific period and limits on vehicle weight and size. For example, in December 2016, the DOT finalized minimum training standards for new drivers seeking a commercial driver's license, and effective December 2017, the Federal Motor Carrier Safety Administration will mandate electronic logging devices in all interstate commercial trucks. As the federal government continues to develop and propose regulations relating to fuel quality, engine efficiency and greenhouse gas emissions, we may experience an increase in costs related to truck purchases and maintenance, impairment of equipment productivity, a decrease in the residual value of vehicles, unpredictable fluctuations in fuel prices and an increase in operating expenses. Increased truck traffic may contribute to deteriorating road conditions in some areas where our operations are performed. Our operations, including routing and weight restrictions, could be affected by road construction, road repairs, detours and state and local regulations and ordinances restricting access to certain roads. Proposals to increase federal, state or local taxes, including taxes on motor fuels, are also made from time to time, and any such increase would increase our operating costs. Also, state and local regulation of permitted routes and times on specific roadways could adversely affect our operations. We cannot predict whether, or in what form, any legislative or regulatory changes or municipal ordinances applicable to our logistics operations will be enacted and to what extent any such legislation or regulations could increase our costs or otherwise adversely affect our business or operations.

We are dependent on customers in a single industry. The loss of one or more significant customers could adversely affect our financial condition, prospects and results of operations.

Our customers are engaged in the oil and natural gas E&P business in North America, which has been historically volatile. For the year ended December 31, 2016, our five largest customers, collectively accounted for approximately 30% of total revenues, and one customer, Pioneer Natural Resources Company, accounted for more than 10% of our revenue. If we were to lose several key alliances over a relatively short period of time or if one of our largest customers fails to pay or delays in paying a significant amount of our outstanding receivables, we could experience an adverse impact on our business, financial condition, results of operations, cash flows and prospects. Additionally, the E&P industry is characterized by frequent consolidation activity. Changes in ownership of our customers may result in the loss of, or reduction in, business from those customers, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Our executive officers and certain key personnel are critical to our business and these officers and key personnel may not remain with us in the future.

Our future success depends in substantial part on our ability to hire and retain our executive officers and other key personnel. In particular, we are highly dependent on certain of our executive officers, particularly our President and Chief Executive Officer, Ann G. Fox, and the President of our Completion Solutions segment, David Crombie. These individuals possess extensive expertise, talent and leadership, and they are critical to our success. The diminution or loss of the services of these individuals, or other integral key personnel affiliated with entities that we acquire in the future, could have a material adverse effect on our business. Furthermore, we may not be able to enforce all of the provisions in any employment agreement we have entered into with certain of our executive officers and such employment agreements may not otherwise be effective in retaining such individuals. In addition, we may not be able to retain key employees of entities that we acquire in the future. This may impact our ability to successfully integrate or operate the assets we acquire.

A terrorist attack or armed conflict could harm our business.

The occurrence or threat of terrorist attacks in the United States or other countries, anti-terrorist efforts and other armed conflicts involving the United States or other countries, including continued hostilities in the Middle East, may adversely affect the United States and global economies and could prevent us from meeting financial and other obligations. We could experience loss of business, delays or defaults in payments from payors or disruptions of fuel supplies and markets if wells, operations sites or other related facilities are direct targets or indirect casualties of an act of terror or war. Such activities could reduce the overall demand for oil and natural gas, which, in turn, could also reduce the demand for our products and services. Oil and natural gas related facilities could be direct targets of terrorist attacks, and our operations could be adversely impacted if infrastructure integral to our customers' operations is destroyed or damaged. Costs for insurance and other security may increase as a result of these threats, and some insurance coverage may become more difficult to obtain, if available at all. Terrorist activities and the threat of potential terrorist activities and any resulting economic downturn could adversely affect our results of operations, impair our ability to raise capital or otherwise adversely impact our ability to realize certain business strategies.

Delays or restrictions in obtaining, or inability to obtain or renew, permits or authorizations by our customers for their operations or by us for our operations could impair our business.

In most states, our operations and the operations of our customers require permits or authorizations from one or more governmental agencies or other third parties to perform drilling and completion and production activities, including hydraulic fracturing. Such permits or approvals are typically required by state agencies, but federal and local governmental permits may also be required. We are also required to obtain federal, state, local and/or third-party permits and authorizations in some jurisdictions in connection with our wireline services and trucking operations. The requirements for permits or authorizations vary depending on the location where the associated activities will be conducted. As with most permitting and authorization processes, there is a degree of uncertainty as to whether a permit will be granted, the time it will take for a permit or approval to be issued and the conditions which may be imposed in connection with the granting of the permit. In Texas, rural water districts have begun to impose restrictions on water use and may require permits for water used in drilling and completion activities. In addition, some of our customers' drilling and completion activities may take place on federal land or Native American lands, requiring leases and other approvals from the federal government or Native American tribes to conduct such drilling and completion activities. Permitting, authorization or renewal delays, the inability to obtain new permits or the revocation of current permits could cause a loss of revenue and potentially have a materially adverse effect on our business, financial condition, prospects or results of operations.

Our Canadian operations subject us to currency translation risk, which could cause our results to fluctuate significantly from period to period.

A portion of our revenues are derived from our Canadian activities and operations. As a result, we translate the results of our operations and financial condition of our Canadian operations into U.S. dollars. Therefore, our reported results of operations and financial condition are subject to changes in the exchange rate between the two currencies. Fluctuations in foreign currency exchange rates could affect our revenue, expenses and operating margins. Currently, we do not hedge our exposure to changes in foreign exchange rates.

Risks related to this offering and owning our common stock

SCF controls a significant percentage of our voting power.

Upon completion of this offering, SCF will beneficially own % of our common stock, representing approximately % of our outstanding common stock, taking into account the exercise of all outstanding warrants held by our existing stockholders, including SCF, which will automatically be exercised on a cashless basis upon the consummation of this offering (or % of our common stock if the underwriters exercise in full their option to purchase additional shares of common stock). In addition, certain of our directors are currently employed by SCF. Consequently, SCF will be able to strongly influence all matters that require approval by our stockholders, including the election and removal of directors, changes to our organizational documents and approval of acquisition offers and other significant corporate transactions. This concentration of ownership will limit your ability to influence corporate matters, and as a result, actions may be taken that you may not view as beneficial. This concentration of stock ownership may also adversely affect the trading price of our common stock to the extent investors perceive a disadvantage in owning stock of a company with a controlling stockholder.

Certain of our directors may have conflicts of interest because they are also directors or officers of SCF. The resolution of these conflicts of interest may not be in our or your best interests.

Certain of our directors, namely David C. Baldwin and Andrew L. Waite, are currently officers of LESA. In addition, Mr. Baldwin and Mr. Waite are both directors of Forum Energy Technology, a corporation in which SCF and its affiliates own an approximate 21% equity interest as of April 24, 2017. These positions may conflict with such individuals' duties as one of our directors or officers regarding business dealings and other matters between SCF and us. The resolution of these conflicts may not always be in our or your best interest.

SCF and its affiliates are not limited in their ability to compete with us, and the corporate opportunity provisions in our charter could enable SCF to benefit from corporate opportunities that may otherwise be available to us.

SCF and its affiliates have investments in other oilfield service companies that may compete with us, and SCF and its affiliates may invest in such other companies in the future. SCF, its other affiliates and its portfolio companies are referred to herein as the "SCF Group." Conflicts of interest could arise in the future between us, on the one hand, and the SCF Group, on the other hand, concerning among other things, potential competitive business activities or business opportunities.

Our charter provides that, to the fullest extent permitted by applicable law, we renounce any interest or expectancy in any business opportunity that involves any aspect of the energy equipment or services business or industry and that may be from time to time presented to SCF or any of our directors or officers who is also an employee, partner, member, manager, officer or director of any SCF Group entity, even if the opportunity is one that we might reasonably have pursued or had the ability or desire to pursue if granted the opportunity to do so. Our charter further provides that no such person or party shall be liable to us by reason of the fact that such person pursues any such business opportunity, or fails to offer any such business opportunity to us. As a result,

any of our directors or officers who is also an employee, partner, member, manager, officer or director of any SCF Group entity may become aware, from time to time, of certain business opportunities, such as acquisition opportunities, and may direct such opportunities to other businesses in which they have invested, in which case we may not become aware of or otherwise have the ability to pursue such opportunity. Further, such businesses may choose to compete with us for these opportunities. As a result, by renouncing our interest and expectancy in any business opportunity that may be from time to time presented to any member of an SCF Group entity or any of our directors or officers who is also an employee, partner, member, manager, officer or director of any SCF Group entity, our business or prospects could be adversely affected if attractive business opportunities are procured by such parties for their own benefit rather than for ours. See "Certain relationships and related party transactions." Our charter provides that any amendment to or adoption of any provision inconsistent with our charter's provisions governing the renouncement of business opportunities must be approved by the holders of at least 80% of the voting power of the outstanding stock of the corporation entitled to vote thereon. See "Description of capital stock–Renouncement of business opportunities" for more information. Any actual or perceived conflicts of interest with respect to the foregoing could have an adverse impact on the trading price of our common stock.

The requirements of being a public company, including compliance with the reporting requirements of the Securities Exchange Act of 1934, as amended, and the requirements of the Sarbanes-Oxley Act and the NYSE, may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner.

As a public company, we will need to comply with new laws, regulations and requirements, certain corporate governance provisions of the Sarbanes-Oxley Act, related regulations of the SEC and the requirements of the NYSE, with which we are not required to comply as a private company. Complying with these statutes, regulations and requirements will occupy a significant amount of time of our board of directors and management and will significantly increase our costs and expenses. We will need to:

- institute a more comprehensive compliance function;
- comply with rules promulgated by the NYSE;
- continue to prepare and distribute periodic public reports in compliance with our obligations under the federal securities laws;
- establish new internal policies, such as those relating to insider trading; and
- involve and retain to a greater degree outside counsel and accountants in the above activities.

In addition, we expect that being a public company subject to these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers. We are currently evaluating these rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

We will be required to comply with certain provisions of Section 404 of the Sarbanes-Oxley Act as early as our fiscal year ending December 31, 2018. Section 404 requires that we document and test our internal control over financial reporting and issue management's assessment of our internal control over financial reporting. This section also requires that our independent registered public accounting firm opine on those internal controls upon becoming a large accelerated filer, as defined in the SEC rules, or otherwise ceasing to qualify as an emerging growth company under the JOBS Act. We are evaluating our existing controls against the standards adopted by the Committee of Sponsoring Organizations of the Treadway Commission. During the course of our ongoing evaluation and integration of the internal control over financial reporting, we may identify areas

requiring improvement, and we may have to design enhanced processes and controls to address issues and prevent fraud identified through this review. For example, we anticipate the need to hire additional administrative and accounting personnel to conduct our financial reporting. We cannot be certain at this time that we will be able to successfully complete the procedures, certification and attestation requirements of Section 404.

We have identified a material weakness in our internal control over financial reporting, with regard to the reporting of income tax expense (benefit), related balance sheet accounts and other comprehensive income, and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our financial statements or cause us to fail to meet our reporting obligations.

In connection with the audit of our financial statements for the year ended December 31, 2016, we identified a material weakness in our internal control over the reporting of income tax expense (benefit), the related balance sheet accounts and other comprehensive income. A material weakness is defined as a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis.

During the first quarter of 2017, we hired a tax professional as our tax director, who performed a detailed review of our deferred taxes and our tax provision and identified certain immaterial errors in our income tax expense (benefit) and deferred tax balance for the years ended December 31, 2016 and 2015. Upon review of our internal controls in connection with the identification of these errors, we determined that we did not design and maintain an effective control environment with formal accounting policies and controls, and with trained professionals with an appropriate level of income tax knowledge and experience, to properly analyze, record and disclose the accounting matters commensurate with our financial reporting requirements related to income taxes. Specifically, we did not have controls designed to address the accuracy of income tax expense (benefit) and related combined balance sheet accounts, including deferred income taxes, as well as adequate procedures and controls to review the work of external experts engaged to assist in income tax matters or to monitor the presentation and disclosure of income taxes.

This material weakness resulted in the need to correct misstatements in our combined financial statements as of and for the years ended December 31, 2016 and 2015 prior to their issuance. The misstatements were not material to either 2016 or 2015, but the material weakness described above or any newly identified material weakness could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in a material misstatement of our annual or interim financial statements.

As described above, during the first quarter of 2017, we hired a tax professional as our tax director, who identified the misstatements described above and will be responsible for performing a detailed review of our deferred taxes and our annual and quarterly tax provision for all future periods. We further plan to remediate by implementing additional review procedures within the accounting and finance department and, if appropriate, engaging external accounting experts with the appropriate knowledge to supplement our internal resources in our computation and review processes. These planned actions are subject to ongoing management review and the oversight of our Board. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to remediate the control deficiencies that led to the material weakness in our internal control over financial reporting or to avoid potential future material weaknesses. In addition, neither our management nor an independent registered public accounting firm has ever performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act because no such evaluation has been required. Had we or our independent registered public accounting firm performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional material weaknesses may have been identified.

Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. If we are unable to successfully remediate our existing or any future material weakness in our internal control over financial reporting, or identify any additional material weaknesses that may exist, the accuracy and timing of our financial reporting may be adversely affected, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, we may be unable to prevent fraud, investors may lose confidence in our financial reporting, and our stock price may decline as a result. Additionally, our reporting obligations as a public company could place a significant strain on our management, operational and financial resources and systems for the foreseeable future and may cause us to fail to timely achieve and maintain the adequacy of our internal control over financial reporting.

There is no existing market for our common stock, and a trading market that will provide you with adequate liquidity may not develop. The price of our common stock may fluctuate significantly, and you could lose all or part of your investment.

Prior to this offering, there has been no public market for our common stock. After this offering, there will be only publicly traded shares of common stock held by our public common stockholders (shares of common stock if the underwriters exercise in full their option to purchase additional shares of common stock). SCF will own shares of common stock, representing an aggregate % of outstanding shares of our common stock, taking into account the exercise of all outstanding warrants held by our existing stockholders, including SCF, which will automatically be exercised on a cashless basis upon the consummation of this offering (or shares of common stock, representing an aggregate % of outstanding shares of our common stock, if the underwriters exercise in full their option to purchase additional shares of common stock). We do not know the extent to which investor interest will lead to the development of an active trading market or how liquid that market might become. If an active trading market does not develop, you may have difficulty reselling any of our common stock at or above the initial public offering price. Additionally, the lack of liquidity may result in wide bid-ask spreads, contribute to significant fluctuations in the market price of the common stock and limit the number of investors who are able to buy the common stock.

The initial public offering price for the common stock offered hereby will be determined by negotiations between us and the representatives of the underwriters and may not be indicative of the market price of the common stock that will prevail in the trading market. Consequently, you may not be able to sell shares of our common stock at prices equal to or greater than the price paid by you in this offering.

The following is a non-exhaustive list of factors that could affect our stock price:

- our operating and financial performance;
- quarterly variations in the rate of growth of our financial indicators, such as net income per share, net income and revenues;
- the public reaction to our press releases, our other public announcements and our filings with the SEC;
- strategic actions by our competitors;
- our failure to meet revenue or earnings estimates by research analysts or other investors;
- changes in revenue or earnings estimates, or changes in recommendations or withdrawal of research coverage, by equity research analysts;
- speculation in the press or investment community;
- the failure of research analysts to cover our common stock;

sales of our common stock by us, the selling stockholders or other stockholders, or the perception that such sales may occur;

changes in accounting principles, policies, guidance, interpretations or standards;

additions or departures of key management personnel;

actions by our stockholders;

general market conditions, including fluctuations in commodity prices;

domestic and international economic, legal and regulatory factors unrelated to our performance; and

the realization of any risks described under this ‘‘Risk factors’’ section.

The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company’ s securities. Such litigation, if instituted against us, could result in substantial costs, divert our management’ s attention and resources and harm our business, operating results and financial condition.

If securities or industry analysts do not publish research reports or publish unfavorable research about our business, the price and trading volume of our common stock could decline.

The trading market for our common stock will depend in part on the research reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of us, the trading price for our common stock and other securities would be negatively affected. In the event we obtain securities or industry analyst coverage, and one or more of the analysts who covers us downgrades our securities, the price of our securities would likely decline. If one or more of these analysts ceases to cover us or fails to publish regular reports on us, interest in the purchase of our securities could decrease, which could cause the price of our common stock and other securities and their trading volume to decline.

Our charter and bylaws contain provisions that could delay, discourage or prevent a takeover attempt even if a takeover might be beneficial to our stockholders, and such provisions may adversely affect the market price of our common stock.

Provisions contained in our charter and bylaws could make it more difficult for a third party to acquire us. Our charter and bylaws also impose various procedural and other requirements, which could make it more difficult for stockholders to effect certain corporate actions. For example, our charter authorizes our board of directors to determine the rights, preferences, privileges and restrictions of unissued series of preferred stock without any vote or action by our stockholders. Thus, our board of directors can authorize and issue shares of preferred stock with voting or conversion rights that could adversely affect the voting or other rights of holders of our capital stock. These rights may have the effect of delaying or deterring a change of control of our company. Additionally, for example, our bylaws (i) establish limitations on the removal of directors and on the ability of our stockholders to call special meetings, (ii) include advance notice requirements for nominations for election to our board of directors and for proposing matters that can be acted upon at stockholder meetings, (iii) provide that our board of directors is expressly authorized to adopt, or to alter or repeal, our bylaws, and (iv) provide for a classified board of directors, consisting of three classes of approximately equal size, each class serving staggered three-year terms, so that only approximately one-third of our directors will be elected each year.

See "Description of capital stock–Anti-takeover effects of provisions of our charter, our bylaws and Delaware law." These provisions could limit the price that certain investors might be willing to pay in the future for shares of our common stock.

Our charter designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.

Our charter provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law (the "DGCL"), our charter or our bylaws or (iv) any action asserting a claim against us that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and consented to, the provisions of our charter described in the preceding sentence. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our charter inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations.

Investors in this offering will experience immediate and substantial dilution of $ per share.

Based on an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus), purchasers of our common stock in this offering will experience an immediate and substantial dilution of $ per share in the net tangible book value per share of common stock from the initial public offering price, and our historical and pro forma net tangible book deficit as of , 2017 would be $ per share. Please see "Dilution."

We do not intend to pay dividends on our common stock, and we expect that our debt agreements will place certain restrictions on our ability to do so. Consequently, your only opportunity to achieve a return on your investment is if the price of our common stock appreciates.

We do not plan to declare dividends on shares of our common stock in the foreseeable future. Additionally, our new credit facility will place certain restrictions on our ability to pay cash dividends. Consequently, unless we revise our dividend policy, your only opportunity to achieve a return on your investment in us will be if you sell your common stock at a price greater than you paid for it. There is no guarantee that the price of our common stock that will prevail in the market will ever exceed the price that you pay in this offering.

Future sales of our common stock in the public market could reduce our stock price, and any additional capital raised by us through the sale of equity or convertible securities may dilute your ownership in us.

We may sell additional shares of common stock in subsequent public offerings. We may also issue additional shares of common stock or convertible securities. After the completion of this offering, taking into account the exercise of all outstanding warrants held by our existing stockholders, which will automatically be exercised on a cashless basis upon the consummation of this offering and assuming no exercise of the underwriters' option to purchase additional shares, we will have outstanding shares of our common stock and SCF will own

outstanding shares of our common stock or approximately % of our total outstanding shares, all of which are restricted from immediate resale under the federal securities laws and are subject to the lock-up agreements with the underwriters described in ‘‘Underwriting (conflicts of interest),’’ but may be sold into the market in the future. Please see ‘‘Shares eligible for future sale.’’ SCF and certain of our other stockholders will be party to the Amended Stockholders Agreement (as defined and described in ‘‘Certain relationships and related party transactions–Stockholders agreement’’), which will require us to effect the registration of their shares in certain circumstances no earlier than the expiration of the lock-up period contained in the underwriting agreement entered into in connection with this offering. Additionally, shares held by our employees and others will be eligible for sale at various times and subject to a 180 day lock-up agreement contained in our existing stockholders agreement, including shares eligible for sale upon exercise of vested options and outstanding warrants, after the date of this prospectus pursuant to the provisions of Rule 144.

In connection with this offering, we intend to file a registration statement with the SEC on Form S-8 providing for the registration of shares of our common stock issued or reserved for issuance under our equity incentive plan. Subject to the satisfaction of vesting conditions, the expiration of lock-up agreements and the requirements of Rule 144, shares registered under the registration statement on Form S-8 will be available for resale immediately in the public market without restriction.

We cannot predict the size of future issuances of our common stock or securities convertible into common stock or the effect, if any, that future issuances and sales of shares of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices of our common stock.

The underwriters of this offering may waive or release parties to the lock-up agreements entered into in connection with this offering, which could adversely affect the price of our common stock.

Prior to this offering, we, all of our directors and executive officers and SCF will enter into lock-up agreements with respect to their common stock, pursuant to which they are subject to certain resale restrictions for a period of 180 days following the effectiveness date of the registration statement of which this prospectus forms a part. J.P. Morgan Securities LLC may, at any time and without notice, release all or any portion of the common stock subject to the foregoing lock-up agreements. If the restrictions under the lock-up agreements are waived, then common stock will be available for sale into the public markets, which could cause the market price of our common stock to decline and impair our ability to raise capital.

A significant reduction by SCF of its ownership interests in us could adversely affect us.

We believe that SCF’ s substantial ownership interest in us provides them with an economic incentive to assist us to be successful. Upon the expiration or earlier waiver of the lock-up restrictions on transfers or sales of our securities following the completion of this offering, SCF will not be subject to any obligation to maintain its ownership interest in us and may elect at any time thereafter to sell all or a substantial portion of or otherwise reduce its ownership interest in us. If SCF sells all or a substantial portion of its ownership interest in us, it may have less incentive to assist in our success and its affiliates that are expected to serve as members of our board of directors may resign. Such actions could adversely affect our ability to successfully implement our business strategies which could adversely affect our cash flows or results of operations.

Taking advantage of the reduced disclosure requirements applicable to ‘‘emerging growth companies’’ may make our common stock less attractive to investors.

We qualify as an ‘‘emerging growth company’’ as defined in the JOBS Act. An emerging growth company may take advantage of certain reduced reporting and other requirements that are otherwise applicable generally to public companies. Pursuant to these reduced disclosure requirements, emerging growth companies are not

required to, among other things, comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, provide certain disclosures regarding executive compensation, holding stockholder advisory votes on executive compensation or obtain stockholder approval of any golden parachute payments not previously approved. In addition, emerging growth companies have longer phase-in periods for the adoption of new or revised financial accounting. We would cease to be an emerging growth company if we have more than $1.07 billion in annual revenue, have more than $700 million in market value of our common stock held by non-affiliates, or issue more than $1.0 billion of non-convertible debt over a three-year period.

We intend to take advantage of all of the reduced reporting requirements and exemptions, including the longer phase-in periods for the adoption of new or revised financial accounting standards under Section 107 of the JOBS Act, until we are no longer an emerging growth company. If we were to subsequently elect instead to comply with these public company effective dates, such election would be irrevocable pursuant to Section 107 of the JOBS Act.

Our election to use the phase-in periods permitted by this election may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the longer phase-in periods under Section 107 of the JOBS Act and who will comply with new or revised financial accounting standards. We cannot predict if investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our common stock price may be more volatile. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies.

We may not be able to utilize a portion of Beckman's or our net operating loss carryforwards ("NOLs") to offset future taxable income for U.S. federal or state tax purposes, which could adversely affect our net income and cash flows.

As of December 31, 2016, Beckman had federal and state income tax NOLs of approximately $130.9 million, which will expire between 2020 and 2033 and Nine had federal and state income tax NOLs of approximately $7.7 million, which will expire between 2022 and 2036. Utilization of these NOLs depends on many factors, including our future taxable income, which cannot be assured. In addition, Section 382 of the Internal Revenue Code of 1986, as amended ("Section 382"), generally imposes an annual limitation on the amount of an NOL that may be used to offset taxable income when a corporation has undergone an "ownership change" (as determined under Section 382). Determining the limitations under Section 382 is technical and highly complex. An ownership change generally occurs if one or more shareholders (or groups of shareholders) who are each deemed to own at least 5% of the corporation's stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. In the event that an ownership change has occurred–or were to occur–with respect to a corporation following its recognition of an NOL, utilization of such NOL would be subject to an annual limitation under Section 382, generally determined by multiplying the value of the corporation's stock at the time of the ownership change by the applicable long-term tax-exempt rate as defined in Section 382. However, this annual limitation would be increased under certain circumstances by recognized built-in gains of the corporation existing at the time of the ownership change. Any unused annual limitation with respect to an NOL generally may be carried over to later years, subject to the expiration of the NOL 20 years after it arose.

While the issuance of stock contemplated herein would, standing alone, be insufficient to result in an ownership change with respect to either Beckman or us, we cannot assure you that neither Beckman nor we will undergo an ownership change as a result of this offering taking into account other changes in ownership of Beckman's stock and our stock occurring within the relevant three year period described above, including the Combination and the Subscription Offers. If either Beckman or we were to undergo an ownership change, we may be

prevented from fully utilizing either Beckman' s NOLs or our NOL' s, as applicable, at the time of the ownership change prior to their expiration. Future changes in our stock ownership or future regulatory changes could also limit our ability to utilize Beckman' s or our NOLs. To the extent we are not able to offset future taxable income with Beckman' s or our NOLs, our net income and cash flows may be adversely affected.

Cautionary note regarding forward-looking statements

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. All statements, other than statements of historical fact included in this prospectus, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this prospectus, the words "could," "believe," "anticipate," "intend," "estimate," "expect," "may," "continue," "predict," "potential," "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Forward-looking statements may include statements about:

- the volatility of future oil and natural gas prices;
- our ability to successfully manage our growth, including risks and uncertainties associated with integrating and retaining key employees of the businesses we acquire;
- availability of skilled and qualified labor and key management personnel;
- our ability to accurately predict customer demand;
- competition in our industry;
- governmental regulation and taxation of the oil and natural gas industry;
- environmental liabilities;
- political and social issues affecting the countries in which we do business;
- our ability to implement new technologies and services;
- availability and terms of capital;
- general economic conditions;
- benefits of our acquisitions;
- operating hazards inherent in our industry;
- the continued influence of SCF;
- our ability to establish and maintain effective internal controls over financial reporting;
- our ability to operate effectively as a public traded company;
- our financial strategy, budget, projections, operating results, cash flows and liquidity; and
- our plans, business strategy and objectives, expectations and intentions that are not historical.

All forward-looking statements speak only as of the date of this prospectus; we disclaim any obligation to update these statements unless required by law and we caution you not to place undue reliance on them. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this prospectus are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved. We disclose important factors that could cause our actual results to differ materially from our expectations under "Risk factors" and "Management' s discussion and analysis of financial condition and results of operations" and elsewhere in this prospectus. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

Use of proceeds

We will receive net proceeds of approximately $ million from the sale of the common stock by us in this offering assuming an initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus) and after deducting estimated expenses and underwriting discounts and commissions payable by us. We will not receive any of the proceeds from any sale of shares of our common stock by the selling stockholders.

We intend to use a portion of the net proceeds from this offering to fully repay the outstanding indebtedness under the two credit facilities we currently have in place and the remainder for general corporate purposes, which may include the acquisition of additional equipment and complementary businesses that enhance our existing service offerings, broaden our service offerings or expand our customer relationships.

The following table illustrates our anticipated use of the net proceeds from this offering:

Sources of funds (In millions)		Use of funds (In millions)	
Net proceeds from this offering	$	Repayment of the Existing Nine Credit Facility(1)	$
		Repayment of Existing Beckman Credit Facility(2)	
		Funding of general corporate purposes	
Total Sources of Funds	$	**Total Uses of Funds**	$

(1) Pursuant to the Existing Nine Credit Facility, Nine has a $56.2 million term loan. At March 31, 2017, the weighted average interest rate of the term loan was approximately 5.5%. Also, as of March 31, 2017, Nine had $69.0 million of outstanding borrowings (including letters of credit) under the Existing Nine U.S. Revolving Credit Facility (defined and described in "Management's discussion and analysis of financial condition and results of operations–Our credit facilities") and Nine Energy Canada Inc. had $9.0 million of outstanding borrowings (including letters of credit) under the Existing Nine Canadian Revolving Credit Facility (defined and described in "Management's discussion and analysis of financial condition and results of operations–Our credit facilities"). Borrowings under the Existing Nine Credit Facility bear interest at a variable rate. At March 31, 2017, the weighted average interest rates on borrowings under the Existing Nine U.S. Revolving Credit Facility and the Existing Nine Canadian Revolving Credit Facility, all of which were incurred to fund working capital, were approximately 5.7% and 5.5%, respectively. Term loan payments due during the remainder of 2017 total $14.9 million, and all other loans and other obligations under the Existing Nine Credit Facility are scheduled to mature on January 1, 2018. We intend to terminate the Existing Nine Credit Facility in connection with this offering. See "Management's discussion and analysis of financial condition and results of operations–Our credit facilities–Existing Nine Credit Facility" for additional information regarding the Existing Nine Credit Facility.

(2) Pursuant to the Existing Beckman Credit Facility, Beckman has a $6.0 million term loan tranche (with a weighted average interest rate of 6.7% at March 31, 2017) and a $106.3 million term loan tranche (with a weighted average interest rate of 5.5% at March 31, 2017). Also, as of March 31, 2017, Beckman had $5.0 million of outstanding borrowings, which were incurred to fund working capital, under the Existing Beckman Revolving Facility (defined and described in "Management's discussion and analysis of financial condition and results of operations–Our credit facilities"). Borrowings under the Existing Beckman Credit Facility bear interest at a variable rate. At March 31, 2017, the weighted average interest rate on borrowings under the Existing Beckman Revolving Facility was approximately 6.2%. All loans and other obligations under the Existing Beckman Credit Facility are scheduled to mature on June 30, 2018, except for the current portion of the term loans, which totals $2.2 million as of March 31, 2017; $1.5 million is due in the fourth quarter of 2017, and $0.8 million is due in the first quarter of 2018. We intend to terminate the Existing Beckman Credit Facility in connection with this offering. See "Management's discussion and analysis of financial condition and results of operations–Our credit facilities–Existing Beckman Credit Facility" for additional information regarding the Existing Beckman Credit Facility.

Because an affiliate of Wells Fargo Securities, LLC is a lender under the Existing Nine Credit Facility and the Existing Beckman Credit Facility and an affiliate of J.P. Morgan Securities LLC is a lender under the Existing Nine Credit Facility and may receive 5% or more of the net proceeds of this offering, Wells Fargo Securities, LLC and J.P. Morgan Securities LLC may be deemed to have a "conflict of interest" under FINRA Rule 5121, and as a result, this offering will be conducted

under that rule. Pursuant to FINRA Rule 5121, a ‘‘qualified independent underwriter’’ meeting certain standards is required to participate in the preparation of the registration statement and prospectus and exercise the usual standards of due diligence with respect thereto. has agreed to act as a ‘‘qualified independent underwriter’’ within the meaning of FINRA Rule 5121 in connection with this offering. See ‘‘Underwriting (conflicts of interest).’’

A $1.00 increase or decrease in the assumed initial public offering price of $ per share would cause the net proceeds from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses, received by us to increase or decrease, respectively, by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. If the proceeds increase due to a higher initial public offering price, we would use the additional net proceeds for general corporate purposes. If the proceeds decrease due to a lower initial public offering price, then we would first reduce by a corresponding amount the net proceeds directed to general corporate purposes and then, if necessary, the net proceeds directed to repay the outstanding borrowings under the Existing Nine Credit Facility and the Existing Beckman Credit Facility. We expect to enter into our new credit facility concurrently with, and conditioned upon, the consummation of this offering, and if necessary, will use borrowings thereunder to fully repay the outstanding borrowings under the Existing Nine Credit Facility and the Existing Beckman Credit Facility.

Dividend policy

We do not anticipate declaring or paying any cash dividends to holders of our common stock in the foreseeable future. We currently intend to retain future earnings, if any, to fund our operations and to develop and grow our business. Our future dividend policy is within the discretion of our board of directors and will depend upon various factors our board of directors deems relevant, including our results of operations, financial condition, capital requirements and investment opportunities. In addition, our new credit facility will place restrictions on our ability to pay cash dividends.

Capitalization

The following table sets forth our capitalization as of March 31, 2017:

- on an actual basis; and
- on an as adjusted basis to give effect to (i) the consummation of the for 1 stock split of our issued and outstanding common stock effected on , 2017, (ii) the issuance of shares of common stock issuable upon the exercise of outstanding warrants held by our existing stockholders, which will automatically be exercised on a cashless basis upon the consummation of this offering, (iii) the sale by us of shares of our common stock in this offering at an assumed initial offering price of $ per share (which is the midpoint of the range set forth on the cover of this prospectus) and the application of the net proceeds from this offering as set forth under "Use of proceeds," and (iv) the entry into, and effectiveness of, our new credit facility.

The as adjusted and as further adjusted information set forth in the table below is illustrative only and the as further adjusted information will be adjusted based on the actual initial public offering price and other final terms of this offering. You should read the following table in conjunction with "Use of proceeds," "Selected financial data," "Management's discussion and analysis of financial condition and results of operations" and our historical combined financial statements and related notes thereto appearing elsewhere in this prospectus.

	As of March 31, 2017	
(in thousands, except share and per share amounts)	**Actual**	**As adjusted(1)**
Cash and cash equivalents	$27,039	**$**
Long-term debt, excluding current maturities:		
Existing Nine Credit Facility	$134,173	–
Existing Beckman Credit Facility	117,300	–
New credit facility(2)	–	
Less: current maturities	(136,423)	
Total long-term debt(3)	$115,050	
Stockholders' equity:		
Common stock, $0.01 par value; 6,000,000 shares authorized, actual; shares authorized, as adjusted; 1,826,783 shares issued and outstanding, actual; shares issued and outstanding, as adjusted	17	
Preferred stock, $0.01 par value; 100,000 shares authorized, actual; shares authorized, as adjusted; no shares issued and outstanding, actual and as adjusted	–	–
Additional paid-in capital	356,311	
Warrants(4)	2,687	–
Retained earnings (accumulated deficit)	(47,113)	
Treasury stock	–	
Accumulated other comprehensive loss	(3,493)	
Total stockholders' equity	$308,409	$
Total capitalization	$450,498	$

(1) A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by approximately $ million, $ million, $ million and $ million, respectively, assuming that the number of

shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting the estimated underwriting discounts and commissions payable by us. We may also increase or decrease the number of shares we are offering. An increase (decrease) of one million shares offered by us at an assumed offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by approximately $ million, $ million, $ million and $ million, respectively, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(2) Concurrently with, and conditioned upon, the consummation of this offering, we expect to enter into our new credit facility. Borrowings under our new credit facility may vary significantly from time to time depending on our cash needs at any given time. We expect our new credit facility to be undrawn upon consummation of this offering, and we expect to be able to incur up to $200 million of additional indebtedness under our new credit facility. However, borrowings could be limited due to borrowing base restrictions.

(3) Excludes deferred financing costs.

(4) Warrants held by our existing stockholders issued in connection with the Subscription Offers will automatically be exercised on a cashless basis into shares of our common stock upon the consummation of this offering (assuming no warrants are exercised before the consummation of this offering).

Dilution

Purchasers of the common stock in this offering will experience immediate and substantial dilution in the net tangible book value per share of the common stock for accounting purposes. Our pro forma net tangible book value as of March 31, 2017 was approximately $, or $ per share of common stock. Pro forma net tangible book value per share is determined by dividing our tangible net worth (tangible assets less total liabilities) by the total number of outstanding shares of common stock that will be outstanding immediately prior to the closing of this offering (after giving effect to the Stock Split and the issuance of shares of common stock issuable upon the exercise of outstanding warrants held by our existing stockholders, assuming no warrants are exercised before the consummation of this offering). After giving effect to the sale of shares in this offering at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), and after deducting estimated discounts and commissions and offering expenses, our adjusted pro forma net tangible book value as of March 31, 2017 would have been approximately $, or $ per share. This represents an immediate increase in the net tangible book value of $ per share to our existing stockholders and an immediate dilution (i.e., the difference between the offering price and the adjusted pro forma net tangible book value after this offering) to new investors purchasing shares in this offering of $ per share. The following table illustrates the per share dilution to new investors purchasing shares in this offering:

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of March 31, 2017	$	
Increase per share attributable to new investors in this offering		
Adjusted pro forma net tangible book value per share		
Dilution in adjusted pro forma net tangible book value per share to new investors in this offering		$

The following table summarizes, on an adjusted pro forma basis as of March 31, 2017, the total number of shares of common stock owned by existing stockholders and to be owned by the new investors in this offering, the total consideration paid, and the average price per share paid by our existing stockholders and to be paid by the new investors in this offering at $, the midpoint of the price range set forth on the cover page of this prospectus, calculated before deducting of estimated discounts and commissions and offering expenses:

	Shares acquired		Total consideration		Average price
	Number	Percent	Amount	Percent	per share
Existing stockholders(1)		%	$	%	$
New investors in this offering					
Total		100.0%	$	100.0%	

(1) The number of shares disclosed for the existing stockholders includes shares being sold by the selling stockholders in this offering. The number of shares disclosed for the new investors in this offering does not include the shares being purchased by the new investors from the selling stockholders in this offering.

Assuming the underwriters' option to purchase additional shares is exercised in full, sales by the selling stockholders in this offering will reduce the percentage of shares held by existing stockholders to % and will increase the number of shares held by new investors to , or % on an adjusted pro forma basis as of March 31, 2017.

A $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease our adjusted pro forma net tangible book value as of March 31, 2017 by approximately $, the adjusted

pro forma net tangible book value per share after this offering by $ per share and the dilution in adjusted pro forma net tangible book value per share to new investors in this offering by $ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and offering expenses.

Selected financial data

The following table presents our selected financial data for the periods and as of the dates indicated. The financial data set forth below, as well as our audited combined financial statements and related notes thereto and our unaudited condensed consolidated financial statements and related notes thereto, each included elsewhere in this prospectus and, except as otherwise indicated, all financial data provided in this prospectus, give effect to the Combination and represent the combined results of Nine and Beckman and their respective subsidiaries.

The selected historical combined financial data as of and for the years ended December 31, 2015 and 2016 are derived from our audited historical combined financial statements and related notes thereto included elsewhere in this prospectus. The selected historical condensed consolidated financial data for the three months ended March 31, 2016 and 2017, and as of March 31, 2017, are derived from our unaudited historical condensed consolidated financial statements and related notes thereto included elsewhere in this prospectus. The selected historical combined financial data as of and for the year ended December 31, 2014 are derived from our unaudited combined financial statements not included in this prospectus, which were derived from the audited financial statements of Nine as of and for the year ended December 31, 2014 and the audited financial statements of Beckman as of and for the year ended December 31, 2014, also not included in this prospectus. The 2014 unaudited combined data of Nine and Beckman was prepared on the same basis as the audited combined financial statements included in this prospectus.

Historical results are not necessarily indicative of our future results of operations, financial position and cash flows.

The data presented below should be read in conjunction with, and are qualified in their entirety by reference to, "Capitalization" and "Management' s discussion and analysis of financial condition and results of operations" and our combined historical financial statements and the notes thereto included elsewhere in this prospectus. Among other things, those historical combined financial statements and related notes thereto include more detailed information regarding the basis of presentation for the following information.

(in thousands, except share and per share information)	Three months ended March 31,		Year ended December 31,		
	2017	2016	2016	2015	2014(1)
	(unaudited)				(unaudited)
Statement of operations data:					
Revenues	$105,353	$65,970	$282,354	$478,522	$ 663,191
Cost and expenses					
Cost of revenues (exclusive of depreciation and amortization shown separately below)	91,388	58,627	246,109	373,191	434,064
General and administrative expenses	12,769	8,590	39,387	42,862	51,321
Depreciation	13,561	14,185	55,260	58,894	40,173
Impairment of goodwill	–	–	12,207	35,540	–
Amortization of intangibles	2,201	2,287	9,083	8,650	6,389
Loss on sale of property and equipment	224	859	3,320	2,004	971
Income (loss) from operations	(14,790)	(18,578)	(83,012)	(42,619)	130,273
Other expense					
Interest expense	3,758	3,361	14,185	9,886	9,586
Total other expense	3,758	3,361	14,185	9,886	9,586

Income (loss) from continuing operations before income taxes	(18,548)	(21,939)	(97,197)	(52,505)	120,687
Provision (benefit) for income taxes	2,166	(6,578)	(26,286)	(14,323)	44,515
Income (loss) from continuing operations (net of tax)	(20,714)	(15,361)	(70,911)	(38,182)	76,172
Loss from discontinued operations, net of tax ($0, $0, $0, $513 and $11,158)(2)	–	–	–	(935)	(28,207)
Net income (loss)	(20,714)	(15,361)	(70,911)	(39,117)	47,965

(in thousands, except share and per share information)	Three months ended March 31, 2017	Three months ended March 31, 2016	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014(1)
	(unaudited)	(unaudited)			(unaudited)
Other comprehensive income, net of tax					
Foreign currency translation adjustments, net of tax of $0, $0, $0, $0 and $58	(7)	195	210	(4,067)	181
Total other comprehensive income (loss), net of tax	(7)	195	210	(4,067)	181
Total comprehensive income (loss)	$(20,721)	$(15,166)	$(70,701)	$(43,184)	$48,146
Historical earnings per share data(3):					
Weighted average shares outstanding–basic	1,719,446	1,647,715	1,653,277	1,643,912	1,374,510
Income (loss) from continuing operations per share–basic	$(12.05)	$(9.32)	$(42.89)	$(23.23)	$55.42
Loss from discontinued operations per share–basic	$–	$–	$–	$(0.57)	$(20.52)
Net income (loss) per share–basic	$(12.05)	$(9.32)	$(42.89)	$(23.80)	$34.90
Weighted average shares outstanding–fully diluted	1,719,446	1,647,715	1,653,277	1,643,912	1,597,866
Income (loss) from continuing operations per share–fully diluted	$(12.05)	$(9.32)	$(42.89)	$(23.23)	$47.67
Loss from discontinued operations per share–fully diluted	$–	$–	$–	$(0.57)	$(17.65)
Net income (loss) per share–fully diluted	$(12.05)	$(9.32)	$(42.89)	$(23.80)	$30.02
Pro forma earnings per share data(4) (Unaudited):					
Pro forma weighted average shares outstanding–basic and diluted	–	–			
Pro forma earnings (loss) per share–basic and diluted	$(12.05)	$(9.32)	$		

Balance sheet data at period end:					
Cash and cash equivalents	$27,039	$4,074	$18,877	$24,236	
Property and equipment, net	269,780	273,210	325,894	376,920	
Total assets	613,743	576,094	658,434	869,933	
Long-term debt	251,473	245,888	252,378	379,658	
Total stockholders' equity	308,409	288,186	352,676	389,642	
Statement of Cash Flows data:					
Net cash (used in) provided by operating activities	$(10,138)	$4,459	$(3,290)	$140,367	$127,188
Net cash used in investing activities	(10,749)	(2,914)	(4,176)	(19,251)	(456,955)
Net cash (used in) provided by financing activities	43,859	17,677	(7,315)	(126,878)	335,813
Other financial data:					
EBITDA(5) (unaudited)	$972	$(2,106)	$(18,669)	$23,990	$148,628
Adjusted EBITDA(5) (unaudited)	6,054	1,082	9,824	73,901	188,192
ROIC(5) (unaudited)	(12)%	(9)%	(11)%	(5)%	16 %
Adjusted gross profit (excluding depreciation and amortization)(5) (unaudited)	$13,965	$7,343	$36,245	$105,331	$229,127

(1) We closed the acquisitions of Dak-Tana Wireline on April 30, 2014 and Crest Pumping Technologies on June 30, 2014 and Beckman closed the acquisitions of RedZone Coil Tubing on May 2, 2014 and Big Lake Services, LLC on August 29, 2014. As a result, financial results relating to each acquisition for periods prior to the close of each of the aforementioned acquisitions are not reflected in the full year 2014 results.

(2) For 2014, represents a non-cash impairment charge related to the divestiture of certain assets of a subsidiary whose primary focus was conventional completions. See "Note 14–Discontinued Operations" to the financial statements included in this registration statement for additional detail regarding the Tripoint divestiture.

(3) Historical share and per share information does not give effect to the for 1 stock split of our issued and outstanding common stock effected on , 2017.

(4) Pro forma earnings per share data give effect to (i) the Subscription Offers and the application of net proceeds therefrom, (ii) the for 1 stock split of our issued and outstanding common stock effected on , 2017, (iii) the issuance of shares of common stock issuable upon the exercise of outstanding warrants held by our existing stockholders, which will automatically be exercised on a cashless basis upon the consummation of this offering, and (iv) the issuance by us of shares of common stock pursuant to this offering, and the application of the net proceeds from this offering as set forth under "Use of proceeds," assuming an initial public offering price of $ per share (which is the midpoint of the estimated price range set forth on the cover page of this prospectus). This pro forma earnings per share data is presented for informational purposes only and does not purport to represent what our pro forma net income (loss) or earnings (loss) per share actually would have been had the referenced events occurred on January 1, 2016 or to project our net income or earnings per share for any future period.

(5) EBITDA, Adjusted EBITDA, ROIC and adjusted gross profit (excluding depreciation and amortization) are non-GAAP financial measures. For definitions of these measures, a reconciliation of EBITDA and Adjusted EBITDA to our net income (loss), an explanation of our calculation of ROIC and a reconciliation of adjusted gross profit (excluding depreciation and amortization) to gross profit (loss), see "–Non-GAAP financial measures" below.

Non-GAAP financial measures

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are supplemental non-GAAP financial measures that are used by management and external users of our combined financial statements, such as industry analysts, investors, lenders and rating agencies.

We define EBITDA as net income (loss) before interest expense, depreciation, amortization and income tax expense. EBITDA is not a measure of net income or cash flows as determined by U.S. GAAP.

We define Adjusted EBITDA as EBITDA further adjusted for (i) impairment of goodwill and other intangible assets, (ii) transaction expenses related to acquisitions or the Combination, (iii) loss from discontinued operations, (iv) loss or gains from the revaluation of contingent liabilities, (v) non-cash stock-based compensation expense, (vi) loss or gains on sale of assets, (vii) inventory writedown, and (viii) adjustment for expenses or charges, to exclude certain items which we believe are not reflective of ongoing performance of our business, such as costs related to this offering, legal expenses and settlement costs related to litigation outside the ordinary course of business, and restructuring costs.

Management believes EBITDA and Adjusted EBITDA are useful because they allow for a more effective evaluation of our operating performance and compare the results of our operations from period to period without regard to our financing methods or capital structure. We exclude the items listed above from net income in arriving at these measures because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. These measures should not be considered as an alternative to, or more meaningful than, net income or cash flows from operating activities as determined in accordance with GAAP or as an indicator of our operating performance or liquidity. Certain items excluded from these measures are significant components in understanding and assessing a company' s financial performance, such as a company' s cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of these measures. Our computations of these measures may not be comparable to other similarly titled

measures of other companies. We believe that these are widely followed measures of operating performance and may also be used by investors to measure our ability to meet debt service requirements.

The following table presents a reconciliation of the non-GAAP financial measures of EBITDA and Adjusted EBITDA to the GAAP financial measure of net income (loss):

(in thousands) (unaudited)	Three months ended March 31, 2017	Three months ended March 31, 2016	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014(1)	Six months ended June 30, 2014(1)	Six months ended December 31, 2014(1)
EBITDA reconciliation:							
Net income (loss)	$(20,714)	$(15,361)	$(70,911)	$(39,117)	$47,965	$ 27,059	$ 20,906
Interest expense	3,758	3,361	14,185	9,886	9,586	2,838	6,748
Depreciation	13,561	14,185	55,260	58,894	40,173	13,080	27,093
Amortization	2,201	2,287	9,083	8,650	6,389	2,056	4,333
Provision (benefit) from income taxes	2,166	(6,578)	(26,286)	(14,323)	44,515	16,957	27,558
EBITDA	$972	$(2,106)	$(18,669)	$23,990	$148,628	$ 61,990	$ 86,638
Adjusted EBITDA reconciliation:							
EBITDA	$972	$(2,106)	$(18,669)	$23,990	$148,628	$ 61,990	$ 86,638
Impairment of goodwill and other intangible assets	–	–	12,207	35,540	–	–	–
Transaction expenses	2,995	–	–	208	3,911	2,817	1,094
Loss from discontinued operations(2)	–	–	–	935	28,207	1,963	26,244
Loss or gains from the revaluation of contingent liabilities(3)	87	–	1,735	(293)	–	–	–
Non-cash stock-based compensation expense	1,536	1,500	5,711	5,473	5,445	1,947	3,498
Loss or gains on sale of assets	224	859	3,320	2,004	971	46	925
Legal fees and settlements(4)	240	336	4,145	–	–	–	–
Inventory write down	–	177	287	2,772	1,030	–	1,030
Restructuring costs	–	316	1,088	3,272	–	–	–
Adjusted EBITDA	$6,054	$1,082	$9,824	$73,901	$188,192	$ 68,763	$ 119,429

(1) We closed the acquisitions of Dak-Tana Wireline on April 30, 2014 and Crest Pumping Technologies on June 30, 2014 and Beckman closed the acquisitions of RedZone Coil Tubing on May 2, 2014 and Big Lake Services, LLC on August 29, 2014. As a result, financial results relating to each acquisition for periods prior to the close of each of the aforementioned acquisitions are not reflected in the full year 2014 results. We believe that presenting investors with the selected information for the six months ended December 31, 2014 provides a representative period of the profitability of our business in a high demand environment, including six months of results from the acquisitions of Dak-Tana Wireline, Crest Pumping Technologies and RedZone Coil Tubing and the results of the acquisition of Big Lake Services, LLC from August 29, 2014 through December 31, 2014. For comparative purposes, we have also included such information for the six months ended June 30, 2014.

(2) For 2014, represents a non-cash impairment charge related to the divestiture of certain assets of a subsidiary whose primary focus was conventional completions. See "Note 14–Discontinued Operations" to the financial statements included in this registration statement for additional detail regarding the Tripoint divestiture.

(3) Loss or gain related to the revaluation of liability for contingent consideration relating to our acquisition of Scorpion to be paid in shares of Company common stock and in cash, contingent upon quantities of Scorpion Composite Plugs sold during 2016 and gross margin related to the product sales for three years following the acquisition.

(4) Amount represents fees and legal settlements associated with legal proceedings brought pursuant to the Fair Labor Standards Act and/or similar state laws.

Return on invested capital (ROIC)

ROIC is a supplemental non-GAAP financial measure. We define ROIC as net operating profit less income taxes, divided by average total capital. We define net operating profit as net income (loss) plus interest expense, less taxes on interest. We define total capital as book value of equity plus the book value of debt less balance sheet cash and cash equivalents. We then take the average of the current and prior year-end total capital for use in this analysis.

Management believes ROIC is a meaningful measure because it quantifies how well we generate operating income relative to the capital we have invested in our business and illustrates the profitability of a business or project taking into account the capital invested. Management uses ROIC to assist them in capital resource allocation decisions and in evaluating business performance. Although ROIC is commonly used as a measure of capital efficiency, definitions of ROIC differ, and our computation of ROIC may not be comparable to other similarly titled measures of other companies.

The following table provides an explanation of our calculation of ROIC:

	Three months ended March 31,		Year ended December 31,		
(in thousands)	**2017**	**2016**	**2016**	**2015**	**2014**
Income (loss) from continuing operations (net of tax)	$(20,714)	$(15,361)	$(70,911)	$(38,182)	$76,172
Add back:					
Interest expense	3,758	3,361	14,185	9,886	9,586
Exclude:					
Taxes on interest	451	(1,008)	(3,836)	(2,697)	(3,536)
After-tax net operating profit	$(16,505)	$(13,008)	$(60,562)	$(30,993)	$82,222
Total capital as of prior year-end(1):					
Total stockholders' equity	$288,186	$352,676	$352,676	$389,644	$192,522
Total debt	245,888	252,378	252,378	379,658	140,767
Less: Cash and cash equivalents	(4,074)	(18,877)	(18,877)	(24,236)	(18,505)
Total capital	$530,000	$586,177	$586,177	$745,066	$314,784
Total capital as of year-end:					
Total stockholders' equity	$308,409	$339,012	$288,186	$352,676	$389,644
Total debt	251,473	271,290	245,888	252,378	379,658
Less: Cash and cash equivalents	(27,039)	(38,132)	(4,074)	(18,877)	(24,236)
Total capital	$532,843	$572,170	$530,000	$586,177	$745,066
Average total capital	$531,422	$579,174	$558,089	$665,622	$529,925
ROIC	(12)%	(9)%	(11)%	(5)%	16%

(1) For 2014, total capital as of prior year-end is based on Beckman and Nine combined unaudited historical financial information not included in this prospectus.

Adjusted gross profit (excluding depreciation and amortization)

GAAP defines gross profit as revenues less cost of revenues, and includes in costs of revenues depreciation and amortization expenses. We define adjusted gross profit (excluding depreciation and amortization) as revenues

less cost of revenues (excluding depreciation and amortization). This measure differs from the GAAP definition of gross profit because we do not include the impact of depreciation and amortization, which represent non-cash expenses.

Management uses adjusted gross profit (excluding depreciation and amortization) to evaluate operating performance and to determine resource allocation between segments. We prepare adjusted gross profit (excluding depreciation and amortization) to eliminate the impact of depreciation and amortization because we do not consider depreciation or amortization indicative of our core operating performance. Adjusted gross profit (excluding depreciation and amortization) should not be considered as an alternative to gross profit (loss), operating income (loss) or any other measure of financial performance calculated and presented in accordance with GAAP. Adjusted gross profit (excluding depreciation and amortization) may not be comparable to similarly titled measures of other companies because other companies may not calculate adjusted gross profit (excluding depreciation and amortization) or similarly titled measures in the same manner as we do.

The following table presents a reconciliation of adjusted gross profit (excluding depreciation and amortization) to GAAP gross profit (loss).

	Three months ended March 31,		Year ended December 31,		
(in thousands)	**2017**	**2016**	**2016**	**2015**	**2014(1)**
Calculation of gross profit (loss):					
Revenues	$105,353	$65,970	$282,354	$478,522	$663,191
Cost of revenue (exclusive of depreciation and amortization)	91,388	58,627	246,109	373,191	434,064
Depreciation (related to cost of revenues)	13,334	13,955	54,344	58,042	39,719
Amortization	2,201	2,287	9,083	8,650	6,389
Gross (loss) profit	$(1,570)	$(8,899)	$(27,182)	$38,639	$183,019
Adjusted gross profit (excluding depreciation and amortization) reconciliation:					
Gross (loss) profit	$(1,570)	$(8,899)	$(27,182)	$38,639	$183,019
Depreciation (related to cost of revenues)	13,334	13,955	54,344	58,042	39,719
Amortization	2,201	2,287	9,083	8,650	6,389
Adjusted gross profit (excluding depreciation and amortization)	$13,965	$7,343	$36,245	$105,331	$229,127

(1) We closed the acquisitions of Dak-Tana Wireline on April 30, 2014 and Crest Pumping Technologies on June 30, 2014 and Beckman closed the acquisitions of RedZone Coil Tubing on May 2, 2014 and Big Lake Services, LLC on August 29, 2014. As a result, financial results relating to each acquisition for periods prior to the close of each of the aforementioned acquisitions are not reflected in the full year 2014 results.

Management' s discussion and analysis of financial condition and results of operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with "Selected financial data" and our financial statements and related notes appearing elsewhere in this prospectus. This discussion contains forward-looking statements based on our current expectations, estimates and projections about our operations and the industry in which we operate. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a variety of risks and uncertainties, including those described in this prospectus under "Cautionary note regarding forward-looking statements" and "Risk factors." We assume no obligation to update any of these forward-looking statements.

Overview

We are a leading North American onshore completion and production services provider that targets unconventional oil and gas resource development. We partner with our E&P customers across all major onshore basins in both the U.S. and Canada to design and deploy downhole solutions and technology to prepare horizontal, multistage wells for production. We focus on providing our customers with cost-effective and comprehensive completion solutions designed to maximize their production levels and operating efficiencies. We believe our success is a product of our culture, which is driven by our intense focus on performance and wellsite execution as well as our commitment to forward-leaning technologies that aid us in the development of smarter, customized applications that drive efficiencies.

On February 28, 2017, we completed the Combination, pursuant to which all of the issued and outstanding shares of Beckman common stock were converted into shares of our common stock, other than 1.6% of Beckman shares paid in cash. Prior to the Combination, Beckman, a growth-oriented oilfield services company that provides a wide range of well service and coiled tubing services, was also an SCF Partners portfolio company. As a result, the Combination is accounted for using the reorganization accounting method for entities under common control. Under this method of accounting, the combined financial statements and the discussions herein include the operating results of Nine and Beckman. In this prospectus, unless the context otherwise requires, the terms "Nine," "we," "us," "our" and the "Company" refer to (i) Nine Energy Service, Inc. and its subsidiaries together with Beckman prior to the Combination and (ii) Nine Energy Service, Inc. and its subsidiaries after the Combination. For more information on the Combination, see "Certain relationships and related party transactions–The Combination."

We operate in two segments:

Completion Solutions: Our Completion Solutions segment provides services integral to the completion of unconventional wells through a full range of tools and methodologies. Through our Completion Solutions segment, we provide (i) cementing services, which consist of blending high-grade cement and water with various solid and liquid additives to create a cement slurry that is pumped between the casing and the wellbore of the well, (ii) an innovative portfolio of completion tools, including those that provide pinpoint frac sleeve system technologies, which enable comparable rates per stage while providing more control over fracture initiation, (iii) wireline services, the majority of which consist of plug-and-perf completions, which is a multistage well completion technique for cased-hole wells that consists of deploying perforating guns to a specified depth, and (iv) coiled tubing services, which perform wellbore intervention operations utilizing a continuous steel pipe that is transported to the wellsite wound on a large spool in lengths of up to 25,000 feet and which provides a cost-effective solution for well work due to the ability to deploy efficiently and safely into a live well.

Production Solutions: Our Production Solutions segment provides a range of production enhancement and well workover services that are performed with a well servicing rig and ancillary equipment. Our well servicing business encompasses a full range of services performed with a mobile well servicing rig (or workover rig) and ancillary equipment throughout a well' s life cycle from completion to ultimate plug and abandonment. Our rigs and personnel install and remove downhole equipment and eliminate obstructions in the well to facilitate the flow of oil and natural gas, often immediately increasing a well' s production. We believe the production increases generated by our well services substantially enhance our customers' returns and significantly reduce their payback periods.

For more information on our services and segments, see "Business–Our services."

How we generate revenue and the costs of conducting our business

We generate our revenues by providing completion and production services to E&P customers across all major onshore basins in both the U.S. and Canada. We earn our revenues pursuant to work orders entered into with our customers on a job-by-job basis. We typically will enter into a Master Service Agreement ("MSA") with each customer that provides a framework of general terms and conditions of our services that will govern any future transactions or jobs awarded to us. Each specific job is obtained through competitive bidding or as a result of negotiations with customers. The rate we charge is determined by location, complexity of the job, operating conditions, duration of the contract and market conditions.

The principal expenses involved in conducting both our Completion Solutions and Production Solutions segments are labor costs, materials and freight, the costs of maintaining our equipment and fuel costs. Our direct labor costs vary with the amount of equipment deployed and the utilization of that equipment. Another key component of labor costs relates to the ongoing training of our field service employees, which improves safety rates and reduces employee attrition.

How we evaluate our operations

We manage our operations through two business segments, Completion Solutions and Production Solutions, as described above. We evaluate the performance of these segments based on a number of financial and non-financial measures, including the following:

Revenue: We compare actual revenue achieved each month to the most recent projection for that month and to the annual plan for the month established at the beginning of the year. We monitor our revenue to analyze trends in the performance of each of our segments compared to historical revenue drivers or market metrics applicable to that service. We are particularly interested in identifying positive or negative trends and investigating to understand the root causes.

Adjusted gross profit (excluding depreciation and amortization) and adjusted gross profit margin: Adjusted gross profit (excluding depreciation and amortization) is a key metric that we use to evaluate segment operating performance and to determine resource allocation between segments. We define segment adjusted gross profit (excluding depreciation and amortization) as segment revenues less segment direct and indirect costs of revenues (excluding depreciation and amortization). Costs of revenues include direct and indirect labor costs, costs of materials, maintenance of equipment, fuel and transportation freight costs, contract services, crew cost and other miscellaneous expenses. Adjusted gross profit margin is calculated by dividing adjusted gross profit (excluding depreciation and amortization) by revenue. Our management continually evaluates our combined adjusted gross margin percentage and our adjusted gross margin percentage by segment to determine how each segment is performing. This metric aids management in capital resource allocation and pricing decisions.

Adjusted EBITDA: Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our combined financial statements, such as industry analysts, investors, lenders and rating agencies. We define Adjusted EBITDA as net income (loss) before interest expense, taxes and depreciation and amortization, further adjusted for (i) impairment of goodwill and other intangible assets, (ii) transaction expenses related to acquisitions or the Combination (iii) loss from discontinued operations, (iv) loss or gains from the revaluation of contingent liabilities, (v) non-cash stock-based compensation expense, (vi) loss or gains on sale of assets, (vii) inventory writedown, and (viii) adjustment for expenses or charges, to exclude certain items which we believe are not reflective of ongoing performance of our business, such as costs related to this offering, legal expenses and settlement costs related to litigation outside the ordinary course of business, and restructuring costs. Our management believes Adjusted EBITDA is useful because it allows us to more effectively evaluate our operating performance and compare the results of our operations from period to period without regard to our financing methods or capital structure. See "Prospectus summary–Summary financial data–Non-GAAP financial measures."

Safety: We measure safety by tracking the total recordable incident rate ("TRIR"), which is reviewed on a monthly basis. TRIR is a measure of the rate of recordable workplace injuries, defined below, normalized and stated on the basis of 100 workers for an annual period. The factor is derived by multiplying the number of recordable injuries in a calendar year by 200,000 (i.e., the total hours for 100 employees working 2,000 hours per year) and dividing this value by the total hours actually worked in the year. A recordable injury includes occupational death, nonfatal occupational illness and other occupational injuries that involve loss of consciousness, restriction of work or motion, transfer to another job, or medical treatment other than first aid.

Factors affecting the comparability of our future results of operations to our historical results of operations

Our future results of operations may not be comparable to our historical results of operations for the periods presented, primarily for the reasons described below:

Public company expenses: Upon completion of this offering, we expect to incur direct, incremental G&A expenses as a result of being a publicly traded company, including, but not limited to, costs associated with hiring new personnel, annual and quarterly reports to stockholders, quarterly tax provision preparation, independent auditor fees, expenses relating to compliance with the rules and regulations of the SEC, listing standards of the NYSE and the Sarbanes-Oxley Act of 2002, investor relations activities, registrar and transfer agent fees, incremental director and officer liability insurance costs and independent director compensation. These direct, incremental G&A expenses are not included in our historical combined results of operations.

The Combination: The historical combined financial statements included in this prospectus are based on the separate businesses of Nine and Beckman. As a result, the historical financial date may not give you an accurate indication of what our actual results would have been if the Combination, which was completed on February 28, 2017, would have been if it had been completed at the beginning of the periods presented or of what our future results of operations are likely to be. We anticipate the combination will provide potential benefits, including enhancing our ability to serve customers and our growth potential through broader product lines and basin diversification, enabling us to cross-sell our products and compete with larger companies.

Decreased leverage: As of March 31, 2017, on a pro forma basis giving effect to (i) this offering and the use of net proceeds therefrom to fully repay all outstanding borrowings under the Existing Nine Credit Facility and the Existing Beckman Credit Facility and the remainder for general corporate purposes, and (ii) the entry

into our new credit facility, we expect to have no outstanding total indebtedness, compared to the actual outstanding indebtedness of $251.5 million as of March 31, 2017. For more information on our new revolving credit facility, which we expect to enter into concurrently with, and conditioned upon, the consummation of this offering, see "Management's discussion and analysis of financial condition and results of operations–Our credit facilities–Our new credit facility."

General trends and outlook

Our business depends to a significant extent on the level of unconventional resource development activity and corresponding capital spending of oil and natural gas companies onshore in North America. These activity and spending levels are strongly influenced by the current and expected oil and natural gas prices. Oil and natural gas prices declined significantly between the third quarter of 2014 and the first quarter of 2016. However, oil and natural gas prices have since gradually increased, a positive trend that was bolstered in the fourth quarter of 2016 when members of the Organization of Petroleum Exporting Countries and certain other oil-producing nations agreed to reduce their oil output. This price recovery has stimulated an increase in onshore North American completions activity, and if the current price environment holds or continues to improve, we expect a further increase in demand for our services. As the demand for our services and complexity of our jobs increase, we expect prices for our services to increase, creating more favorable margins for the services we provide.

The increase in high-intensity, high-efficiency completions of oil and gas wells further enhances the demand for our services. We compete with a limited number of service companies for the most complex and technically demanding wells in which we specialize, which are characterized by extended laterals, increased stage spacing and cluster spacing and high proppant loads. These well characteristics lead to increased operating leverage and returns for us, as we are able to complete more jobs and stages with the same number of units and crews. Service providers for these projects are selected based on their technical expertise and ability to execute safely and efficiently, rather than only price.

See "Business–Our industry–Industry trends" for more information regarding industry trends.

Results of operations

Three months ended March 31, 2017 compared to three months ended March 31, 2016

(in thousands)	Three months ended March 31, 2017	2016
Revenues		
Completion Solutions	$87,279	$51,115
Production Solutions	18,074	14,855
	105,353	65,970
Cost of revenues(1)		
Completion Solutions	76,232	46,039
Production Solutions	15,156	12,588
	91,388	58,627
Adjusted gross profit (excluding depreciation and amortization)		
Completion Solutions	11,047	5,076
Production Solutions	2,918	2,267
	13,965	7,343
General and administrative expenses	12,769	8,590
Depreciation	13,561	14,185
Amortization of intangibles .	2,201	2,287
Loss on sale of property and equipment	224	859
Loss from operations	(14,790)	(18,578)
Interest expense .	3,758	3,361
Loss from operations before income taxes .	(18,548)	(21,939)
Provision (benefit) for income taxes .	2,166	(6,578)
Net loss	$(20,714)	$(15,361)

(1) Excludes depreciation and amortization, shown separately below.

Revenue

Total revenue is comprised of revenue from Completion Solutions and Production Solutions. Revenue for the three months ended March 31, 2017 increased by $39.4 million, or 60%, to $105.4 million from $66.0 million for the three months ended March 31, 2016. Both segments' businesses depend to a significant extent on the level of unconventional resource development activity and corresponding capital spending of oil and natural gas companies onshore in North America, which in turn are strongly influenced by current and expected oil and natural gas prices, which were low during most of 2016 though showed improvement during the first quarter of 2017. In the first quarter of 2016, the closing price of oil reached a 12-year low of $26.19 per barrel and the closing price of natural gas reached an 18-year low of $1.49 per MMBtu. During the same period in 2017, the closing price of oil reached a high of $47.34 per barrel and the closing price of natural gas reached a high of $2.564 per MMBtu. The increase in revenue by reportable segment is discussed below.

Completion Solutions: Completion Solutions segment revenue increased by $36.2 million, or 71%, to $87.3 million for the three months ended March 31, 2017 from $51.1 million for the three months ended March 31, 2016 due to a significant increase in completions activity and increased pricing in 2017 in response to the recent

improvement of industry conditions. The increase in demand and price for our services resulted from our customers increasing their North American capital expenditures and drilling and completing more new wells in the three months ended March 31, 2017 as compared to the three months ended March 31, 2016. Wireline revenue increased 37% from the three months ended March 31, 2016 to the three months ended March 31, 2017; total stages completed increased 59% due to the increase in overall market activity, and the average number of stages per well also increased, resulting in a decline in revenue per stage. Cementing revenue increased by 146% with job count increasing by the same percentage from the three months ended March 31, 2016 to the three months ended March 31, 2017. Coiled Tubing Services revenue increased approximately 62%, with total jobs increasing approximately 32%. However, demand for our pinpoint frac sleeve systems declined in the Bakken region as a result of the ongoing methodology transition for open hole to cemented completions.

Production Solutions: Production Solutions segment revenue increased by $3.2 million, or 22%, to $18.1 million for the three months ended March 31, 2017 from $14.9 million for the three months ended March 31, 2016. Hours worked for the Production Solutions segment increased approximately 35%. The increases were primarily attributable to our customers' increase in well maintenance and increased well completions activity, which was in response to the improvement of industry conditions described above. However, Production Solutions average pricing decreased slightly, by 9%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016.

Cost of revenues

Cost of revenues for the three months ended March 31, 2017 increased by $32.8 million compared to the three months ended March 31, 2016. The increase was a result of an increase in revenue-generating activity related to improvement in the oil and gas market. Activity-driven costs were primarily responsible for the increase; materials installed in wells and consumed while performing services increased by $14.6 million, and other activity-driven costs were $8.0 million higher. Compensation and benefits increased by $9.9 million.

Completion Solutions: Completion Solutions segment cost of services for the three months ended March 31, 2017 increased by $30.2 million when compared to the three months ended March 31, 2016. The increase was driven primarily by the increased level of activity. Costs related to materials installed in wells and consumed while performing services increased by $14.4 million, and other activity-driven costs increased by $6.9 million. Additionally, compensation and benefits were $8.8 million higher, as headcount was increased in response to the increase in revenue and forecasted activity increases.

Production Solutions: Production Solutions segment cost of services for the three months ended March 31, 2017 increased by $2.6 million when compared to the three months ended March 31, 2016. The increase was due to the increase in revenue-generating activity. Compensation and benefits increased by $1.1 million, materials and supplies consumed while performing services increased by $0.2 million, and other activity-driven costs increased by $1.1 million.

Adjusted gross profit (excluding depreciation and amortization)

Completion Solutions: Adjusted gross profit (excluding depreciation and amortization) improved by $6.0 million, to $11.0 million, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016, as a result of the factors described above under "–Revenue" and "–Cost of revenues

Production Solutions: Adjusted gross profit (excluding depreciation and amortization) improved by $0.7 million, to $2.9 million, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016, as a result of the factors described above under "–Revenue" and "–Cost of revenues

General and administrative expenses

General and administrative expenses increased by $4.2 million, to $12.8 million, for the three months ended March 31, 2017 from $8.6 million for the three months ended March 31, 2016. The increase was primarily due to a $3.2 million increase in legal, audit and other professional fees incurred in connection with the combination of Nine Energy Service with Beckman, and related to preparations for the Nine Energy Service, Inc. initial public offering. Compensation and benefits increased by $.7 million, and other G&A expenses increased in order to support the company' s increased level of activity. G&A as a percentage of revenue was 12% for the three months ended March 31, 2017, compared with 13% for the three months ended March 31, 2016.

Depreciation

Depreciation expense for the three months ended March 31, 2017 declined by $0.6 million to $13.6 million from $14.2 million for the three months ended March 31, 2016. The decrease resulted primarily from sales of fixed assets during 2016.

Amortization of Intangibles

Amortization of intangibles declined by $0.1 million for the three months ended March 31, 2017 compared to the three months ended March 31, 2016.

Interest expense

We incurred $3.8 million of interest expense during the three months ended March 31, 2017, an increase of $0.4 million from the three months ended March 31, 2016. Higher interest rates accounted for an increase of approximately $0.9 million, which was partly offset by a $0.5 decrease due to lower amortization and write-off of deferred financing costs and the impact of lower debt.

Taxes

The effective tax rate for the three months ended March 31, 2017 was (12%), compared with 30% for the three months ended March 31, 2016. The Company' s tax position changed during the three months ended December 31, 2016 when a full valuation allowance was recorded against the net deferred tax asset. A full valuation allowance typically results in an effective rate of 0%, but state income taxes and other factors resulted in tax expense despite the operating loss for the three months ended March 31, 2017.

Adjusted EBITDA

Adjusted EBITDA was $6.1 million for the three months ended March 31, 2017 as compared with $1.1 million for the three months ended March 31, 2016, an increase of $5.0 million. The increase is primarily due to the changes in revenues and expenses discussed above and $3.0 million of expenses related to the combination of Nine and Beckman and IPO related expenses incurred during the three months ended March 31, 2017. These expenses are included in general and administrative expenses but added back to EBITDA for the calculation of Adjusted EBITDA.

Year ended December 31, 2016 compared to year ended December 31, 2015

(in thousands)	Year ended December 31, 2016	2015
Revenues		
Completion Solutions	$ 221,468	$ 380,174
Production Solutions	60,886	98,348
	282,354	478,522
Cost of revenues(1)		
Completion Solutions	194,436	295,969
Production Solutions	51,673	77,222
	246,109	373,191
Adjusted gross profit (excluding depreciation and amortization)		
Completion Solutions	27,032	84,205
Production Solutions	9,213	21,126
	36,245	105,331
General and administrative expenses	39,387	42,862
Depreciation	55,260	58,894
Impairment of goodwill	12,207	35,540
Amortization of intangibles	9,083	8,650
Loss on sale of property and equipment	3,320	2,004
Loss from operations	(83,012)	(42,619)
Interest expense	14,185	9,886
Loss from continuing operations before income taxes	(97,197)	(52,505)
Benefit for income taxes	(26,286)	(14,323)
Loss from continuing operations	(70,911)	(38,182)
Loss from discontinued operations, net of tax	–	(935)
Net loss	$ (70,911)	$ (39,117)

(1) Excludes depreciation and amortization, shown separately below.

Revenue

Total revenue is comprised of revenue from Completion Solutions and Production Solutions. Revenue for the year ended December 31, 2016 decreased by $196.2 million, or 41%, to $282.4 million from $478.5 million for the year ended December 31, 2015. Both segments' businesses depend to a significant extent on the level of unconventional resource development activity and corresponding capital spending of oil and natural gas companies onshore in North America, which in turn are strongly influenced by current and expected oil and natural gas prices, which were low during most of 2016. In the first quarter of 2016, the closing price of oil reached a 12-year low of $26.19 per barrel and the closing price of natural gas reached an 18-year low of $1.49 per MMBtu. The decrease in revenue by reportable segment is discussed below.

Completion Solutions: Completion Solutions segment revenue decreased by $158.7 million, or 42%, to $221.5 million for the year ended December 31, 2016 from $380.2 million for the year ended December 31, 2015 due to the significant decline in completions activity and lowered pricing in 2016 in response to the weak industry

conditions. This reduction in demand and price for our services resulted from our customers reducing North American capital expenditures and drilling and completing fewer new wells in 2016 as compared to 2015. In our U.S. Wireline service, although our total stages completed increased slightly by approximately 6% due to increased market share, our revenue was down approximately 38% year over year due to pricing decreases. U.S. Cementing revenue was down approximately 44% with job count dropping approximately 15% year-over-year. Coiled Tubing services revenue dropped approximately 15% with total jobs down approximately 1% year-over-year. Demand for our pinpoint frac sleeve systems declined most significantly in the Bakken region, which had a rig count decline over 70% coupled with a methodology transition from open hole to cemented completions.

Production Solutions: Production Solutions segment revenue decreased by $37.5 million, or 38%, to $60.9 million for the year ended December 31, 2016 from $98.3 million for the year ended December 31, 2015. Hours worked for the Production Solutions segment decreased by 27% for the year ended December 31, 2016 compared to the year ended December 31, 2015. Such decreases were primarily attributable to our customers' deferred well maintenance and decreased well completions activity, which was in response to the weak industry conditions described above. Production Solutions average pricing decreased by 15% for the year ended December 31, 2016 compared to the year ended December 31, 2015.

Cost of revenues

Cost of revenues for the year ended December 31, 2016 decreased by $127.1 million, or 34%, when compared to the year ended December 31, 2015. This decrease was a result of a decline in revenue-generating activity related to the generally depressed oil and natural gas market. Activity-driven costs were the largest contributors to the decline in expenses. Materials installed in wells and consumed while performing services at the well declined by $51 million. Other activity-related expenses fell by more than $15 million. Additionally, compensation and benefits were reduced by $53 million as the organization was sized to meet the lower levels of activity. Cost of revenues as a percentage of total revenue for the year ended December 31, 2016 was 87%, which represented an increase of 9% from 78% for the year ended December 31, 2015. The change in costs of revenues by reportable segment is further discussed below.

Completion Solutions: Completion Solutions segment cost of services for the year ended December 31, 2016 decreased by $101.5 million, or 34%, to $194.4 million when compared to the year ended December 31, 2015. The decrease in cost of revenues was due to the decline in revenue-generating activity, which was a result of the generally depressed oil and natural gas market. Activity-driven costs were the largest contributors to the decline in expenses. Materials installed in wells and consumed while performing services at the well declined by $50 million. Other activity-driven costs fell by more than $10 million. In addition, compensation and benefits were reduced by $34 million in response to the decline in activity.

Production Solutions: Production Solutions segment cost of revenues for the year ended December 31, 2016 decreased by $25.5 million, or 33%, to $51.7 million when compared to the year ended December 31, 2015. The decrease in cost of revenues was due to the decline in revenue-generating activity, which was a result of a generally depressed oil and natural gas market. Compensation and benefits were reduced by $19 million in response to the drop in activity, and activity-related costs fell by more than $5 million.

Adjusted gross profit (excluding depreciation and amortization)

Completion Solutions: Adjusted gross profit (excluding depreciation and amortization) decreased $57.2 million to $27.0 million for the year ended December 31, 2016 compared to adjusted gross profit (excluding depreciation and amortization) of $84.2 million for the year ended December 31, 2015 as a result of the factors described above under "–Revenue" and "–Cost of revenues."

Production Solutions: Adjusted gross profit (excluding depreciation and amortization) decreased $11.9 million to $9.2 million for the year ended December 31, 2016 compared to $21.1 million for the year ended December 31, 2015 as a result of the factors described above under "–Revenue" and "–Cost of revenues."

General and administrative expenses

General and administrative ("G&A") expense, which represents costs associated with managing and supporting our operations, decreased by $3.5 million, or 8%, to $39.4 million for the year ended December 31, 2016 from $42.9 million for the year ended December 31, 2015. The decrease in G&A expense is primarily a result of a reduction in compensation and benefits, which declined $3.9 million due to headcount and salary reductions. G&A as a percentage of total revenue was 14% for the year ended December 31 2016 compared with 9% for the year ended December 31, 2015, which was primarily a result of decreased revenue, which is described under "Revenues."

Depreciation

Depreciation expense for the year ended December 31, 2016 decreased $3.6 million to $55.3 million from $58.9 million for the year December 31, 2015. The decline resulted from sales of fixed assets during both 2015 and 2016.

Impairment of goodwill

For the year ended December 31, 2016, we recognized $12.2 million of goodwill impairment in our Dak-Tana operating unit due to persistently low completions activity in the market where the unit operates. In 2015, we recognized goodwill impairment charges of $30.4 million and $5.1 million for Crest Pumping Technologies and Dak-Tana, respectively, as a result of the decline in completions activity and forecasted activity declines.

Amortization of Intangibles

Intangible assets, acquired in business acquisitions, are amortized over 3 to 15 years. Amortization expense increased by $0.4 million during 2016, primarily due to a full year of amortization expense on intangible assets acquired during 2015.

Interest expense

We incurred $14.2 million of interest expense during the year ended December 31, 2016, an increase of $4.3 million, or 43%, from the year ended December 31, 2015. Higher interest rates accounted for approximately $3.3 million of the increase; $1.0 million of the increase was due to the write-off of a portion of deferred financing costs as a result of amending debt agreements.

Taxes

Tax expense includes current income taxes expected to be due based on taxable income to be reported during the applicable period in the various jurisdictions in which we conduct business, and deferred income taxes based on changes in the tax effect of temporary differences between the bases of assets and liabilities for financial reporting and tax purposes at the beginning and end of the applicable period. The effective tax rate, calculated by dividing provision for income tax expense by income from continuing operations before income taxes, was 27% and 27% for the years ended December 31, 2016 and 2015, respectively.

Adjusted EBITDA

Adjusted EBITDA was $10.2 million for the year ended December 31, 2016 as compared with $73.9 million for the year ended December 31, 2015, a decrease of 86%. The Adjusted EBITDA decrease is primarily due to the changes in revenues and expenses discussed above.

Liquidity and capital resources

Sources and uses of liquidity

Historically, we have met our liquidity needs principally from cash flows from operating activities, external borrowings and capital contributions. Our principal uses of cash are to fund capital expenditures and acquisitions to service our outstanding debt and to fund our day to day operations. We continually monitor potential capital sources, including equity and debt financing, to meet our investment and target liquidity requirements. Our future success and growth will be highly dependent on our ability to continue to access outside sources of capital.

At March 31, 2017, we had $27.0 million of cash and cash equivalents and $15.9 million of availability under the Existing Nine Credit Facility and the Existing Beckman Credit Facility collectively, which resulted in a total liquidity position of $42.9 million. On a pro forma basis giving effect to (i) this offering and the use of net proceeds therefrom to fully repay all outstanding borrowings under the Existing Nine Credit Facility and the Existing Beckman Credit Facility and the remainder for general corporate purposes, and (ii) the entry into our new credit facility, which we expect to be undrawn upon consummation of this offering, as of April 30, 2017, we had $ million of cash on hand and $ million of availability under our new credit facility. As discussed in Note 6 to our unaudited financial statements, the Company had $134.2 million of debt under the Existing Nine Credit Facility as of March 31, 2017 that is scheduled to mature on January 1, 2018, which is within twelve months of the date of the issuance of the financial statements. As discussed above, we plan to repay in full the Existing Nine Credit Facility prior to its maturity with the proceeds of this offering and expect to have no debt following the completion of this offering. Our ability to satisfy our liquidity requirements following this offering depends on our future operating performance, which is affected by prevailing economic conditions, the level of drilling, completion and production activity for North American onshore oil and natural gas resources, and financial and business and other factors, many of which are beyond our control.

Our total 2017 capital expenditure budget, excluding possible acquisitions, is $78 million. The nature of our capital expenditures is comprised of a base level of investment required to support our current operations and amounts related to growth and company initiatives. Capital expenditures for growth and company initiatives are discretionary. We continuously evaluate our capital expenditures, and the amount we ultimately spend will depend on a number of factors including expected industry activity levels and company initiatives. We believe the net proceeds from this offering, together with cash flows from operations and borrowings under our new credit facility, should be sufficient to fund our capital requirements for the next twelve months.

Although we do not budget for acquisitions, pursuing growth through acquisitions is a significant part of our business strategy. Our ability to make significant additional acquisitions for cash will require us to obtain additional equity or debt financing, which we may not be able to obtain on terms acceptable to us or at all.

Our cash flows for the three months ended March 31, 2017 and 2016 are presented below:

(in thousands)	Three months ended March 31, 2017	2016
Net cash (used in) provided by operating activities	$(10,138)	$4,459
Net cash used in investing activities	(10,749)	(2,914)
Net cash provided by financing activities	43,859	17,677
Impact of foreign exchange rate on cash	(7)	33
Net change in cash and cash equivalents	$22,965	$19,255

Net cash (used in) provided by operating activities

Net cash used in operating activities was $10.1 million for the three months ended March 31, 2017 compared to $4.5 million provided by activities for the three months ended March 31, 2016. The $14.6 million increase in cash used in operating activities was mainly due to growth in operating activity and revenue, which resulted in a $34.0 million increase in accounts receivable, partly offset by an increase of $17.8 million in accounts payable and accrued expenses.

Net cash flows used in investing activities

Net cash used in investing activities was $10.7 million for the three months ended March 31, 2017, an increase of $7.8 million from the three months ended March 31, 2016. The increase was attributable to a $6.4 million increase in purchases of property and equipment and a $1 million equity investment.

Net cash provided by (used in) financing activities

Net cash provided by financing activities totaled $43.9 million for the three months ended March 31, 2017 compared with $17.7 million for the three months ended March 31, 2016, an increase of $26.2 million. Share issuances were responsible for an increase of $41.3 million, partly offset by an increase of $13.1 million in debt payments in excess of borrowings.

Our cash flows for the years ended December 31, 2016 and 2015 are presented below:

(in thousands)	Year ended December 31, 2016	2015
Net cash (used in) provided by operating activities	$(3,290)	$140,367
Net cash used in investing activities	(4,176)	(19,251)
Net cash used in financing activities	(7,315)	(126,878)
Impact of foreign exchange rate on cash	(22)	403
Net change in cash and cash equivalents	$(14,803)	$(5,359)

Net cash (used in) provided by operating activities

Net cash used in operating activities was $3.3 million for the year ended December 31, 2016 compared to net cash provided by operating activities of $140.4 million for the year ended December 31, 2015. The decrease in operating net cash flows was primarily attributable to the overall decline in completions activity and well services activity, as described in "–Results of operations." The increase in net operating losses in 2016 and a decline of $89 million in accounts receivable balances in 2015 were primarily responsible for the unfavorable swing in cash provided by operating activities.

Our operating cash flows are sensitive to a number of variables, the most significant of which is the level of drilling, completion and production activity for North American onshore oil and natural gas resources. These activity levels are in turn impacted by the volatility of oil and natural gas prices, regional and worldwide economic activity and its effect on demand for hydrocarbons, weather, infrastructure capacity to reach markets and other variable factors. These factors are beyond our control and are difficult to predict. For additional information on the impact of changing prices on our financial position, see ‘‘–Quantitative and qualitative disclosures about market risk’’ below.

Net cash flows used in investing activities

Net cash used in investing activities was $4.2 million and $19.3 million for the years ended December 31, 2016 and December 31, 2015, respectively, a $15.1 million decrease, which was primarily attributable to lower equipment purchases.

Net cash used in financing activities

Net cash used in financing activities was $7.3 million and $126.9 million for the years ended December 31, 2016 and December 31, 2015, respectively, a $119.6 million decrease, which was primarily attributable to net repayments of debt during 2015.

Our credit facilities

We intend to use a portion of the net proceeds from this offering to fully repay and terminate the Existing Nine Credit Facility and the Existing Beckman Credit Facility. Also, concurrently with, and conditioned upon, the consummation of this offering, we expect to enter into our new credit facility.

Existing Nine Credit Facility

As of June 30, 2014, Nine and its wholly-owned Canadian subsidiary, Nine Energy Canada Inc. (‘‘Nine Canada’’), entered into the Amended and Restated Credit Agreement, dated June 30, 2014 and amended May 13, 2016 (as amended, the ‘‘Existing Nine Credit Facility’’) with HSBC Bank USA, N.A., as U.S. administrative agent, HSBC Bank Canada, as Canadian agent, and certain other financial institutions. Pursuant to the Existing Nine Credit Facility, Nine has a $56.1 million term loan, and Nine is entitled to borrow up to $75.0 million (including letters of credit) under the U.S. revolving commitments (the ‘‘Existing Nine U.S. Revolving Credit Facility’’) and Nine Canada is entitled to borrow up to $9.7 million (including letters of credit) under the Canadian revolving commitments (the ‘‘Existing Nine Canadian Revolving Credit Facility’’). As of December 31, 2016, we had $55.5 million of outstanding borrowings (including letters of credit) under the Existing Nine U.S. Revolving Credit Facility and $8.9 million of outstanding borrowings (including letters of credit) under the Existing Nine Canadian Revolving Credit Facility. All loans and other obligations under the Existing Nine Credit Facility are scheduled to mature on January 1, 2018. We intend to use a portion of the net proceeds from this offering to fully repay the outstanding borrowings under the Existing Nine Credit Facility and terminate the Existing Nine Credit Facility in connection with this offering. See ‘‘Use of proceeds.’’

All of the obligations under the Existing Nine Credit Facility are secured by first priority perfected security interests (subject to permitted liens) on substantially all of the assets of Nine and its domestic restricted subsidiaries (other than Beckman and its subsidiaries, which are unrestricted subsidiaries), excluding certain assets. All borrowings under the Existing Nine Credit Facility by Nine Canada as Canadian borrower are secured by substantially all of Nine Canada’ s assets, excluding certain assets.

Loans under the Existing Nine Credit Facility may be base rate loans or LIBOR loans. Nine and Nine Canada may repay any amounts borrowed prior to the maturity date without any premium or penalty other than customary LIBOR breakage costs.

The Existing Nine Credit Facility contains various affirmative and negative covenants. The Existing Nine Credit Facility also requires Nine and its restricted subsidiaries (other than Beckman and its subsidiaries, which are unrestricted subsidiaries), on a consolidated basis, to maintain the following:

- minimum EBITDA (as defined in the Existing Nine Credit Facility) on a trailing four quarter basis of not less than $8 million for the fiscal quarter ending March 31, 2017 and $14.3 million for the fiscal quarter ending June 30, 2017;
- a leverage ratio (as defined in the Existing Nine Credit Facility) of not more than 4.50 to 1.00 at the end of each fiscal quarter commencing with the fiscal quarter ending September 30, 2017; and
- a fixed charge coverage ratio (as defined in the Existing Nine Credit Facility) of not less than 1.00 to 1.00 for each fiscal quarter ending on or prior to June 30, 2017 and 1.25 to 1.00 for each fiscal quarter thereafter.

Nine and its restricted subsidiaries were in compliance with such covenants and ratios as of December 31, 2016.

For the quarter ended March 31, 2017, Nine was in breach of the minimum EBITDA covenant and the fixed charge coverage ratio. However, Nine has cured such breaches by using a portion of the available proceeds from the Nine and Combined Nine Subscription Offers. In addition, for the quarter ending June 30, 2017, based on current market conditions and the Company' s potential level of expansion capital expenditures for the second quarter of 2017, the Company believes that Nine may be in breach of the fixed charge coverage ratio. In the event Nine is in breach of the fixed charge coverage ratio covenant with respect to such quarter, prior to or within 10 business days after the deadline for delivering the quarterly compliance certificate, Nine intends to exercise its right under the Existing Nine Credit Facility to cure any such breach by using a portion of the available proceeds from the Nine and Combined Nine Subscription Offers, which will prevent the occurrence of any event of default arising from the possible breach of this financial covenant.

Beckman was designated as an unrestricted subsidiary under the Existing Nine Credit Facility following the Combination and therefore is not subject to the covenants contained therein and is not liable for the loans and other obligations thereunder.

In addition, the Company had $120.6 million of debt under the Existing Nine Credit Facility as of December 31, 2016 that is scheduled to mature on January 1, 2018, which is within twelve months of the date of the issuance of our audited financial statements and thereby resulted in a ‘‘going concern’’ paragraph being included in our independent registered public accounting firm' s audit report. Delivery of audited financial statements including a going concern paragraph would result in an event of default under the Existing Nine Credit Facility absent an amendment or waiver. On March 23, 2017, we received the requisite waiver from the lenders under the Existing Nine Credit Facility with respect to this potential event of default. As discussed above, we plan to repay in full the Existing Nine Credit Facility prior to its maturity with the proceeds of this offering and expect to have no debt following the completion of this offering.

After giving effect to its exercise of any needed equity cure and the March 23, 2017 waiver, Nine was in compliance with the Existing Nine Credit Facility as of March 31, 2017 and expects to be in compliance with the Existing Nine Credit Facility as of June 30, 2017.

Existing Beckman Credit Facility

Beckman entered into a Credit Agreement, dated May 2, 2014 (as amended, the ‘‘Existing Beckman Credit Facility’’ and, together with the ‘‘Existing Nine Credit Facility, ‘‘our existing credit facilities’’), with Wells Fargo Bank, National Association, as administrative agent, and certain other financial institutions pursuant to which Beckman obtained a $145 million senior credit facility. A portion of the commitments up to $132.5 million were available on a revolving basis, and $12.5 million of the commitments were extended as term advances. The amount available to be borrowed under the revolving portion was further limited by a borrowing base determined monthly based upon a formula calculated by reference to Beckman’ s eligible accounts receivable, equipment, inventory and real estate. As of December 31, 2016, the borrowing base was $120.8 million and $114.3 million was outstanding under revolving loans. As of December 31, 2016, $11.0 million was outstanding under the term loan.

On February 10, 2017, pursuant to Agreement and Amendment No. 5 to the Existing Beckman Credit Facility, the above-described facility was amended, and Beckman currently has (i) a $6.0 million term loan tranche (the ‘‘Existing Beckman Tranche B Term Loan’’), (ii) a $106.3 million term loan tranche (the ‘‘Existing Beckman Tranche C Term Loan’’ and together with the Existing Beckman Tranche B Term Loan, the ‘‘Existing Beckman Term Loans’’), and (iii) a $15.0 million revolving facility (subject to a borrowing base that is determined monthly and was $15 million as of February 28, 2017) (the ‘‘Existing Beckman Revolving Facility’’). The actual amount available to be borrowed under the Existing Beckman Revolving Facility is limited by a borrowing base that is determined monthly based upon a formula calculated by reference to Beckman’ s eligible accounts receivable and inventory. As of March 31, 2017, the borrowing base was $15.0 million. As of March 31, 2017, we had $5.0 million of outstanding borrowings under the Existing Beckman Revolving Facility. All loans and other obligations under the Existing Beckman Credit Facility are scheduled to mature on June 30, 2018. We intend to use a portion of the net proceeds from this offering to repay the outstanding borrowings under the Existing Beckman Credit Facility and terminate the Existing Beckman Credit Facility in connection with this offering. See ‘‘Use of proceeds.’’

All of the obligations under the Existing Beckman Credit Facility are secured by first priority perfected security interests (subject to permitted liens) on substantially all of the assets of Beckman and its subsidiaries, excluding certain assets. Additionally, all of the obligations under the Existing Beckman Credit Facility are guaranteed by Beckman’ s subsidiaries.

Loans under the Existing Beckman Credit Facility may be either base rate loans or LIBOR loans at Beckman’ s election. Beckman may repay any amounts borrowed prior to the maturity date without any premium or penalty other than customary LIBOR breakage costs.

The Existing Beckman Credit Facility contains various affirmative and negative covenants. The Existing Beckman Credit Facility also requires Beckman and its subsidiaries, on a consolidated basis, to maintain the following:

- a leverage ratio (as defined in the Existing Beckman Credit Facility) of not more than 3.50 to 1.00 at the end of each fiscal quarter commencing with the fiscal quarter ending December 31, 2017; and
- a fixed charge coverage ratio (as defined in the Existing Beckman Credit Facility) of not less than 1.15 to 1.00 for each fiscal quarter ending on or prior to June 30, 2017 and 1.25 to 1.00 for each fiscal quarter thereafter, each determined on a standalone quarterly basis.

Beckman and its restricted subsidiaries were in compliance with such covenants and ratios as of December 31, 2016.

Our new credit facility

Concurrently with, and conditioned upon, the consummation of this offering, we intend to enter into our new credit facility. Borrowings under our new credit facility may vary significantly from time to time depending on our cash needs at any given time. Upon consummation of this offering, we expect that approximately $ million will be available under our new credit facility.

Our new credit facility will be evidenced by a credit agreement (the "New Credit Agreement") with JPMorgan Chase Bank, N.A., as administrative agent, and certain other financial institutions. Pursuant to the New Credit Agreement, Nine and its domestic restricted subsidiaries will be entitled to borrow up to $200 million (including letters of credit) as revolving credit loans under the U.S. revolving commitments, and Nine Canada will be entitled to borrow up to $20 million (including letters of credit) as revolving credit loans under the Canadian revolving commitments. At no time will the maximum principal amount of revolving credit loans, together with the face amount of letters of credit, under the New Credit Agreement be permitted to exceed $200 million, absent Nine obtaining additional commitments from existing or new lenders.

The actual amount available to be borrowed at any time under the New Credit Agreement will be limited by a U.S. borrowing base for Nine and its domestic restricted subsidiaries and a Canadian borrowing base for Nine Canada which, in each case, will be determined no less frequently than monthly based on a formula calculated by reference to eligible receivables and eligible inventory of the applicable borrowers.

All of the obligations under the New Credit Agreement will be secured by first priority perfected security interests (subject to permitted liens) in substantially all of the personal property of Nine and its domestic restricted subsidiaries (including Beckman and its subsidiaries), excluding certain assets. All borrowings under the New Credit Agreement by Nine Canada as Canadian borrower will be secured by substantially all of Nine Canada' s personal property, excluding certain assets.

Loans to Nine and its domestic restricted subsidiaries under the New Credit Agreement may be base rate loans or LIBOR loans, and loans to Nine Canada may be prime rate loans or CDOR loans. The applicable margin for base rate and prime rate loans will vary from 1.00% to 1.75%, and the applicable margin for LIBOR loans and CDOR loans will vary from 2.00% to 2.75%, in each case depending on Nine' s leverage ratio. Nine and Nine Canada will be permitted to repay any amounts borrowed prior to the maturity date without any premium or penalty other than customary LIBOR or CDOR breakage costs.

If addition, a commitment fee of 0.50% per annum will be charged on the average daily unused portion of the revolving commitments except that such fee is reduced to 0.375% per annum if utilization is equal to or less than 33% of the revolving commitments. Such commitment fee is payable quarterly in arrears.

The New Credit Agreement will contain various affirmative and negative covenants, including financial reporting requirements and limitations on indebtedness, liens, mergers, consolidations, liquidations and dissolutions, sales of assets, dividends and other restricted payments, investments (including acquisitions) and transactions with affiliates. The New Credit Agreement will not contain any financial covenants, other than a "springing" fixed charge coverage ratio of 1.00 to 1.00, which will require Nine' s compliance with such fixed charge coverage ratio will only be required in the event that (a) availability under the New Credit Agreement is less than the greater of (i) $10 million or (ii) 10% of the greater of the then applicable borrowing base and the aggregate revolving commitments or (b) an event of default occurs, and such compliance will continue to be required until (1) availability remains in excess of the greater of (x) $10 million or (y) 10% of the greater of the then applicable borrowing base and the aggregate commitments and (2) no event of default exists, in each case for 30 consecutive days. So long as the fixed charge coverage ratio is activated, it will be tested on a quarterly basis.

Contractual obligations

In the normal course of business, we enter into various contractual obligations that impact or could impact our liquidity. The table below contains our known contractual commitments at December 31, 2016.

	Payments due by period for the year ended December 31,						
(in thousands)	**2017**	**2018**	**2019**	**2020**	**2021**	**Thereafter**	**Total**
Existing credit facilities(1)	$17,975	$227,913	$–	$–	$–	$–	$245,888
Other debt	272	–	–	–	–	–	272
Interest expense	14,000	6,900	–	–	–	–	20,900
Operating leases	5,538	4,195	3,452	2,572	2,249	12,544	30,550
Total	$37,785	$239,008	$3,452	$2,572	$2,249	$12,544	$297,610

(1) This table does not include future commitment fees, amortization of deferred financing costs or other fees on our existing credit facilities because obligations thereunder are floating rate instruments, and we cannot determine with accuracy the timing of future loan advances, repayments or future interest rates to be charged.

The table above does not reflect our use of a portion of the net proceeds from this offering to fully repay and terminate our existing credit facilities (the Existing Nine Credit Facility and the Existing Beckman Credit Facility). Please see "Use of proceeds." Also, concurrently with, and conditioned upon, the consummation of this offering, we expect to enter into our new credit facility. See "–Our credit facilities–Our new credit facility" for information regarding our new credit facility.

Critical accounting policies and estimates

The discussion and analysis of our financial condition and results of operations are based upon our combined financial statements, which have been prepared in accordance with GAAP. The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. Certain accounting policies involve judgments and uncertainties to such an extent that there is a reasonable likelihood that materially different amounts could have been reported under different conditions, or if different assumptions had been used. We evaluate our estimates and assumptions on a regular basis. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions used in preparation of our combined financial statements. We provide expanded discussion of our more significant accounting policies, estimates and judgments below. We believe that most of these accounting policies reflect our more significant estimates and assumptions used in preparation of our combined financial statements.

Emerging growth company status

We are an ‘‘emerging growth company’’ as defined in the JOBS Act. Under Section 107 of the JOBS Act, as an emerging growth company, we can take advantage of an extended transition period for the adoption of new or revised financial accounting standards. We intend to take advantage of all of the reduced reporting requirements and exemptions, including the longer phase-in periods for the adoption of new or revised financial accounting standards, until we are no longer an emerging growth company. Our election to use the phase-in periods permitted by this election may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the longer phase-in periods under Section 107 of the JOBS Act and who will comply with new or revised financial accounting standards. If we were to subsequently elect instead to comply with these public company effective dates, such election would be irrevocable pursuant to Section 107 of the JOBS Act.

Revenue recognition

The Company recognizes revenue for products and services based upon purchase orders, contracts or other persuasive evidence of an arrangement with the customer that include fixed or determinable prices and that do not include right of return or other similar provisions or other post-delivery obligations. Revenue is recognized for services when they are rendered and collectability is reasonably assured. Revenue for products, which represent less than 3% of total revenue, is recognized upon delivery, customer acceptance and when collectability is reasonably assured.

Property and equipment

Property and equipment are recorded at cost or valuation, less applicable depreciation. Equipment held under capital leases is stated at the present value of minimum lease payments. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from one to 15 years, except for buildings which have lives up to 39 years (see Note 4–‘‘Property and Equipment’’ to our audited combined financial statements for further information). Equipment held under capital leases is amortized straight-line over the shorter of the lease term or estimated useful life of the asset. Maintenance and repairs are charged to operating expense as incurred; significant renewals and betterments are capitalized.

Definite-lived intangible assets

Definite-lived intangible assets that are acquired in connection with business acquisitions are amortized utilizing the estimated pattern of the consumption of the economic benefit over their estimated useful lives, which range from 3 to 15 years.

Impairment of long-lived assets, goodwill and other intangible assets

Long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. For assets that are to be held and used, impairment is recognized when the estimated undiscounted cash flows associated with the asset or group of assets are less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows or internal and external appraisals, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value. The costs of assets that are sold or retired and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income.

Goodwill is tested for impairment annually and when indicators of impairment exist. In the first step, the Company determines the fair value of its individual reporting units by blending two valuation approaches: the income and market value approach. The income approach uses the Company' s own market assumptions, including projections of future cash flows, determinations of appropriate discount rates, and other assumptions which are considered reasonable and inherent in the discounted cash flow analysis. The projections are based on historical performance and future estimated results. The market value approach uses financial information from comparable entities. If the carrying amount exceeds the fair value, the second step of the goodwill impairment test is performed to measure the amount of the impairment loss, if any. In the second step, the implied fair value of the goodwill is estimated as the fair value of the reporting unit used in the first step less the fair values of all other net tangible and intangible assets of the reporting unit. If the carrying amount of the goodwill exceeds its implied fair market value, an impairment loss is recognized in an amount equal to that excess, not to exceed the carrying amount of the goodwill.

Recognition of provisions for contingencies

In the ordinary course of business, we are subject to various claims, suits and complaints. We, in consultation with internal and external advisors, will provide for a contingent loss in the combined financial statements if it is probable that a liability has been incurred at the date of the combined financial statements and the amount can be reasonably estimated. If it is determined that the reasonable estimate of the loss is a range and that there is no best estimate within the range, provision will be made for the lower amount of the range. Legal costs are expensed as incurred.

Share-based compensation

We account for awards of share-based compensation at fair value on the date granted to employees and recognize the compensation expense in the financial statements over the requisite service period. Fair value of the share-based compensation was measured using the Black-Scholes model for all of the options outstanding. These models require assumptions and estimates for inputs, especially the estimate of the volatility in the value of the underlying share price, that affect the resultant values and hence the amount of compensation expense recognized. We determine the estimate of volatility periodically based on the averages for the stocks of comparable publicly traded companies.

Determining fair market value

Determining the appropriate fair value model and calculating the fair value of options requires the input of highly subjective assumptions, including the expected volatility of the price of our stock, the risk-free rate, the expected term of the options and the expected dividend yield of our common stock. These estimates involve inherent uncertainties and the application of management' s judgment. If factors change and different assumptions are used, our share-based compensation expense could be materially different in the future. We estimate the fair value of each option grant using the Black-Scholes option-pricing model. The Black-Scholes option pricing model requires estimates of key assumptions based on both historical information and management judgment regarding market factors and trends.

Expected volatility–We developed our expected volatility by using the historical volatilities of our peer group of public companies.

Risk-free interest rate–The risk-free interest rates for options granted are based on the average of five year and seven year constant maturity Treasury bond rates whose term is consistent with the expected term of an option from the date of grant.

Expected Term–The expected term is based on the midpoint between the vesting date and contractual term of an option. The expected term represents the period that our stock-based awards are expected to be outstanding.

Expected dividend yield–We do not anticipate paying cash dividends on our shares of common stock; therefore, the expected dividend yield is assumed to be zero.

Recent accounting pronouncements

See Note 2–"Summary of Significant Accounting Policies" to our audited combined financial statements for a discussion of recently issued accounting pronouncements. As an "emerging growth company" under the JOBS Act, we can take advantage of an extended transition period for the adoption of new or revised financial accounting standards. We intend to take advantage of all of the reduced reporting requirements and exemptions, including the longer phase-in periods for the adoption of new or revised financial accounting standards under Section 107 of the JOBS Act, until we are no longer an emerging growth company. Our election to use the phase-in periods permitted by this election may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the longer phase-in periods under Section 107 of the JOBS Act and who will comply with new or revised financial accounting standards. If we were to subsequently elect instead to comply with these public company effective dates, such election would be irrevocable pursuant to Section 107 of the JOBS Act.

Related party transactions

Transactions with related parties are disclosed in Note 13–"Related Party Transactions" in our audited combined financial statements.

Off-balance sheet arrangements

As of March 31, 2017, we had no off-balance sheet instruments or financial arrangements, other than operating leases entered into in the ordinary course of business.

Quantitative and qualitative disclosures about market risk

At December 31, 2016 and March 31, 2017, we held no significant derivative instruments that materially increased our exposure to market risks for interest rates, foreign currency rates, commodity prices or other market price risks.

We have interest rate exposure arising from the Existing Nine Credit Facility, the Existing Beckman Credit Facility and other financing agreements, which have variable interest rates. Our new credit facility will also have a variable interest rate. These variable interest rates are impacted by changes in short-term interest rates. Assuming the current level of borrowings, a hypothetical one-percentage point increase in interest rates would increase our annual interest expense by $2.5 million.

Our fuel purchases expose us to commodity price risk. Our fuel costs consist primarily of diesel fuel used by our various trucks and other motorized equipment. The prices for fuel are volatile and are impacted by changes in supply and demand, as well as market uncertainty and regional shortages. Recently we have been able to pass along price increases to our customers; however, we may be unable to do so in the future. We generally do not engage in commodity price hedging activities.

We operate in the U.S. and Canadian markets, and as a result our primary exposure to fluctuations in currency exchange rates relates to fluctuations between the U.S. dollar and the Canadian dollar. In Canada, the effects of currency fluctuations are largely mitigated because local expenses of such operations are also generally denominated in the local currency. However, there may be instances in which costs and revenue will not be matched with respect to currency denomination and we may experience economic loss and a negative impact on earnings or net assets solely as a result of foreign currency exchange rate fluctuations. We do not hedge our exposure to changes in foreign exchange rates. See "Risk Factors–Our Canadian operations subject us to currency translation risk, which could cause our results to fluctuate significantly from period to period."

Assets and liabilities for which the functional currency is the local currency are translated using the exchange rates in effect at the balance sheet date, resulting in translation adjustments that are reflected as accumulated other comprehensive income in the stockholders' equity section on our balance sheet. We recorded an adjustment of approximately $210,000 to increase our equity account for the year ended December 31, 2016 to reflect the net impact of the strengthening of the Canadian dollar against the U.S. dollar.

Business

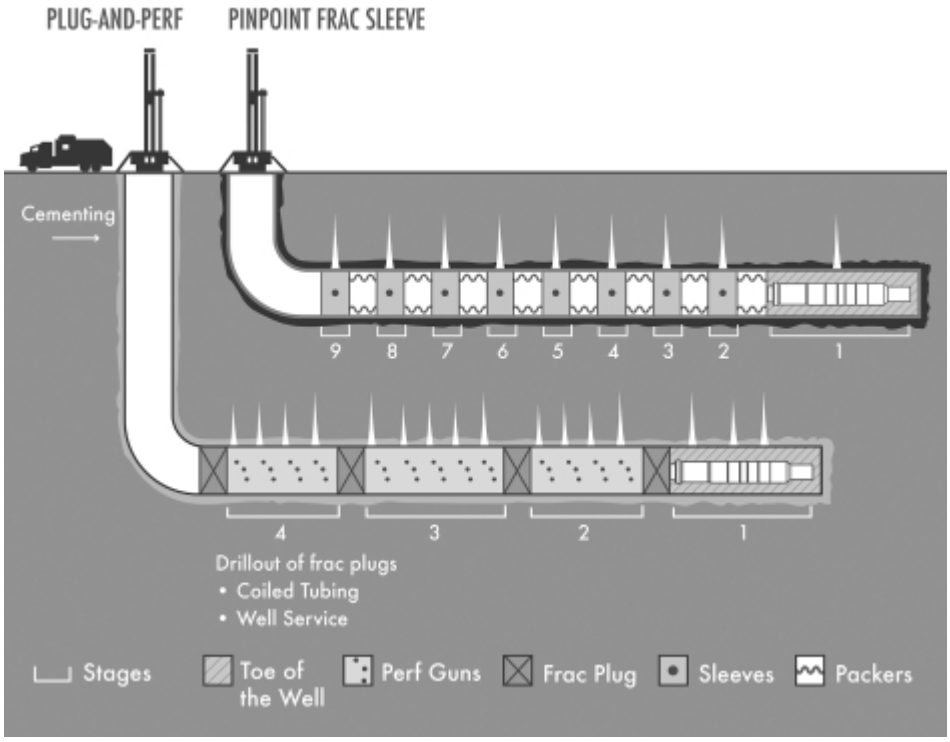
Company overview

We are a leading North American onshore completion and production services provider that targets unconventional oil and gas resource development. We partner with our E&P customers across all major onshore basins in both the U.S. and Canada to design and deploy downhole solutions and technology to prepare horizontal, multistage wells for production. We focus on providing our customers with cost-effective and comprehensive completion solutions designed to maximize their production levels and operating efficiencies. We believe our success is a product of our culture, which is driven by our intense focus on performance and wellsite execution as well as our commitment to forward-leaning technologies that aid us in the development of smarter, customized applications that drive efficiencies.

We provide our comprehensive completion solutions across a diverse set of well-types, including on the most complex, technically demanding unconventional wells. Modern, high-intensity completion techniques are a more effective way for our customers to maximize resource extraction from horizontal oil and gas wells. These completion techniques provide improved EUR per lateral foot and a superior return on investment, which make them attractive to operators despite their associated increased well cost. We compete with a limited number of service companies for the most intricate and demanding projects, which are characterized by extended reach horizontal laterals, increased stage counts per well and increased proppant loading per lateral foot. As stage counts per well increase, so do our operating leverage and returns, as we are able to complete more jobs and stages with the same number of units and crews. Service providers for these demanding projects are selected based on their technical expertise and ability to execute safely and efficiently, rather than only price.

We offer a variety of completion applications and technologies to match customer needs across the broadest addressable completions market. Our comprehensive well solutions range from cementing the well at the initial stages of the completion, preparing the well for stimulation, isolating all the stages of an extended reach lateral, and drilling out plugs and performing associated remedial work as production comes online. Our completion techniques are specifically tailored to the customer and geology of each well. At the initial stage of a well completion, our lab facilities produce customized cementing slurries used to secure the production casing to ensure well integrity throughout the life of the well. Once the casing is in place, we utilize our proprietary tools at the toe (end) of the well, often called stage one, to prepare for the well stimulation process. We provide customers with plug-and-perf or pinpoint frac sleeve system technology to complete the remaining stages of the well. Through our wireline units, we provide plug-and-perf services that, when combined with our fully-composite frac plugs, create perforations to isolate and divert the fracture to the correct stage. Our pinpoint frac sleeve system involves packers, either hydraulic or swellable, to isolate sections of the wellbore and frac sleeves to provide access to each stage for stimulation and production. Our equipment also includes high-specification coiled tubing units and workover rigs that are capable of reaching the farthest depths for the removal of plugs and cleaning of the wellbore to prepare for production. Once a well is producing, we are able to offer a range of production enhancement and well workover services through our fleet of well service rigs and ancillary equipment.

The following graphic provides a summary of our comprehensive well solutions that span the life cycle of a well completion.



Our services

We operate in two segments: Completion Solutions and Production Solutions. Our Completion Solutions segment provides services integral to the completion of unconventional wells through a full range of tools and methodologies. Our Production Solutions segment provides a range of production enhancement and well workover services that are performed with a well servicing rig and ancillary equipment.

Completion Solutions

The following is a description of the primary service offerings and deployment methods within the Completion Solutions business segment:

Cementing services: Our cementing services consist of blending high-grade cement and water with various solid and liquid additives to create a cement slurry that is pumped between the casing and the wellbore of the well. Our two high-quality laboratory facilities are capable of designing and testing all of the current industry cement designs. The laboratory facilities operate twenty-four hours a day and are fully staffed by qualified technicians with the latest equipment and modeling software. Additionally, our technicians and engineers ensure that all tests are performed to API specifications and results are delivered to customers promptly. Our cement slurries are designed to achieve the proper cement thickening time, compressive strength and fluid loss control. Our slurries can be modified to address a wide range of downhole needs of our E&P customers, including varying well depths, downhole temperatures, pressures and formation characteristics.

We deploy our slurries by using our customized design twin-pumping units, which are fully redundant, containing two pumps, two hydraulic systems, two mixing pumps and two electrical systems. This significantly

decreases our risk of downtime due to mechanical failure and eliminates the necessity to have an additional cementing unit on standby. We have invested in the highest quality cementing equipment, and since 2012, we have deployed only new equipment for use in the fields. We currently operate a total of 27 twin-pumping units each of which has 1,000 horsepower (which we believe is the highest in the industry).

From January 2014 to December 2016, we completed approximately 9,200 cementing jobs, with an on-time rate of approximately 92%. Punctuality of service has become one of the primary metrics that E&P operators use to evaluate the cementing services they receive. Key contributors to our 92% on-time rate include our lab capabilities, personnel, close proximity to our customers' acreage, dual-sided bulk loading plants and our service-driven culture. In order to further improve punctuality, respond to customers' demands for providers near their acreage, and gain access to an additional customer base, we are currently building a bulk plant and lab facility in Hobbs, New Mexico, with close proximity to the Delaware Basin. We believe this location will reduce operating expenses due to improved logistics as well as provide cross-selling opportunities for other service lines.

Completion tools: We provide unconventional and conventional downhole solutions and technology used for multistage completions. Our comprehensive completion service offerings are complemented by our unconventional open hole and cemented completion tool products, such as liner hangers and accessories, fracture isolation packers, frac sleeves, stage one prep tools, fully composite frac plugs and specialty open hole float equipment and centralizers. Our completion tools provide pinpoint frac sleeve system technologies that enable comparable rates per stage while providing more control over fracture initiation. A few examples of our innovative portfolio of completion tools are: (i) the Scorpion Fully-Composite Plug™, a patented packer-style fully composite plug designed to provide zonal isolation in a multi-stage well completion; we offer a diverse product group of fully-composite plugs designed for 3.5" to 5.5" well casings as well as a unique Scorpion Extended Range plug, which is used in demanding well applications where operators have to negotiate through internal diameter restrictions, (ii) the SmartStart PLUS™, an interventionless time-delayed pressure-activated sleeve that we have the exclusive distribution rights to in the northeastern U.S. and with certain customers in other regions, that eliminates the need for tubing or pipe-conveyed perforating when completing the toe stage of horizontal wells, (iii) the Storm Re-Frac Packer™, a system that allows our customers to re-stimulate their existing wells using standard size plug-and-perf procedures to extend and enhance their production profiles with minimal flow restriction during stimulation, (iv) the FlowGun™, a stage one interventionless casing-conveyed perforating technology that eliminates the need to run wireline or coil tubing and requires no electronic detonation allowing our customers to perform a maximum pressure test and perforate stage one more efficiently with less risk and with no lateral length limitations, and (v) the Coil Frac Sleeve System, a system that utilizes coiled tubing to deploy a resettable frac packer, that we have the exclusive distribution rights to in the U.S., which is used to open and isolate frac sleeves that have been installed as an integral part of the casing. Our systems provide completion efficiencies at the wellsite by reducing our customers' equipment needs and stimulation time and allowing for specific zonal treatment. From March 2011 to December 2016, we have deployed approximately 65,000 swell and hydro-mechanical packers and approximately 17,000 frac sleeves for downhole completions.

Additionally, we offer a portfolio of completion technologies used for completing the toe stage of a horizontal well, as well as fully-composite and extended-range frac plugs to isolate stages during plug-and-perf operations.

Wireline services: Our wireline services involve the use of a wireline unit equipped with a spool of wireline that is unwound and lowered into oil and gas wells to convey specialized tools or equipment for well completion, well intervention or pipe recovery. We operate a fleet of modern and "fit-for-purpose" cased hole wireline units designed for operating in unconventional completion operations, with 37 wireline units in the U.S. and 14 wireline units in Canada. Our wireline units are equipped with the latest technology utilized to service long lateral completions, including head tension tools, ballistic release tools and addressable switches. We currently

have three wireline units equipped with customized drums to hold up to 40,000 feet of Enviroline. Enviroline is a coated wireline that significantly reduces injector oil use requiring only 5% of the amount needed with standard wireline. Offering a lower dynamic coefficient of friction, Enviroline requires less pump down fluid to operate and is more conducive for reaching further depths in longer laterals.

The majority of our wireline work consists of plug-and-perf completions, which is a multistage well completion technique for cased-hole wells that consists of deploying perforating guns to a specified depth. We deploy proprietary specialized tools like our fully-composite frac plugs through our wireline units. From January 2014 to December 2016, we have completed approximately 45,000 wireline stages in the U.S. with a success rate of over 98%.

Coiled tubing services: Coiled tubing services perform wellbore intervention operations utilizing a continuous steel pipe that is transported to the wellsite wound on a large spool in lengths of up to 25,000 feet. Coiled tubing provides a cost-effective solution for well work due to the ability to deploy efficiently and safely into a live well using specialized well-control equipment. The live well work capability limits the customer' s risk of formation damage associated with ''killing'' a well (the temporary placement of heavy fluids in a wellbore to keep reservoir fluids in place), while allowing for safer operations due to minimal equipment handling. Coiled tubing facilitates a variety of services in both new and old wells, such as milling, drilling, fishing, production logging, artificial lift installation, cementing, stimulation and restimulation services. In addition, our units are also used in conjunction with pinpoint hydraulic fracturing operations.

We currently operate 16 coiled tubing units serving the Permian Basin, SCOOP/STACK region and Haynesville markets. Each of our coiled tubing units carries data acquisition and dissemination technology, allowing our customers to monitor jobs via a web interface. Of the 16 coiled tubing units, we consider nine to be ''extended reach'' units capable of reaching the toe of wells with total measured depths of 21,500 feet and beyond, including lateral lengths in excess of 12,500 feet, keeping pace with the industry' s most challenging downhole environments. While we specialize in larger-diameter (2 $^{3}/_{8}$' ' and 2 $^{5}/_{8}$' ') applications, we also offer 2' ' and 1 $^{1}/_{4}$' ' diameter solutions to our customers. From May 2014 to December 2016, we have performed approximately 3,750 jobs and deployed more than 65.5 million running feet of coiled tubing, with a success rate of over 99%.

Production Solutions

The following is a description of the primary service offerings conducted within the Production Solutions business segment:

Well services: Our well servicing business encompasses a full range of services performed with a mobile well servicing rig (or workover rig) and ancillary equipment throughout a well' s life cycle from completion to plugging and abandonment. Our rigs and personnel install and remove downhole equipment and eliminate obstructions in the well to facilitate the flow of oil and natural gas, often immediately increasing a well' s production. We believe the production increases generated by our well services substantially enhance our customers' returns and significantly reduce their payback periods. Activities performed with our well servicing rigs can range from the milling of plugs following a plug-and-perf completion, to the installation in repair of artificial lift, to the ultimate plug and abandonment of a depleted well. Key components of our well services success include our geographic footprint, employee culture, fleet of rigs and inventory of equipment. Our operations extend across six major onshore U.S. basins, and our employee culture fosters local relationships within this expansive geographic footprint through excellent customer service and basin-level expertise.

We utilize a fleet of more than 100 rigs, approximately 40% of which are capable of performing completion-oriented work. This fleet of rigs and the inventory of equipment maintained at each of our regional locations are tailored to the needs of our customers in each particular basin. The high-specification rigs we utilize are

engineered to perform in the most demanding laterals being drilled in the U.S. today. In addition, we also own and operate auxiliary equipment necessary to support the activities of our rigs, swabbing units, hot oilers, high pressure pump trucks, cementers, vacuum trucks and transport tankers in the basins in which we operate. These complementary services facilitate the production enhancement of existing wells or are called upon to plug and abandon a well at the end of its life. From January 2014 to December 2016, we operated more than 700,000 rig hours. According to the AESC, only 54% of industry reported well service rigs were active or available from January 2015 to December 2016. In contrast, 75% of our rigs have remained active or available in the same period.

Our industry

As a provider of well completion and production services, we participate in the North American onshore completions market and production services markets. Given our broad geographic footprint across North America, as well as our comprehensive completion and production services offerings, we believe that we are able to offer our services to the vast majority of wells in North America. Primarily, we service horizontal wells associated with unconventional resources, but are able to complete any onshore well drilled in North America, from shallow conventional vertical wells to the most technically demanding extended reach horizontal wells. Our production services business is similarly capable of servicing any onshore North American well.

Completion services prepare a previously drilled well for production, including providing entry points from the drilled wellbore into the surrounding deep rock formations and ensuring isolation between the individual frac stages to enable hydraulic fracturing and stimulation treatments to be more effectively executed. In horizontal wells, multistage completions typically start with a stage at the far end of the lateral, often referred to as the ‘‘toe.’’ Each subsequent stage is completed in succession, moving from the toe at the end toward the vertical section of the wellbore. After each stage is completed, the next stage is isolated from the one before it. The process is comparable in vertical wells, with the first stage beginning at the deepest point, and moving sequentially upward with the last completed stage at the shallowest depth.

There are two primary techniques currently used in the completion of unconventional wells, both of which we are able to execute for our customers. The most common is plug-and-perf, which is most frequently applied when the well casing or lining has been cemented in place. With plug-and-perf completions, a frac plug must be pumped downhole prior to a wireline-conveyed perforating gun detonating explosives downhole. This creates holes in a section of the wellbore casing, enabling that section to be hydraulically fractured through these perforations. After that section or ‘‘stage’’ has been fractured, it is isolated from the next stage to be completed using another frac plug. This process of stage isolation, perforation and hydraulic fracturing is repeated until the desired number of stages has been placed. After all of the stages have been hydraulically fractured, a coiled tubing unit or workover rig is required to mill out the frac plugs prior to the well being placed on production.

The second commonly used completion technique is known as a ‘‘pinpoint frac sleeve system’’ that is used in both open hole or cemented well configurations. This method uses sliding sleeves that have been installed as part of the well casing using packers on either side for zonal isolation in an open hole application. In a cemented application, zonal isolation is achieved by cementing the casing and sleeves in the wellbore. Once activated via a ball and seat activator or coiled tubing, the sleeves open providing a conduit to the reservoir, enabling the wellbore to be stimulated. This completion technique does not require intervention to pump down or remove frac plugs and requires significantly less pumping time and well intervention. This completion technique also reduces the time to bring a well online. We are able to effectively provide completion services using either plug-and-perf or pinpoint frac sleeve system methodology, allowing us to satisfy the preferences of a broader customer base.

The participants in the completion services sector include large, international oilfield services companies (including Halliburton Company, Schlumberger Limited, Baker Hughes Incorporated and Weatherford International Ltd.) as well as smaller, independent companies that may focus on a specific service category or operate primarily on a regional basis. Other than those firms that primarily focus on hydraulic fracturing, there are few completion services companies that offer a comprehensive suite of completion services and have a geographic footprint across all major onshore North American basins. We believe our ability to provide a range of completion services and address a broad market opportunity positions us well to compete in the onshore completions market. For example, even during the recent industry downturn that began in late 2014, which resulted in an intensified competitive environment, we were able to gain market share and effectively compete in the onshore completions market. Our wireline services and completion tools were used in 7.4% of total frac stages completed in 2016 as compared to 4.4% in 2014 based on Spears & Associates, Inc. data on total frac stages completed for those periods. In addition, although the overall level of rigs working remains lower than it was in 2014, we have been able to capture an increase in market share within our cementing services from 2014 to 2016. For example, our rigs followed in West Texas increased from 10% of total rigs working in West Texas as of December 31, 2014 to 16% as of December 31, 2016, and our rigs followed in South Texas increased from 17% of total rigs working in South Texas as of December 31, 2014 to 39% as of December 31, 2016.

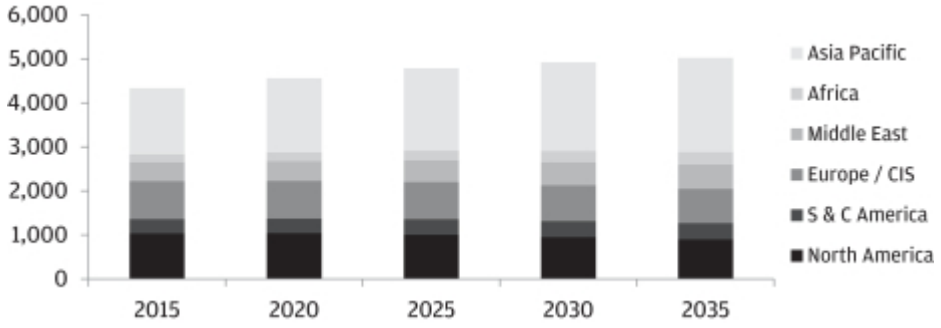
Industry trends

Our business depends to a significant extent on the level of unconventional resource development activity and corresponding capital spending of oil and natural gas companies onshore in North America. These activity and spending levels are strongly influenced by the current and expected oil and natural gas prices. We believe that the following trends will positively impact the completion and production services markets, and providers of comprehensive completion solutions in particular, in the coming years:

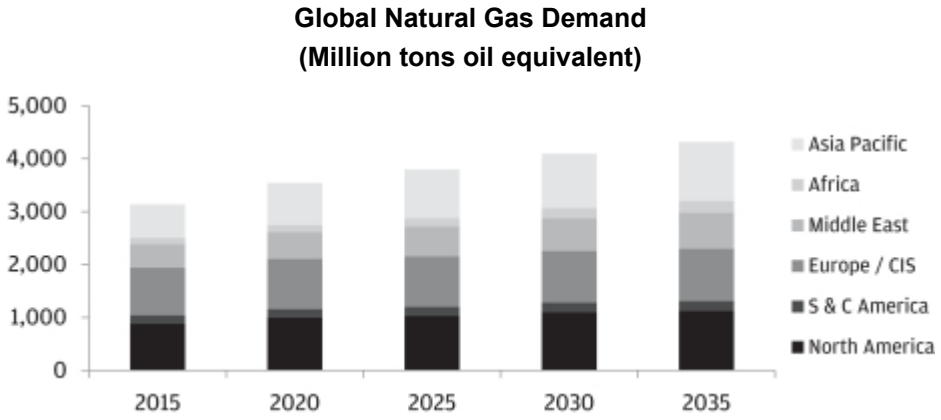
Increasing global demand for crude oil and natural gas

We believe that increasing global demand for hydrocarbons over time will cause increased demand for oilfield services. This growing demand is being driven by global economic growth, including rapid growth among emerging industrializing countries globally. According to BP p.l.c.' s 2017 Energy Outlook, global natural gas demand and global liquids demand are expected to increase at a cumulative annualized growth rate of 1.6% and 0.7%, respectively, through 2035. This growth is illustrated by the following charts:

Global Liquids Demand
(Million tons oil equivalent)



Source: BP Energy Outlook



Source: BP Energy Outlook

Improving onshore North American market

Oil and natural gas prices declined significantly between the third quarter of 2014 and the first quarter of 2016, when the closing price of oil reached a 12-year low of $26.19 per barrel and the closing price of natural gas reached an 18-year low of $1.49 per MMBtu. This substantial decline in oil and natural gas prices caused a reduction in activity for the majority of our customer base and their corresponding spending on our services.

Oil and natural gas prices have since gradually increased, a positive trend that was bolstered in the fourth quarter of 2016 when members of the Organization of Petroleum Exporting Countries and certain other oil-producing nations agreed to reduce their oil output. The prices of oil and natural gas as of May 15, 2017 were $48.85 per barrel and $3.35 per MMBtu, respectively. These prices represent improvements of 87% and 125%, respectively, from first quarter of 2016 lows of $26.19 per barrel for oil and $1.49 per MMBtu for natural gas. The U.S. Energy Information Administration (the "EIA") expects oil prices will continue to increase in future years and, according to its Annual Energy Outlook 2017, projects average crude prices of $59.83 and $68.48 per barrel in 2018 and 2019. This price recovery, together with significant cost and efficiency improvements in unconventional resource extraction, has stimulated an increase in onshore completions activity, as evidenced by a strong rebound in onshore rig count. According to Baker Hughes' North American Rig Count, the number of active drilling rigs in the United States has increased to 885 as of May 12, 2017, an increase of 119% since the low of 404 reported on May 27, 2016. We believe North American onshore unconventional resources are positioned to capture a growing portion of global oil and gas resource capital spending, supported by its competitive cost positioning and relatively low political, reservoir and legal risks as compared to other producing regions. If the current price environment holds or continues to improve, we expect a further increase in demand for our services.

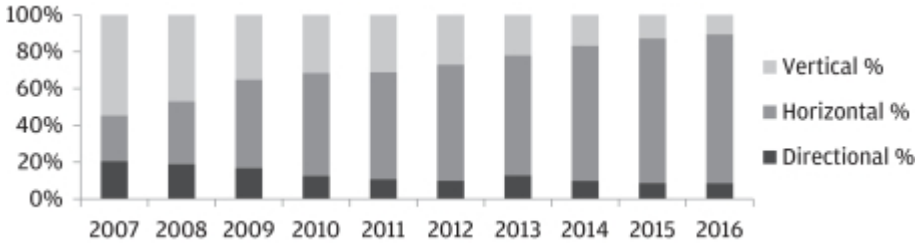
Additionally, we believe that the short-cycle, repeatable nature of North American onshore unconventional resource projects will continue to attract capital from the E&P industry during a time of perceived commodity price volatility. This has been evidenced by the heightened level of mergers and acquisitions in what are believed to be highly economic unconventional resource plays such as the Permian Basin in West Texas and the SCOOP / STACK Formations in Oklahoma. The trend has been for well-capitalized public E&P companies to acquire smaller, privately held E&P companies, with the aim of accelerating development activity on the acquired asset base. We believe that this trend will drive increases in demand for completion and production services such as ours.

Growth of North American unconventional resource production through horizontal drilling

The combination of horizontal drilling with hydraulic fracturing, and the ongoing refinement of these techniques have added considerable resource potential in recent years, with multi-billion barrel fields of oil and

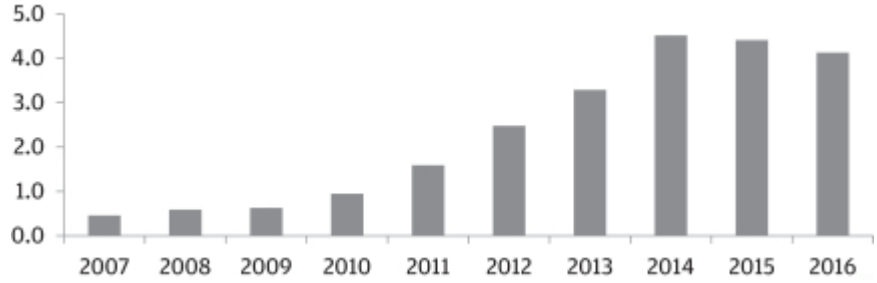
trillions of cubic feet of natural gas discovered over the last five years. According to Baker Hughes, the horizontal rig count increased 205% between 2007 and 2014, with horizontal rigs making up 91% of active rigs as of December 30, 2016. Driven by this increase in horizontal drilling, U.S. production volumes from tight oil resources grew between 2007 and 2016 at a cumulative annual rate of 28%. Drilling techniques related to unconventional resources often benefit from tighter acre-spacing and multi-well pad drilling, increasing number of wells drilled relative to conventional methods, which drives increased completions spending and in turn benefits our business.

U.S. Active Rig Count



Source: Baker Hughes; Percentages at year end

U.S. Tight Oil Production
(million barrels per day)



Source: EIA; Volumes at year end

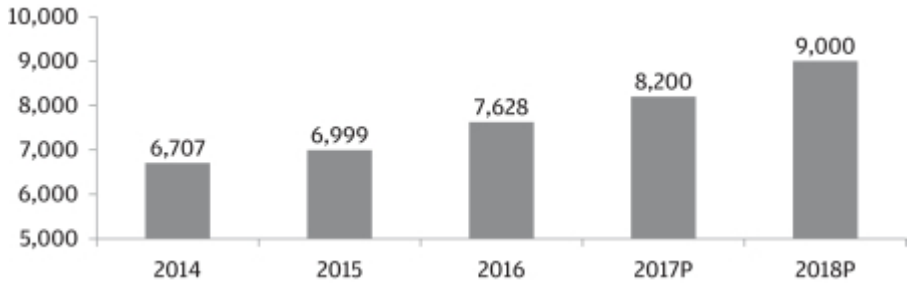
Compounding secular themes driving increased completion intensity

As extracting methods have been refined, E&P companies have exhibited a preference towards extended lateral length, increased cluster density and more numerous hydraulic fracturing stages per well in order to increase well productivity. These trends have led to significant efficiency gains for E&P companies, allowing them to extract oil and gas in greater volumes and at lower cost, and have driven additional demand for our industry' s services on a per well basis by significantly increasing the service intensity required for each well. Each of these themes independently requires incremental completion services and related products as longer laterals, more stages, increased cluster density, added complexity, and more technically demanding wells generally translate to more cement, more plugs, more sleeves, more guns, and more expertise needed by our customers.

Extended well lateral length

Average lateral length has increased by nearly 1,000 feet from 2014 to 2016, a trend that is expected to continue going forward. While the average 2018 projected horizontal well lateral length is 9,000 feet, there are currently wells being drilled that are much longer, with some reaching over 20,000 feet. The following chart illustrates this trend of increasing lateral lengths:

Historical and Projected Average U.S. Lateral Length
(feet)

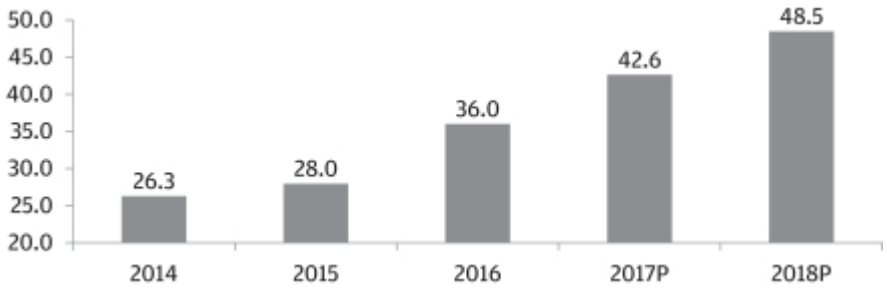


Source: Spears & Associates, Inc., February 2017

Increased stages per well and in aggregate

Average U.S. frac stages have increased significantly in recent years, representing a trend that is expected to continue. Average stages per well grew to approximately 36 from 26 between 2014 and 2016, representing an increase of 37% over two years. This is expected to continue at a compounded annual growth rate of 16% from 2016 through 2018. While the 2018 projected average frac stages is 48.5, there are currently wells that have a much higher stage count, with some utilizing over 100 stages. The following chart illustrates this trend of increasing stage counts:

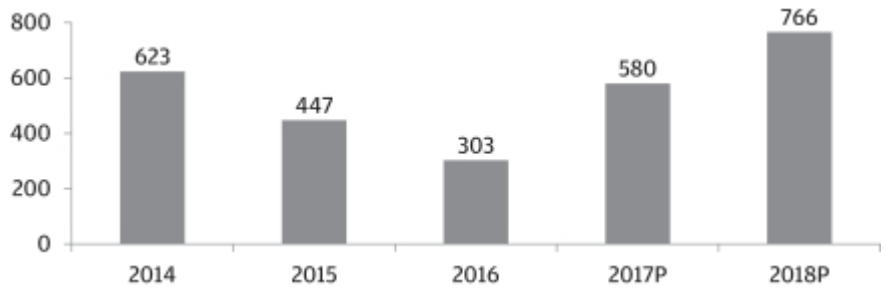
Historical and Projected Average U.S. Frac Stages
Per Horizontal Well



Source: Spears & Associates, Inc., February 2017

The increase in stage counts per well, coupled with the expected increase in drilling activity, is expected to drive an increase in the aggregate number of frac stages in the United States. The number of frac stages is expected to increase 153% from approximately 303,000 in 2016 to approximately 766,000 in 2018, according to Spears & Associates, Inc., as illustrated in the following chart:

Historical and Projected Frac Stages in the U.S. ('000s)



Source: Spears & Associates, Inc., February 2017

Increasing rig efficiency

Techniques being used by E&P companies, including multi-well pad development programs, have led to improved rig efficiencies, resulting in more horizontal wells drilled per rig. Coupled with longer laterals, this trend indicates that demand for well completion services can be expected to outpace standalone rig growth. The co-location of wells on a single pad also allows for more efficient access to wellbores and sharply reduces the mobilization and de-mobilization time between completion and production service jobs. This efficiency improves our operating leverage and allows us to provide our services more efficiently.

Unconventional drilling trends are increasing need for new completions technologies, techniques and equipment

The development of unconventional oil and gas resources is driving the need for new technologies, completion techniques and equipment to help increase recovery rates, lower production costs and accelerate field development. We believe that market trends are changing the method by which resource companies select service suppliers, becoming more focused on service companies' ability to successfully perform on highly technical, complex horizontal wells with higher capital investment and risk. We are working with our customers to develop customized downhole systems to generate higher efficiencies and increase production. As lateral lengths become increasingly longer, operators will need new solutions and technologies to reach these farther lengths. This includes, but is not limited to, toe initiation technology, dissolvable technology and sleeve systems. We are utilizing internal resources and striking strategic partnerships with manufacturing and engineering companies to provide forward-leaning technology for our customers. We believe our technical expertise provides us with an advantage, particularly when it comes to longer lateral wells where many of our competitors do not have our capabilities or expertise. As operators continue to see significant production uplift, we see significant growth opportunity to provide highly technical services and technology.

The recent cyclical downturn reduced the number of service providers, deployable capacity and skilled workforce

Throughout the last decade, there has been an increase in the demand for completion services. This growth in demand was met with an influx of new companies providing such services, including many small privately owned companies. Since late 2014, the significant decline in well drilling and completion activity has led to

industry consolidation and attrition. We believe industry consolidation and the resulting reduction in competition will position us to succeed as demand for the industry' s services continues to increase. In addition to the reduction in the number of service providers with deployable equipment, public companies in our industry are estimated to have reduced their aggregate headcount by at least 170,000, or over 25 percent of, total oilfield service employees from late 2014 to July 2016. We believe that companies that have remained relatively active during the industry downturn, such as ours, will benefit from having and retaining skilled personnel as demand for our industry' s services increases. Additionally, we believe that oilfield services companies that are relatively asset light, like us, will better be able to maintain or grow their business activity levels in a challenging labor environment.

Growing backlog of aging producing wells, many of which were not well maintained through the recent cyclical downturn

The increase in drilling activity demonstrated in recent years, coupled with the shift toward unconventional resource extraction, has resulted in a substantial and growing inventory of producing unconventional wells. As E&P operators made investment decisions during the recent downturn, capital allocations for well maintenance programs were reduced. As a result, there is a substantial inventory of wells that failed during the downturn and remain offline, and a backlog of poorly maintained producing wells. These failed wells will require maintenance spending to be brought online, in the same way that drilled but uncompleted wells (DUCs) require completions spending to be brought online. Similarly, this backlog of poorly maintained wells are more likely to fail or require workover servicing going forward. We believe that the recent increase in commodity prices has improved the economics of workover and other well servicing programs, and will drive demand for our production services at an accelerated rate going forward compared to 2015 and 2016.

Our competitive strengths

We believe that the following strengths differentiate us from many of our competitors and will contribute to our ongoing success:

Technology-driven business model enhances ability to capitalize on industry trend towards more technically demanding unconventional wells

We invest in innovative technology and equipment designed for modern completion and production techniques that increase efficiencies and production for our customers. North American unconventional onshore wells are increasingly characterized by extended lateral lengths, tighter spacing between hydraulic fracturing stages, increased cluster density and heightened proppant loads. Drilling and completion activities for wells in unconventional resource plays are extremely complex, and downhole risks and operating costs increase as the complexity and lateral length of these wells increase. For these reasons, E&P companies with complex wells generally prefer to partner with technically-proficient, established service companies that are capable of providing the necessary equipment and techniques to complete the services safely, efficiently and with a focus on operational excellence. We believe that these unconventional wells will comprise a growing portion of the market, and that our comprehensive completion service and solution offerings position us well to capture this growing market.

We have developed a suite of proprietary downhole tools, products and techniques, such as the Scorpion Fully-Composite Plug™, SmartStart PLUS™, Flow Gun™, Coil Frac Sleeve System and Storm Re-Frac Packer™, through both internal resources as well as strategic partnerships with manufacturers and engineering companies looking for a reliable and expansive channel to market. We have also made an investment in an advanced electromagnetic (EM) fracture monitoring service, Deep Imaging Technologies, which allows our

customers to measure fracture efficacy, informing well spacing and infill development decisions. We believe we have become a ‘‘go-to’’ service provider for piloting new technologies across the U.S. and Canada because of our service quality and scale. These strategic partnerships provide us and our customers with access to unique downhole technology from independent innovators. This also allows us to minimize exposure to potential technology adoption risks and the significant costs associated with developing and implementing R&D internally. Our internal resources are focused on evolving our existing proprietary tools to stay on trend and ensure quicker, lower cost completions for our customers.

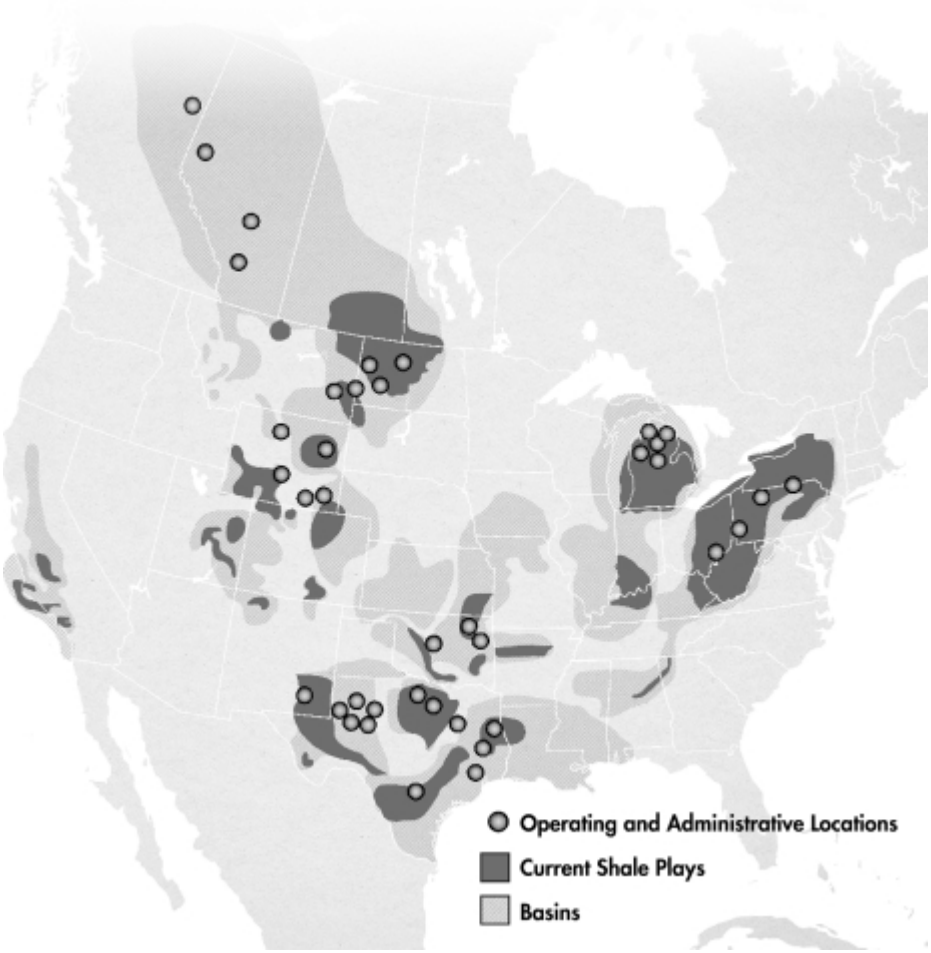
Customized solutions offerings and a differentiated level of customer service

We are able to provide customized solutions for all completion types across North America, including plug-and-perf, pinpoint frac sleeve systems and hybrid wells. Our comprehensive completion service offerings, together with our complementary production services, enable us to deliver the most value to our customers throughout the life of the well. Through our strong relationships with our customers, we maintain a continuous dialogue and real-time feedback loop, allowing us to remain nimble and evolve our service offerings in concert with changing demands from our customers. We believe that our ability to be highly responsive to customers and nimbly address requests for changes in service delivery is a distinct competitive advantage and a cornerstone of our brand.

Established presence in all major onshore basins in both the U.S. and Canada

We operate in all major onshore basins in both the U.S. and Canada, including the Permian Basin, Marcellus and Utica Shales, Eagle Ford Shale, SCOOP / STACK Formation, Bakken Formation, Haynesville Formation and Western Canada Sedimentary Basin. We provide our services through strategically placed operating facilities located in-basin throughout North America. This local presence allows us to quickly respond to customer demands and operate efficiently. Additionally, through our extensive footprint, we are able to track and implement best practices around completion and production trends and technology across all divisions and geography.

The following map demonstrates our geographic footprint. In 2016, we derived 37% of our revenue from the Permian Basin, 22% from the Marcellus and Utica Shales, 8% from the Rockies region, 7% from each of the Eagle Ford Shale and the Haynesville Formation, 6% from each of the Bakken Formation and the Midcontinent, 4% from the Western Canada Sedimentary Basin, and 2% from the Barnett Shale.



We believe that our strategic geographic positioning will benefit us as activity increases in our core operating areas. Our broad geographic footprint provides us with exposure to the ongoing recovery in drilling and completion activity and will allow us to opportunistically pursue new business in basins with the most active drilling environments.

Returns-focused business model with high operational leverage

We are focused on generating attractive returns on capital for our stockholders. Our completion and production services require less equipment and fewer people than many other oilfield service lines. Unlike pressure pumping, the increase in oil and gas well completion intensity does not significantly impact our equipment. The rising level of completion intensity in our core operating areas contributes to improved margins and returns for us on a per job basis. This provides us significant operational leverage, and we believe positions us well to continue to generate attractive returns on capital as industry activity increases and the market for oilfield services improves. As part of our returns-focused approach to capital spending, we are focused on maintaining a capital efficient program with respect to the development of new products. We do not make large investments in R&D; instead we primarily rely on strategic partnerships with oilfield product development companies, who

view us as an attractive distribution platform for their products. This allows us to benefit from new products and technologies while minimizing our R&D expenditures. We believe our ROIC generally exceeds that of many other oilfield service providers. For a definition of ROIC, which is a non-GAAP financial measure, see "Prospectus summary–Summary financial data–Non-GAAP financial measures."

Experienced and entrepreneurial management team and board of directors with a successful track record of executing growth and acquisition strategies

The members of our management team and board of directors have a blend of operating, financial and leadership experience in the industry, that we believe provides us with a competitive advantage. We have a deep management team, with experienced mid-level and field managers, many of whom previously started and managed smaller independent onshore oilfield services companies. Our management team has an average of over 20 years of experience in the oilfield service industry, and our field managers have expertise in the geological basins in which they operate and understand the regional challenges that our customers face. We believe this experience provides our management team with an in-depth understanding of our customers' needs, which enhances our ability to deliver innovative, customer-driven solutions throughout varying industry cycles, which in turn strengthens our relationships with our customers. Many members of our senior management team are entrepreneurs and company founders who joined our company and remain major stockholders, and over 80% of company founders who joined our company continue to be a part of our company today. This is an important part of our growth-focused corporate culture. We focus on partnering with the right management teams and companies, which has enabled us to identify and acquire high-quality businesses with a similar culture to us and synergistically integrate them into our existing operation. Nine has completed four acquisitions as well as the Combination with Beckman. We believe this significant experience in identifying and closing acquisitions will help us identify additional attractive acquisition opportunities in the future. In addition, we believe that our extensive industry contacts and those of SCF Partners, our equity sponsor, will facilitate the identification of acquisition opportunities. See "Prospectus summary–Our equity sponsor" for information regarding SCF Partners.

Balance sheet flexibility to selectively pursue accretive growth avenues

On a pro forma basis giving effect to (i) this offering and the use of net proceeds therefrom to fully repay all outstanding borrowings under the Existing Nine Credit Facility and the Existing Beckman Credit Facility and the remainder for general corporate purposes and (ii) the entry into our new credit facility, which we expect to be undrawn upon consummation of this offering, as of April 30, 2017, we had $ million of cash on hand and $ million of availability under our new credit facility, providing us with the flexibility to pursue opportunities to grow our business. See "Management's discussion and analysis of financial condition and results of operations–Our credit facilities–Our new credit facility" for information regarding our new credit facility, which we expect to enter into concurrently with, and conditioned upon, the consummation of this offering. Given our broad geographic and services footprint and strong reputation in the industry, we believe that we will have significant optionality to grow in existing service areas or expand into new areas as demanded by our customers.

Our business strategies

Our company strategy is very focused on returns on invested capital achieved through serving our customers' needs to help maximize production and drive cost efficiencies through a unique combination of technology and service. We expect to achieve this through the following strategies:

Continue to innovate and enhance our technology-driven offerings

We intend to continue to invest and develop new technologies, techniques and equipment to provide our customers with continuously innovating services and the tools of tomorrow needed to efficiently complete and produce the most complex wells. The growth of unconventional oil and gas resources drives the need for new technologies, completion techniques and equipment to increase recovery rates, lower production costs and accelerate field development. Our customers operate in an extremely competitive environment, and they demand technology-driven service and innovative tools suitable for the most modern completion and production techniques. We have instilled in our employees a culture of innovation and open communication with both our customers and management to be the first responders to our customers' need for the next innovation or tool. We will continue to listen and learn from operators and experts in the field to facilitate a fast and informative feedback loop that allows us to stay ahead of customers' needs and share industry best practices across basins. With this real-time information, we seek strategic partnerships and accretive acquisitions with companies and innovators that specialize in developing new production equipment and technologies. We believe that our real-time access to information and focus on technology-driven innovation and efficiency will continue to differentiate us from our competitors and will drive our success with customers that demand a technologically focused and tailored approach.

Continue to focus on service quality and flawless wellsite execution

A successful completion requires both the implementation of a variety of technologies and the commitment to wellsite execution. As well complexities continue to increase, service quality becomes a key criteria used by operators in selecting their oilfield service providers. An E&P operator' s downhole risks and operating costs increase as the complexity and lateral lengths of wells increase. Our customers demand high quality service with fast and nimble responses. We seek to meet this demand by developing our employees through extensive classroom and on the job training, as well as HSE and DOT training programs. This also enables us to have a flatter organization and empower employees throughout all levels of the company. Our employees' extensive knowledge and training allows for more autonomy in the field, ultimately reducing response time and establishing trust with our customers. We continue to develop and implement comprehensive metrics and company standards while allowing our regional leadership to operate autonomously in accordance with those standards. We believe this nimble, customer-focused approach to service will allow us to increase efficiencies for our customers and drive success for our company.

Continue to capitalize on efficiencies being demanded by our customer base

Our customers are increasingly focused on driving efficiencies in drilling and completion techniques of unconventional wells. This focus has led to an increase in the adoption of pad drilling, zipper fracs and other techniques intended to reduce the time and cost inherent in drilling and completing wells. We believe that we are well-positioned to benefit from these efficiencies, which allow us to complete a greater number of jobs (such as stages, plugs or drillouts) with fewer workers and minimal capital maintenance and equipment, ultimately generating additional revenue and better margins. Prior to the adoption of longer laterals, more stages and pad drilling, the completion of 100 stages would require approximately ten wireline, coil or workover units (one unit per well). The increase in operating efficiencies of our E&P customers produced by

developments in horizontal drilling have produced efficiencies in our operations. For example, operators in the current environment are completing 100 stages at a single pad, allowing us to send one unit and two crews to location. We now require less people and equipment to generate the same stage counts or drillouts. For example, in 2014, we averaged approximately 5.5 stages per employee per month compared to approximately 7.2 stages per employee per month in 2016. We have and will continue to be aligned to our customers' efficiencies, which drive down our costs and increase our utilization.

Leverage our strategic footprint to pilot new technologies and share best practices

Our strategy includes leveraging our broad geographic and services footprint, customer network and strong reputation in the industry to serve as a channel to market for new and innovative technology and communicate best practices internally and to our customers. Having a local presence within each basin allows us to provide more responsive customer service, as well as significant exposure to every type of completion methodology and technology across North America. This expertise and knowledge is quickly shared across the company allowing us to inform customers, modify techniques and introduce new technology across all basins. For example, we have successfully leveraged our Canadian team that has helped introduce new technologies across the company, including a new coated wireline recently deployed in the SCOOP / STACK formation and the Permian Basin. We will continue to bring innovative best practices to our customers and alter completion applications to help customers maximize production. With a broad geographic footprint, we are also the ideal service provider for manufacturing, engineering and independent innovators looking for a reliable channel to market for new technology. We provide exposure to a large customer base across all major North American basins coupled with a high quality sales team with the ability to capture market share and promote new products in every onshore basin in North America. We will continue to establish regional locations to maintain high quality customer service, implement best practices and seek strategic partnerships.

Grow our product and service offerings through internal development, strategic partnerships and accretive acquisitions

We anticipate demand for our services to increase over the medium- and long-term throughout all onshore basins in North America. We plan to drive growth both organically and through strategic partnerships and accretive acquisitions. Our organic growth strategies, which focus on continuing to provide customers with exceptional service and a comprehensive array of technology-based solutions, give us a cost effective way of growing our revenue base by leveraging our existing infrastructure and customer network. Our organic growth initiatives target areas that are expected to provide the highest economic return while taking into consideration strategic goals, such as growing or maintaining our key customer relationships. To complement our organic growth, we intend to continue to enter into strategic partnerships, including with technology-focused companies to enhance our ability to provide technologically-advanced solutions at a comparatively lower cost. We also intend to continue to actively pursue targeted, accretive acquisitions that will enhance our portfolio of products and services, market positioning or geographic presence. We seek potential acquisition targets with cultures compatible with our recognized service quality and forward-looking company culture. While we operate in all major onshore basins in both the U.S. and Canada, we do not currently offer all of our services in each of these basins. We plan to efficiently leverage our existing infrastructure in select basins to grow the breadth of our service offerings. We believe this will provide us with a cost-effective way to offer additional, complementary services to existing customers, thereby offering them a more comprehensive service offering and allowing us to respond more quickly to their needs and enhancing our revenue generation potential.

Maintain a strong balance sheet to preserve operational and strategic flexibility

We intend to maintain a conservative approach to managing our balance sheet, which allows us to better react to changes in commodity prices and related demand for our services as well as overall market conditions. We carefully manage our liquidity and debt position through monitoring our cash flows and spending levels. We intend to use a portion of the proceeds from this offering to improve our liquidity by repaying all outstanding borrowings under the Existing Nine Credit Facility and the Existing Beckman Credit Facility and the remainder for general corporate purposes, which may include the acquisition of additional equipment and complementary businesses that enhance our existing service offerings, broaden our service offerings or expand our customer relationships. On a pro forma basis giving effect to (i) this offering and the use of net proceeds therefrom to fully repay all outstanding borrowings under the Existing Nine Credit Facility and the Existing Beckman Credit Facility and the remainder for general corporate purposes and (ii) the entry into our new credit facility, which we expect to be undrawn upon consummation of this offering, as of April 30, 2017, we had $ million of cash on hand and $ million of availability under our new credit facility, providing us with the flexibility to pursue opportunities to grow our business.

Our history and the combination

We were formed on February 28, 2013 through a combination of three service companies owned by SCF, the first of which was acquired in March 2011. Our foundation consisted of an entrepreneurial team with proven industry expertise and technological solutions for well completions, which we have continued to build upon organically and through acquisitions. We subsequently acquired Peak Pressure Control in August 2013, Dak-Tana Wireline in April 2014, Crest Pumping Technologies in June 2014 and G8 Oil Tool and its intellectual property related to its Scorpion frac plug in September 2015. These acquisitions provided us additional size, scale, product and service diversity and capabilities as well as an expanded geographic footprint. We have focused on the integration of these companies to create one united brand, culture and vision, while combining their expertise to develop customized completion solutions to the market.

On February 28, 2017, we merged with Beckman, a growth-oriented oilfield services company that provides a wide range of well service and coiled tubing services. Pursuant to the Combination, all of the issued and outstanding shares of Beckman common stock were converted into shares of our common stock, other than 1.6% of Beckman shares paid in cash. Prior to the Combination, Beckman was also an SCF Partners portfolio company since July 2012. A key strategic rationale for the Combination was to enhance our ability to serve customers and our growth potential through broader product lines and basin diversification, enabling us to cross-sell our products and compete with larger companies. For more information on the Combination, see ‘‘Certain relationships and related party transactions–The Combination.’’

Sales and marketing

Our sales activities are conducted through a network of sales representatives and business development personnel, which provides us coverage at both the corporate and field level of our customers. Sales representatives work closely with local operations managers to target potential opportunities through strategic focus and planning. Customers are identified as targets based on their drilling and completion activity, geographic location and economic viability. Direction of the sales team is conducted through weekly meetings and daily communication. The Completion Solutions team is led by a Vice President or Director of Sales within the service line that reports to the segment President. Our marketing activities are performed internally with input and guidance from a third party marketing agency. Our strategy is based on building a strong North American brand though multiple media outlets including our website, select social media accounts, print, billboard advertisements, press releases and various industry-specific conferences, publications and lectures.

We have a technical sales organization with expertise and focus within their specific service line. We focus on organic growth through "cross-selling" of services and marketing excellence through brand service quality, technology and metrics of success. We accomplish this through communication across sales and operations departments and regions to share best practices and leverage existing customer relationships.

New product development and intellectual property

Our engineering and technology efforts are focused on providing efficient and cost-effective solutions to maximize production for our customers across major North American onshore basins. We have dedicated resources focused on the internal development of new technology and equipment, as well as resources focused on sourcing and commercializing new technologies through strategic partnerships. Our sales and earnings are influenced by our ability to successfully introduce new or improved products and services to the market.

We have developed a suite of proprietary downhole tools, products and techniques through both internal resources, as well as strategic partnerships with manufacturers and engineering companies looking for a reliable and expansive channel to market. Examples of our technology includes:

Scorpion Fully-Composite Plug™: Our patented packer-style fully composite plug is designed to provide zonal isolation in a multi-stage well completion. We offer a diverse product group of fully-composite plugs for the use in 3.5" to 5.5" well casings used today, as well as a unique Scorpion Extended Range plug offering. Our Extended Range plugs are used in demanding well applications where operators have to negotiate tough mechanical casing internal diameter restrictions. With the Scorpion plug' s shorter length, nonmetallic casing anchor slips and robust engineered design, our plugs provide superior reliability and greatly reduced drill-out times.

SmartStart PLUS™: We currently have exclusive distribution rights in the northeastern U.S. and with certain customers in other regions for the SmartStart frac valve. The SmartStart frac valve is an interventionless time-delayed pressure-activated frac sleeve that eliminates the need for tubing or pipe conveyed perforating when completing the toe stage of horizontal wells. The SmartStart frac valve is deployed on production string and allows operators to achieve a maximum casing pressure test and begin frac operations up to nine times faster, greatly cutting cost and reducing risk during toe stage completions.

Storm Re-Frac Packer™: We recently entered into an exclusive North American arrangement to deploy the Storm Re-Frac Packer, a system that allows our customers to re-stimulate their existing wells using standard size plug-and-perf procedures to extend and enhance their production profiles with minimal flow restriction during stimulation. Our systems provide completion efficiencies at the wellsite by reducing our customers' equipment needs and stimulation time and allowing for specific zonal treatment.

FlowGun™: We recently completed successful trials on our patented FlowGun technology. The FlowGun is a stage one interventionless casing-conveyed perforating technology that eliminates the need to run wireline or coil tubing and requires no electronic detonation. This new technology allows customers to perform a maximum pressure test, perforate stage one more efficiently with less risk and with no lateral length limitations. The FlowGun manages several downhole jobs with one tool and one crew, increasing efficiency with the entire process taking no more than one hour.

Coil Frac Sleeve System: We recently entered into an agreement becoming the exclusive provider of a Coil Frac Sleeve System in the United States. This system utilizes coiled tubing to deploy a resettable frac packer which is used to open and isolate frac sleeves that have been installed as an integral part of the casing. This frac packer can also be used where no frac sleeves have been installed by abrasive cutting perforations in the casing.

We strike strategic alliances with manufacturing and technology companies to be the exclusive distributor and service provider of downhole technology across a variety of basins in North America. In these partnerships, we have exclusive rights to market and sell technology unavailable to any other service providers in the designated regions. With these partnerships, we sell the technology directly to the customer and order from the manufacturer on an as-needed basis, with no minimum volume requirements and without having to hold excess inventory.

We currently hold six U.S. and two Canadian patents and one pending U.S. and three pending Canadian patent applications relating to our Scorpion Fully-Composite Plug™. We also have four U.S. patents, one Canadian patent, two pending U.S. and one pending Canadian patent application relating to our FlowGun™ completion tool. In addition we have entered into strategic partnerships with respect to the SmartStart PLUS™ toe valve, QuickStart™ frac valve, Coil Frac Sleeve System, and the Storm™, Force™, Centurion™ completion product line for the frac and re-frac market. Although in the aggregate our patents, licenses and strategic partnerships are important to us, we do not regard any single patent, license or strategic partnership as critical or essential to our business as a whole. In general, we depend on our technological capabilities, customer service oriented culture and application of our know-how to distinguish ourselves from our competitors, rather than our right to exclude others through patents or exclusive licenses. We also consider the quality and timely delivery of our products, the service we provide to our customers, and the technical knowledge and skill of our personnel to be more important than our registered intellectual property in our ability to compete.

We believe we have become a "go-to" service provider for piloting new technologies across North America because of our service quality, execution at the wellsite and scale. These strategic partnerships provide us and our customers with access to unique downhole technology from independent innovators. This also allows us to minimize exposure to potential technology adoption risks and the significant costs associated with developing and implementing R&D internally. Our internal resources are focused on evolving our existing proprietary tools to stay on trend and ensure quicker, lower completion and production costs for our customers.

Customers

Our customer base includes a broad range of integrated and independent E&P companies. For the year ended December 31, 2016, our top five customers collectively accounted for approximately 30% of our revenues. For the year ended December 31, 2016, one customer, Pioneer Natural Resources Company, accounted for more than 10% of our revenues.

Competition

We provide our services and products across the United States and Canada and we compete against different companies in each service and product line we offer. Our competition includes many large and small oilfield service companies, including the largest integrated oilfield services companies. We believe that the principal competitive factors in the markets we serve are technology offerings, wellsite execution, service quality, technical expertise, equipment capacity, work force competency, efficiency, safety record, reputation and experience. Additionally, projects are often awarded on a bid basis, which tends to create a highly competitive environment. We seek to differentiate our company from our competitors by delivering the highest-quality services, technology and equipment possible, coupled with superior execution and operating efficiency in a safe working environment. By focusing on cultivating our existing customer relationships and maintaining our high standard of customer service, technology, safety, performance and quality of crews, equipment and services, we believe we are equipped for continued growth and success in a competitive market.

Our major competitors for our completion solutions include Halliburton Company, Schlumberger Limited, Baker Hughes Incorporated, Weatherford International Ltd., C&J Energy Services, Inc. and a significant number of

locally oriented businesses. Our major competitors for our production solutions include Pioneer Energy Services Corp., Key Energy Services, Inc., Basic Energy Services, Inc., Superior Energy Services, Inc. and a significant number of locally oriented businesses.

Suppliers

We purchase a wide variety of raw materials, parts and components that are manufactured and supplied for our operations from various suppliers. We are not dependent on any single supplier for those parts, supplies or materials. During the year ended December 31, 2016, no single supplier of the materials used in our services from various suppliers exceeded 10% or more of our materials or equipment as a percentage of overall costs.

To date, we have generally been able to obtain the equipment, parts and supplies necessary to support our operations on a timely basis. While we believe that we will be able to make satisfactory alternative arrangements in the event of any interruption in the supply of these materials and/or products by one of our suppliers, we may not always be able to make alternative arrangements. In addition, certain materials for which we do not currently have long-term supply agreements could experience shortages and significant price increases in the future. As a result, we may be unable to mitigate any future supply shortages and our results of operations, prospects and financial condition could be adversely affected.

Properties

We believe our facilities are in good condition and suitable for our current operations. The following table describes the material facilities owned or leased by us as of March 1, 2017:

Segment	Location	Basin/ Region	Leased or owned	Principal/most significant use
Headquarters	*Houston, TX*	–	*Leased*	*Corporate Headquarters / Administrative*
Completion	*Athens, TX*	–	*Leased*	*Operations*
Completion	*Baker, MT*	*Bakken*	*Owned*	*Operations/Administrative*
Completion	*Calgary, AB, Canada*	–	*Leased*	*Administrative*
Completion	*Cheyenne, WY*	*Rockies*	*Leased*	*Operations*
Completion	*Dickinson, ND*	*Bakken*	*Leased*	*Operations/Administrative*
Completion	*Enid, OK*	*SCOOP/STACK*	*Leased*	*Operations/Administrative*
Completion	*Fort St. John, BC, Canada*	*WCSB*	*Leased*	*Operations*
Completion	*Fort Worth, TX*	–	*Leased*	*Administrative*
Completion	*Grand Prairie, AB, Canada*	*WCSB*	*Leased*	*Operations*
Completion	*Hobbs, NM*	*Permian*	*Leased*	*Operations*
Completion	*Jacksboro, TX*	*Barnett*	*Leased*	*Operations*
Completion	*Kilgore, TX*	*Haynesville*	*Leased*	*Operations/Administrative*
Completion	*Marietta, OH*	*Marcellus/Utica*	*Leased*	*Operations*
Completion	*Midland, TX*	*Permian*	*Leased*	*Operations*
Completion	*Midland, TX*	*Permian*	*Owned*	*Operations/Administrative*
Completion	*Midland, TX*	*Permian*	*Leased*	*Administrative*
Completion	*Monahans, TX*	*Permian*	*Leased*	*Operations/Administrative*
Completion	*Pleasanton, TX*	*Eagle Ford*	*Leased*	*Operations*
Completion	*Poolville, TX*	–	*Owned*	*Operations*

Segment	Location	Basin/ Region	Leased or owned	Principal/most significant use
Completion	*Red Deer, AB, Canada*	*WCSB*	*Leased*	*Operations*
Completion	*Shawnee, OK*	*SCOOP/STACK*	*Leased*	*Operations*
Completion	*Sweetwater, TX*	*Permian*	*Leased*	*Operations*
Completion	*Ulster, PA*	*Marcellus/Utica*	*Leased*	*Operations*
Completion	*Washington, PA*	*Marcellus/Utica*	*Leased*	*Operations*
Completion	*Whitecourt, AB, Canada*	*WCSB*	*Leased*	*Operations*
Completion	*Williston, ND*	*Bakken*	*Owned*	*Operations*
Completion	*Williston, ND*	*Bakken*	*Owned*	*Operations/Administrative*
Production	*Big Lake, TX*	*Permian*	*Owned*	*Operations/Administrative*
Production	*Casper, WY*	*Rockies*	*Owned*	*Operations/Administrative*
Production	*Douglas, WY*	*Rockies*	*Owned*	*Operations/Administrative*
Production	*Edgerton, WY*	*Rockies*	*Owned*	*Operations/Administrative*
Production	*Gaylord, MI*	*Antrim*	*Owned*	*Operations*
Production	*Gillette, WY*	*Rockies*	*Leased*	*Operations/Administrative*
Production	*Harrison, MI*	*Antrim*	*Owned*	*Operations*
Production	*Hennessey, OK*	*SCOOP/STACK*	*Owned*	*Operations*
Production	*Kalkaska, MI*	*Antrim*	*Owned*	*Operations/Administrative*
Production	*Mesick, MI*	*Antrim*	*Owned*	*Operations*
Production	*Midland, TX*	*Permian*	*Owned*	*Operations/Administrative*
Production	*Powell, WY*	*Rockies*	*Owned*	*Operations/Administrative*
Production	*Thermopolis, WY*	*Rockies*	*Leased*	*Operations/Administrative*
Production	*Tioga, ND*	*Bakken*	*Leased*	*Operations*
Production	*Worland, WY*	*Rockies*	*Leased*	*Operations*

Seasonality

Our operations are subject to seasonal factors and our overall financial results reflect seasonal variations. Specifically, we typically have experienced a pause by our customers around the holiday season in the fourth quarter, which may be compounded as our customers exhaust their annual capital spending budgets towards year end. Additionally, our operations are directly affected by weather conditions. During the winter months (first and fourth quarters) and periods of heavy snow, ice or rain, particularly in the northeastern U.S., Michigan, North Dakota, Wyoming and western Canada, our customers may delay operations or we may not be able to operate or move our equipment between locations. Also, during the spring thaw, which normally starts in late March and continues through June, some areas, primarily in western Canada, impose transportation restrictions to prevent damage caused by the spring thaw. Lastly, throughout the year heavy rains adversely affect activity levels, as well locations and dirt access roads can become impassible in wet conditions.

Weather conditions also affect the demand for, and prices of, oil and natural gas and, as a result, demand for our services. Demand for oil and natural gas is typically higher in the fourth and first quarters, resulting in higher prices in these quarters.

Risk management and insurance

Our operations are subject to hazards inherent in the oil and natural gas industry, including, but not limited to, accidents, blowouts, explosions, craterings, fires, oil spills and hazardous materials spills. These conditions can cause:

- personal injury or loss of life;
- damage to, or destruction of property, the environment and wildlife; and
- the suspension of our or our customers' operations.

In addition, claims for loss of oil and gas production and damage to formations can occur in the oilfield services industry. If a serious accident were to occur at a location where our equipment and services are being used, it could result in us being named as a defendant in lawsuits asserting large claims.

Because our business involves the transportation of heavy equipment and materials, we may also experience traffic accidents which may result in spills, property damage and personal injury.

Despite our efforts to maintain high safety standards, from time to time, we have suffered accidents, and there is a risk that we will experience accidents in the future. In addition to the property and personal losses from these accidents, the frequency and severity of these incidents affect our operating costs and insurability, and our relationship with customers, employees and regulatory agencies. In particular, in recent years many of our large customers have placed an increased emphasis on the safety records of their service providers. Any significant increase in the frequency or severity of these incidents, or the general level of compensatory payments, could adversely affect the cost of, or our ability to obtain, workers' compensation and other forms of insurance, and could have other material adverse effects on our financial condition and results of operations.

We maintain insurance coverage of types and amounts that we believe to be customary in the industry including workers' compensation, employer' s liability, claims based pollution, umbrella, comprehensive commercial general liability, business automobile and property. Our insurance coverage may be inadequate to cover our liabilities. In addition, we may not be able to maintain adequate insurance in the future at rates we consider reasonable and commercially justifiable or on terms as favorable as our current arrangements.

We endeavor to allocate potential liabilities and risks between the parties in our MSAs. We retain the risk for any liability not indemnified by our customers in excess of our insurance coverage. These MSAs delineate our and our customers' respective warranty and indemnification obligations with respect to the services we provide. We endeavor to negotiate MSAs with our customers that provide, among other things, that we and our customers assume (without regard to fault) liability for damages to our respective personnel and property. For catastrophic losses, we endeavor to negotiate MSAs that include industry-standard carve-outs from the knock-for-knock indemnities. Additionally, our MSAs often provide carve-outs to the ‘‘without regard to fault'' concept that would permit, for example, us to be held responsible for events of catastrophic loss only if they arise as a result of our gross negligence or willful misconduct. Our MSAs typically provide for industry-standard pollution indemnities, pursuant to which we assume liability for surface pollution associated with our equipment and originating above the surface (without regard to fault), and our customer assumes (without regard to fault) liability arising from all other pollution, including, without limitation, underground pollution and pollution emanating from the wellbore as a result of an explosion, fire or blowout.

The summary of MSAs set forth above is a summary of the material terms of the typical MSA that we have in place and does not reflect every MSA that we have entered into or may enter into in the future, some of which may contain indemnity structures and risk allocations between our customers and us that are different than those described here.

Environmental, health and safety regulation

Our operations are subject to numerous stringent and complex laws and regulations at the U.S. federal, state and local levels governing the release, disposal or discharge of materials into the environment, health and safety aspects of our operations, or otherwise relating to environmental protection. In addition, due to our operations in Canada, we are also subject to Canadian environment statutes and regulations. Failure to comply with these laws and regulations or to obtain or comply with permits may result in the assessment of administrative, civil and criminal penalties, imposition of remedial or corrective action requirements and the imposition of injunctions or other orders to prohibit certain activities, restrict certain operations or force future compliance with environmental requirements.

There is inherent risk of incurring significant environmental costs and liabilities in the performance of our operations due to our handling of petroleum hydrocarbons, other hazardous substances and wastes, as a result of air emissions and wastewater discharges related to our operations, and because of historical operations and waste disposal practices. Spills or other releases of regulated substances, including such spills and releases that occur in the future, could expose us to material losses, expenditures and liabilities under applicable environmental laws and regulations. Under certain of such laws and regulations, we could be held strictly liable for the removal or remediation of previously released materials or property contamination, regardless of whether we were responsible for the release or contamination and even if our operations met previous standards in the industry at the time they were conducted.

The following is a summary of some of the existing laws, rules and regulations to which we are subject.

Hazardous substances and waste handling

The Resource Conservation and Recovery Act (“RCRA”) and comparable state statutes, regulate the generation, transportation, treatment, storage, disposal and cleanup of hazardous and non-hazardous wastes. Under the guidance issued by the EPA, the individual states administer some or all of the provisions of RCRA, sometimes in conjunction with their own, more stringent requirements. We are required to manage the disposal of hazardous and non-hazardous wastes in compliance with RCRA and analogous state laws. RCRA currently exempts many E&P wastes from classification as hazardous waste. Specifically, RCRA excludes from the definition of hazardous waste produced waters and other wastes intrinsically associated with the exploration, development, or production of crude oil and natural gas. However, these oil and gas E&P wastes may still be regulated under state solid waste laws and regulations, and it is possible that certain oil and natural gas E&P wastes now classified as non-hazardous could be classified as hazardous waste in the future. For example, in December 2016, the EPA and environmental groups entered into a consent decree to address EPA’ s alleged failure to timely assess its RCRA Subtitle D criteria regulations exempting certain E&P related oil and gas wastes from regulation as hazardous wastes under RCRA. The consent decree requires EPA to propose a rulemaking no later than March 15, 2019 for revision of certain Subtitle D criteria regulations pertaining to oil and gas wastes or to sign a determination that revision of the regulations is not necessary. If EPA proposes rulemaking for revised oil and gas regulations, the Consent Decree requires that the EPA take final action following notice and comment rulemaking no later than July 15, 2021. Stricter regulation of wastes generated during our or our customers’ operations could result in increased costs for our operations or the operations of its customers, which could in turn reduce demand for our services and adversely affect our business.

Comprehensive Environmental Response, Compensation, and Liability Act

The Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), also known as the Superfund law, imposes joint and several liability, without regard to fault or legality of conduct, on classes of

persons who are considered to be responsible for the release of a hazardous substance into the environment. These persons include the current and former owner or operator of the site where the release occurred, and anyone who transported or disposed or arranged for the transport or disposal of a hazardous substance released at the site. Persons who are or were responsible for releases of hazardous substances under CERCLA and any state analogs may be subject to joint and several, strict liability for the costs of cleaning up the hazardous substances that have been released into the environment, and for damages to natural resources and for the costs of certain health studies. We currently own, lease, or operate numerous properties that have been used for manufacturing and other operations for many years. These properties and the substances disposed or released on them may be subject to CERCLA, RCRA and analogous state laws. Under such laws, we could be required to remove previously disposed substances and wastes, remediate contaminated property, or perform remedial operations to prevent future contamination. In addition, it is not uncommon for neighboring landowners and other third-parties to file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment.

Water discharges

The Federal Water Pollution Control Act (the "Clean Water Act") and analogous state laws impose restrictions and strict controls with respect to the discharge of pollutants, including spills and leaks of oil and other substances, into waters of the United States. The discharge of pollutants into regulated waters, including jurisdictional wetlands, is prohibited, except in accordance with the terms of a permit issued by the EPA or an analogous state agency. In September 2015, a new EPA and U.S. Army Corps of Engineers (the "Corps") rule defining the scope of federal jurisdiction over wetlands and other waters became effective. To the extent the rule expands the range of properties subject to the Clean Water Act' s jurisdiction, certain energy companies could face increased costs and delays with respect to obtaining permits for dredge and fill activities in wetland areas, which in turn could reduce demand for our services. The rule has been challenged in court on the grounds that it unlawfully expands the reach of Clean Water Act programs, and implementation of the rule has been stayed pending resolution of the court challenge. In addition, following the issuance of a presidential executive order to review the rule, the EPA has announced its intent to repeal and issue a new rule defining the Clean Water Act' s jurisdiction. As a result, future implementation of the rule is uncertain at this time. The process for obtaining permits has the potential to delay our operations and those of our customers. Spill prevention, control and countermeasure requirements of federal laws require appropriate containment berms and similar structures to help prevent the contamination of navigable waters by a petroleum hydrocarbon tank spill, rupture or leak. In addition, the CWA and analogous state laws require individual permits or coverage under general permits for discharges of storm water runoff from certain types of facilities. Federal and state regulatory agencies can impose administrative, civil and criminal penalties as well as other enforcement mechanisms for non-compliance with discharge permits or other requirements of the CWA and analogous state laws and regulations. The Clean Water Act and analogous state laws provide for administrative, civil and criminal penalties for unauthorized discharges and, together with the Oil Pollution Act of 1990, impose rigorous requirements for spill prevention and response planning, as well as substantial potential liability for the costs of removal, remediation, and damages in connection with any unauthorized discharges.

Air emissions

The CAA, and comparable state laws, regulate emissions of various air pollutants through air emissions permitting programs and the imposition of other requirements. In addition, the EPA has developed, and continues to develop, stringent regulations governing emissions of toxic air pollutants at specified sources. These regulations change frequently. These laws and regulations may require us to obtain pre-approval for the construction or modification of certain projects or facilities expected to produce or significantly increase air

emissions, obtain and strictly comply with stringent air permit requirements or utilize specific equipment or technologies to control emissions of certain pollutants. For example, in May 2016, the EPA finalized rules regarding criteria for aggregating multiple small surface sites into a single source for air-quality permitting purposes applicable to the oil and gas industry. This rule could cause small facilities, on an aggregate basis, to be deemed a major source, thereby triggering more stringent air permitting requirements. In addition, in October 2015, the EPA lowered the National Ambient Air Quality Standard ("NAAQS") for ozone from 75 to 70 parts per billion. State implementation of the revised NAAQS could result in stricter permitting requirements, which in turn could delay or impair our or our customers' ability to obtain air emission permits, and result in increased expenditures for pollution control equipment, the costs of which could be significant. Federal and state regulatory agencies can impose administrative, civil and criminal penalties, as well as injunctive relief, for non-compliance with air permits or other requirements of the CAA and associated state laws and regulations.

Climate change

The EPA has determined that emissions of greenhouse gases, including carbon dioxide and methane, present a danger to public health and the environment because emissions of such gases are, according to the EPA, contributing to warming of the Earth's atmosphere and other climatic changes. The EPA has established greenhouse gas emission reporting requirements for sources in the oil and gas sector, and has also promulgated rules requiring certain large stationary sources of greenhouse gases to obtain preconstruction permits under the CAA and follow "best available control technology" requirements. Although we are not likely to become subject to greenhouse gas emissions permitting and best available control technology requirements because none of our facilities are presently major sources of greenhouse gas emissions, such requirements could become applicable to our customers and could have an adverse effect on their costs of operations or financial performance, thereby adversely affecting our business, financial condition and results of operations.

Also, the U.S. Congress has from time to time considered adopting legislation to reduce emissions of greenhouse gases and many states have already have established regional greenhouse gas "cap- and-trade" programs. The adoption of any legislation or regulation that restricts emissions of greenhouse gases from the equipment and operations of our customers or with respect to the oil and natural gas they produce could adversely affect demand for our products and services. Finally, some scientists have concluded that increasing concentrations of greenhouse gases in the Earth's atmosphere may produce climate changes that could have significant physical effects, such as increased frequency and severity of storms, droughts, and floods and other climatic events; if such effects were to occur, they could have an adverse impact on our operations.

Hydraulic fracturing

Our businesses are dependent on hydraulic fracturing and horizontal drilling activities. Hydraulic fracturing is an important common practice that is used to stimulate production of hydrocarbons, particularly natural gas, from tight formations, including shales. The process, which involves the injection of water, sand and chemicals under pressure into formations to fracture the surrounding rock and stimulate production, is typically regulated by state oil and natural gas commissions. However, federal agencies have asserted regulatory authority over certain aspects of the process. For example, the EPA has asserted federal regulatory authority pursuant to the SDWA over certain hydraulic fracturing activities involving the use of diesel fuels and published permitting guidance in February 2014 addressing the performance of such activities using diesel fuels. The EPA has also issued final regulations under the CAA establishing performance standards, including standards for the capture of air emissions released during hydraulic fracturing, an advanced notice of proposed rulemaking under the Toxic Substances Control Act to require companies to disclose information regarding the chemicals used in hydraulic fracturing, and also finalized rules in June 2016 that prohibit the discharge of wastewater from hydraulic fracturing operations to publicly owned wastewater treatment plants. In addition, the BLM finalized

rules in March 2015 that impose new or more stringent standards for performing hydraulic fracturing on federal and Native American lands. The U.S. District Court of Wyoming struck down the rules in June 2016. An appeal of this decision is pending. More recently, following the issuance of a presidential executive order to review rules related to energy industry, the BLM announced that it intends to initiate a rulemaking to repeal its hydraulic fracturing rules. As a result of these developments, future implementation of the BLM rules is uncertain at this time. Also, Congress has from time to time considered legislation to provide for federal regulation of hydraulic fracturing under the SDWA and to require disclosure of the chemicals used in the hydraulic fracturing process. It is unclear how any additional federal regulation of hydraulic fracturing activities may affect our operations.

Various studies analyzing the potential environmental impacts of hydraulic fracturing have also been performed. For example, in December 2016, the EPA released its final report on the potential impacts of hydraulic fracturing on drinking water resources. The final report concluded that "water cycle" activities associated with hydraulic fracturing may impact drinking water resources "under some circumstances," noting that the following hydraulic fracturing water cycle activities and local- or regional-scale factors are more likely than others to result in more frequent or more severe impacts: water withdrawals for fracturing in times or areas of low water availability; surface spills during the management of fracturing fluids, chemicals or produced water; injection of fracturing fluids into wells with inadequate mechanical integrity; injection of fracturing fluids directly into groundwater resources; discharge of inadequately treated fracturing wastewater to surface waters; and disposal or storage of fracturing wastewater in unlined pits. As described elsewhere in this Information Memorandum, these risks are regulated under various state, federal, and local laws. The EPA' s study report did not find a direct link between the action of hydraulically fracturing the well itself and contamination of groundwater resources. The study report does not, therefore, appear to provide a reasonable basis to expect Congress to repeal the exemption for hydraulic fracturing under the federal Safe Drinking Water Act at the federal level.

Some states, counties and municipalities have enacted or are considering moratoria on hydraulic fracturing. For example, New York and Vermont have banned or are in the process of banning the use of high volume hydraulic fracturing. Alternatively, some municipalities are or have considered zoning and other ordinances, the conditions of which could impose a de facto ban on drilling and/or hydraulic fracturing operations. Further, some states, counties and municipalities are closely examining water use issues, such as permit and disposal options for processed water, which could have a material adverse impact on our financial condition, prospects and results of operations if such additional permitting requirements are imposed upon our industry. If new laws or regulations that significantly restrict hydraulic fracturing are adopted, such laws could reduce our business by making it more difficult or costly for their customers to perform fracturing to stimulate production from tight formations. In addition, if hydraulic fracturing becomes regulated at the federal level as a result of federal legislation or regulatory initiatives by the EPA, the business and operations of our customers could be subject to additional permitting requirements, and also to attendant permitting delays, increased operating and compliance costs and process prohibitions, which could have an adverse effect on our business, financial condition and results of operations.

Employee health and safety

We are subject to a number of federal and state laws and regulations, including the federal Occupational Safety and Health Act ("OSHA") establishing requirements to protect the health and safety of workers. The OSHA hazard communication standard, the EPA community right-to-know regulations under Title III of the federal Superfund Amendment and Reauthorization Act and comparable state statutes requires maintenance of information about hazardous materials used or produced in operations and provision of this information to employees, state and local government authorities and citizens. The Federal Motor Carrier Safety Administration (FMCSA) regulating and providing safety oversight of commercial motor vehicles, the EPA

establishing requirements to protect human health and the environment, the federal Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) establishing requirements for the safe use and storage of explosives, and the federal Nuclear Regulatory Commission (NRC) establishing requirements for the protection against ionizing radiation. Substantial fines and penalties can be imposed and orders or injunctions limiting or prohibiting certain operations may be issued in connection with any failure to comply with these laws and regulations.

Transportation safety and compliance

Operating a fleet in excess of 1,100 commercial motor vehicles, we are subject to a number of federal and state laws and regulations, including the Federal Motor Carrier Safety Regulations ("FMCSR") and Hazardous Material Regulations for Interstate travel, and comparable state regulations for Intrastate travel. Substantial fines and penalties can be imposed and orders or injunctions limiting or prohibiting certain operations may be issued in connection with any failure to comply with laws and regulations relating to the safe operation of commercial motor vehicles.

Employees

As of March 31, 2017, we had 1,574 employees (1,573 of which were full time). Of our total employees, 1,501 were in the United States and 73 were in Canada. We are not a party to any collective bargaining agreements.

Legal proceedings

From time to time, we have various claims, lawsuits and administrative proceedings that are pending or threatened with respect to personal injury, workers' compensation, contractual matters and other commercial matters. Although no assurance can be given with respect to the outcome of these and the effect such outcomes may have, we believe any ultimate liability resulting from the outcome of such claims, lawsuits or administrative proceedings, to the extent not otherwise provided for or covered by insurance, will not have a material adverse effect on our business, operating results or financial condition.

Management

Executive officers and directors

Set forth below are the names, ages and positions of our executive officers and directors as of April 25, 2017. All directors are elected for a term of one year or serve until their successors are elected and qualified or upon earlier of death, disability, resignation or removal. All executive officers hold office until their successors are elected and qualified or upon earlier of death, disability, resignation or removal. There are no family relationships among any of our directors or executive officers, except that David Baldwin and Mark Baldwin are brothers. The address of each director and executive officer is: 16945 Northchase Drive, Suite 1600, Houston, TX 77060.

Name	Age	Position
Ann G. Fox	40	President, Chief Executive Officer, Secretary and Director
David Crombie	43	Executive Vice President and President, Completion Solutions
Douglas S. Aron	43	Executive Vice President and Chief Financial Officer
Edward Bruce Morgan	49	President, Production Solutions
Theodore R. Moore	39	Senior Vice President and General Counsel
Ernie L. Danner	62	Chairman of the Board
David C. Baldwin	54	Director
Mark E. Baldwin	63	Director
Curtis F. Harrell	53	Director
Gary L. Thomas	67	Director
Andrew L. Waite	56	Director

Ann G. Fox, President, Chief Executive Officer, Secretary and Director. Ms. Fox has served as the President, Chief Executive Officer and Secretary of the Company since July 2015, and from February 2013 to July 2015, Ms. Fox served the Company as Chief Financial Officer and Vice President, Strategic Development. From December 2008 to February 2013, Ms. Fox served in various positions with SCF Partners, focusing on the evaluation of potential investment opportunities. Ms. Fox became a Managing Director of SCF Partners in December 2012. Prior to joining SCF Partners, Ms. Fox served in the United States Marine Corps. During her service, Ms. Fox worked with a small team embedded in the South of Iraq in order to ensure Iraqi Security Force combat operations were consistent with the application of US counterinsurgency tactics. Ms. Fox has also served as an as an Investment Banking Analyst for both Prudential Securities and Warburg Dillon Read in New York. Ms. Fox holds a Bachelors of Science in Diplomacy and Security in World Affairs from Georgetown University' s Walsh School of Foreign Service and an M.B.A. from the Harvard Business School. We believe that Ms. Fox' s leadership experience, industry experience and deep knowledge of our business and our customers make her well qualified to serve as our President, Chief Executive Officer and Director.

David Crombie, Executive Vice President and President, Completion Solutions. Mr. Crombie currently serves as the President, Completion Solutions and as an Executive Vice President of the Company. Prior to serving in this position, Mr. Crombie served as President, US Wireline and Cementing and was an EVP of the Company from December 2013 to February 2017. Mr. Crombie joined the Company from Crest Pumping Technologies, LLC, which he founded and guided to success as President. Before starting Crest, Mr. Crombie was Vice President of

Operations and Sales for Pumpco Energy Services, a wholly-owned subsidiary of Complete Production Services (now part of Superior Energy Services) from 2000 to 2012. At Pumpco, he oversaw stimulation and cementing services in prolific, unconventional plays throughout the continental United States. Prior to Pumpco, Mr. Crombie was employed by Halliburton Energy Services from 1994 to 2000. Since 1994, Mr. Crombie has worked in both cementing and stimulation operations in the areas of domestic and international operations, including the Permian Basin, the Fort Worth Basin, Oklahoma, the Gulf of Mexico and Saudi Arabia.

Douglas S. Aron, Executive Vice President and Chief Financial Officer. Mr. Aron has served as the Company' s Executive Vice President and Chief Financial Officer since April 2017. Prior to this, Mr. Aron served as Executive Vice President and Chief Financial Officer of HollyFrontier Corporation from July 2011 until February 2017. Mr. Aron also held various positions at Holly Logistic Services, L.L.C., including Executive Vice President from November 2012 until February 2017, Chief Financial Officer from November 2012 to October 2015, and Executive Vice President and Chief Financial Officer from July 2011 through December 2011. Prior to that time, Mr. Aron held various positions at Frontier Oil Corporation, including Executive Vice President and Chief Financial Officer from 2009 until 2011, Vice President-Corporate Finance from 2005 to 2009 and Director-Investor Relations from 2001 to 2005. Prior to that time, Mr. Aron was a lending officer for Amegy Bank. Mr. Aron holds a Bachelor of Journalism, Public Relations from the University of Texas and an M.B.A. from Rice University.

Edward Bruce Morgan, President, Production Solutions. Mr. Morgan currently serves as the Company' s President, Production Solutions. Prior to serving in this position, Mr. Morgan served as an Operations Manager for the Company since August 2013. Mr. Morgan joined the Company from Peak Pressure Control, LLC, which he founded in 2010. Peak Pressure Control was acquired by Nine in August 2013. Before founding Peak, Mr. Morgan was the regional manager at STS Rental and Supply from 2005 to 2010 overseeing operations in West Texas and Williston, North Dakota. Prior to Peak, Mr. Morgan held various positions at Schlumberger from 1990 to 2004, including positions handling all onshore and offshore wireline for Union Pacific Resources, serving as location manager in Natchez, Mississippi; managing all wireline operations for Unocal in Lafayette, Louisiana, before transferring to Houston and serving as operations manager for West Texas, where he oversaw all wireline operations in the Permian Basin. Mr. Morgan holds a Bachelors of Science in Engineering from Mississippi State University.

Theodore R. Moore, Senior Vice President and General Counsel. Mr. Moore currently serves as the Company' s Senior Vice President and General Counsel. Prior to joining the Company, Mr. Moore served as the Executive Vice President, General Counsel and Chief Risk Officer of C&J Energy Services, Inc. from March 2015 to June, 2016, Executive Vice President from October 2012 and Vice President, General Counsel and Corporate Secretary from February 2011. Prior to that time, Mr. Moore practiced corporate law at Vinson & Elkins L.L.P. from 2002 through January 2011. Mr. Moore represented public and private companies and investment banking firms in capital markets offerings, mergers and acquisitions and corporate governance matters, primarily in the oil and gas industry. Mr. Moore graduated magna cum laude from Tulane University with a B.A. in Political Economy and a J.D. from Tulane Law School.

Ernie L. Danner, Chairman of the Board. Mr. Danner has served as the Company' s Chairman of the Board since the consummation of the Combination on February 28, 2017. From 1998 until his retirement in October 2011, Mr. Danner was employed by Universal Compression Holdings, Inc., which became Exterran Holdings, Inc. following a merger with Hanover Compressor Company in August 2007. Mr. Danner joined Universal Compression Holdings in 1998 as its Chief Financial Officer and served in various positions of increasing responsibility, including as Chief Operating Officer from July 2006 through August 2007. From August 2007 to October 2011, Mr. Danner served as a director of Exterran Holdings and of Exterran GP, LLC, and beginning in July 2009, he also served as President and Chief Executive Officer of both companies. Mr. Danner holds a Bachelor of Arts degree and a Master of Arts degree in Accounting from Rice University. In 2011, Mr. Danner joined Beckman where he served as the President, Chief Executive Officer and Chairman until the merger of the

Company in February 2017. We believe that Mr. Danner' s extensive leadership, financial and operational experience in the energy industry, particularly with respect to his leadership involvement in Beckman, make him well qualified to serve as our Chairman of the Board.

David C. Baldwin, Director. Mr. Baldwin has served as a Director of the Company since the consummation of the Combination on February 28, 2017 and served on Beckman' s board of directors prior to the Combination. Mr. David C. Baldwin serves as Co-President of SCF Partners since April 2014 and has served as its Managing Director since 1999. Mr. Baldwin is responsible for overseeing U.S. based investments and creating investment platforms around emerging energy trends. Mr. Baldwin joined SCF in 1991. From September 2002 to April 2004, he served as President and Chief Executive Officer of Integrated Production Services, Ltd. He served as Chief Financial Officer and Vice President of ION Geophysical Corporation from June 1999 to January 2000. He started his career as a Drilling and Production Engineer with Union Pacific Resources. He later went on to start an energy consulting business and worked for General Atlantic Partners. He currently serves on the Board of Directors Forum Energy Technologies (NYSE: FET), Rockwater Energy Solutions, Inc., and Oil Patch Group, Inc. Additionally he is a Trustee of The Center, The Center Foundation, The Baylor College of Medicine, and Baylor St. Lukes Medical Center Hospital. Mr. Baldwin received both a B.S. degree in Petroleum Engineering in 1980, and M.B.A. degree from the University of Texas at Austin. We believe that Mr. Baldwin' s experience in the private equity industry, board experience and overall knowledge of our business and operational strategy, make him well qualified to serve as a Director on our board of directors. Further, his service as a Co-President of the ultimate general partner of our largest stockholder provides a valuable perspective into its insights and interests.

Mark E. Baldwin, Director. Mr. Baldwin has served as a Director of the Company since May 10, 2013. Mr. Baldwin has been a Director of KBR, Inc. since October 3, 2014 and Director of TETRA Technologies, Inc. since January 16, 2014. He served as a Director of Seahawk Drilling, Inc. from 2009 to 2011. He served as the Chief Financial Officer and Executive Vice President of Dresser-Rand Group Inc. from 2007 to 2013 and as the Chief Financial Officer, Executive Vice President and Treasurer of Veritas DGC Inc. from 2004 to 2007. From 2003-2004 he was an Operating Partner of First Reserve Corporation. He served as the Chief Financial Officer and Executive Vice President of Nextiraone, LLC from 2001 to 2002. He served as Chairman of the Board of Pentacon, Inc. from November 1997 to 2001 and served as its Chief Executive Officer from September 1997 to 2001. From 1980 to 1997, he served in a variety of finance and operations positions with Keystone International Inc., including Treasurer, Chief Financial Officer and President of the Industrial Valves and Controls Group. For the three years ending in 1980, he served as an Accountant with a national accounting firm. Mr. Baldwin holds a B.S. in Mechanical Engineering from Duke University and an MBA from Tulane University. We believe that Mr. Baldwin' s financial and operational experience with public companies and his extensive knowledge of the energy industry make him well qualified to serve as a Director on our board of directors.

Curtis F. Harrell, Director. Mr. Harrell has served as a Director of the Company since the consummation of the Combination on February 28, 2017. Mr. Harrell currently serves as President and Chief Executive Officer of Citation Oil & Gas Corp. Curtis joined Citation in 2002 where he took on the position of Executive Vice President and Chief Financial Officer. In 2004, Curtis was promoted to President, Chief Operating and Financial Officer. Then in 2008, Curtis was named President and Chief Executive Officer. Citation Oil & Gas Corp. is one of the largest privately-held independent oil & gas acquisition, development and production companies in the United States. Founded in 1981, Citation has built a significant portfolio of mature, long-life producing properties through a combination of disciplined acquisitions, focused operations and subsequent development. He served as the Chief Financial Officer of Brigham Exploration Company from August 1999 to July 2002 and served as its Executive Vice President since August 2000. Mr. Harrell joined Citation in 2002. From 1997 to August 1999, Mr. Harrell served as Executive Vice President and Partner at R. Chaney & Company, Inc., where he managed R. Chaney & Company, Inc.' s investment origination efforts in the U.S., focusing on investments in corporate equity

securities of energy companies in the exploration and production and oilfield service industry segments. From 1995 to 1997, Mr. Harrell served as Director of Domestic Corporate Finance for Enron Capital & Trade Resources, Inc. from 1995 to 1997, where he was responsible for initiating and executing a variety of debt and equity financing transactions for independent exploration and production companies. Before Enron Capital & Trade Resources, Mr. Harrell spent eight years working in corporate finance and reservoir engineering positions for two public independent exploration and production companies, Kelley Oil & Gas Corporation and Pacific Enterprises Oil Company, Inc. He serves as a Director of Carlile Bancshares, Inc. Mr. Harrell has over fifteen years of experience in corporate finance and management. He served as a Director of Brigham Exploration Co. since August 1999. He was a Member of Yellowstone Academy Board of Directors. Mr. Harrell holds a B.S. in Petroleum Engineering from the University of Texas at Austin and M.B.A. from Southern Methodist University. We believe that Mr. Harrell' s extensive experience as an executive officer of other oil and natural gas companies, and his strategic, operational and financial expertise in the oil and natural gas industry make him well qualified to serve as a Director on our board of directors.

Gary L. Thomas, Director. Mr. Thomas has served as a Director of the Company since March 15, 2013. Mr. Gary L. Thomas is President and Chief Operating Officer of EOG Resources, Inc. Mr. Thomas served as a Senior Executive Vice President of Operations at EOG Resources, Inc. from February 2007 to September 2011. He served as an Executive Vice President, North America Operations of EOG Resources Inc. since May 1998 and served as its Executive Vice President, Operations from May 1998 to February 26, 2007. Previously, he served as Senior Vice President and General Manager of EOG' s Midland Division. Mr. Thomas joined a predecessor of EOG in July 1978. He holds a Petroleum Engineering degree from The University of Texas at Austin and a Master' s degree in Engineering Management from The University of Tulsa. We believe that Mr. Thomas' experience in the oil and gas industry, the perspective he brings as a result of his long tenure as an executive of a public company, and his valuable insight as a result of his long history as a customer for the oilfield services industry make him well qualified to serve as a Director on our board of directors.

Andrew L. Waite, Director. Mr. Waite has served as a director of Nine since February 28, 2013. He served as Chairman of Nine from February 2013 until the consummation of the Combination. Mr. Waite is Co-President of LESA, the ultimate general partner of SCF, and has been an officer of that company since October 1995. He was previously Vice President of Simmons & Company International, where he served from August 1993 to September 1995. From 1984 to 1991, Mr. Waite held a number of engineering and project management positions with the Royal Dutch/Shell Group, an integrated energy company. Mr. Waite currently serves on the board of directors of Forum Energy Technologies, Inc. (NYSE: FET), a position he has held since August 2010, is on the board of directors of Atlantic Navigation Holdings (Singapore) Limited (SGX: 5UL), a position he has held since January 2016. Mr. Waite previously served on the board of directors of Complete Production Services, Inc., a provider of specialized oil and gas completion and production services from 2007 to 2009, Hornbeck Offshore Services, Inc., a provider of marine services to exploration and production oilfield service, offshore construction and military customers from 2000 to 2006, and Oil States International, Inc., a diversified oilfield services and equipment company from August 1995 through April 2006. Mr. Waite received an M.B.A. with High Distinction from the Harvard University Graduate School of Business Administration, an M.S. degree in Environmental Engineering Science from California Institute of Technology and a BSc degree with First Class Honours in Civil Engineering from England' s Loughborough University of Technology. We believe that Mr. Waite' s extensive public company experience in the energy sector, in particular in the oilfield services industry, and his experience in identifying strategic growth trends in the energy industry and evaluating potential transactions make him well qualified to serve on our board of directors. Further, his service as a Co-President of the ultimate general partner of our largest stockholder provides a valuable perspective into its insights and interests.

Board of directors

The number of members of our board of directors will be determined from time-to-time by resolution of the board of directors. Currently, our board of directors consists of seven persons. We expect our board of directors will be increased to persons in connection with this offering.

In connection with this offering, we will enter into a voting agreement with SCF. The voting agreement is expected to provide SCF with the right to designate a certain number of nominees to our board of directors so long as SCF collectively beneficially own more than % of the outstanding shares of our common stock.

Upon consummation of this offering, our board of directors will be divided into three classes of directors, with each class as equal in number as possible, serving staggered three-year terms. Class I, Class II and Class III directors will serve until our annual meetings of stockholders in 2018, 2019 and 2020, respectively. will be assigned to Class I; will be assigned to Class II; and will be assigned to Class III. At each annual meeting of stockholders held after the initial classification, directors will be elected to succeed the class of directors whose terms have expired. This classification of our board of directors could have the effect of increasing the length of time necessary to change the composition of a majority of the board of directors. In general, at least two annual meetings of stockholders will be necessary for stockholders to effect a change in a majority of the members of the board of directors. Our directors are removable only for "cause."

In evaluating director candidates, we will assess whether a candidate possesses the integrity, judgment, knowledge, experience, skills and expertise that are likely to enhance the board of directors' ability to manage and direct our affairs and business, including, when applicable, to enhance the ability of the committees of the board of directors to fulfill their duties.

Our board of directors has determined that are independent under NYSE listing standards.

Committees of the board of directors

Our board of directors intend to establish an audit committee and a nominating, governance and compensation committee prior to the completion of this offering, and we may have such other committees as the board of directors shall determine from time to time. We anticipate that each of the standing committees of the board of directors will have the composition and responsibilities described below.

In connection with this offering, we will enter into a voting agreement with SCF, which is expected to provide that for so long as SCF has the right to designate directors to our board, we will cause any committee of our board to include in its membership at least directors designated by SCF, except to the extent that such membership would violate applicable securities laws or stock exchange rules.

Audit committee

We will establish an audit committee prior to the completion of this offering. We anticipate that following completion of this offering, our audit committee will consist of , each of whom will be independent under SEC rules and NYSE listing standards. As required by the SEC rules and NYSE listing standards, the audit committee will consist solely of independent directors. SEC rules also require that a public company disclose whether or not its audit committee has an "audit committee financial expert" as a member. An "audit committee financial expert" is defined as a person who, based on his or her experience, possesses the attributes outlined in such rules. We anticipate that at least one of our independent directors will satisfy the definition of "audit committee financial expert."

This committee will oversee, review, act on and report on various auditing and accounting matters to our board of directors, including: the selection of our independent accountants, the scope of our annual audits, fees to be

paid to the independent accountants, the performance of our independent accountants and our accounting practices. In addition, the audit committee will oversee our compliance programs relating to legal and regulatory requirements. We expect to adopt an audit committee charter defining the committee' s primary duties in a manner consistent with the rules of the SEC and applicable stock exchange or market standards. We expect to adopt an audit committee charter defining the committee' s primary duties in a manner consistent with the rules of the SEC and the listing standards of the NYSE.

Nominating, governance and compensation committee

We will establish a nominating, governance and compensation committee prior to the completion of this offering. We anticipate that the nominating, governance and compensation committee will consist of , each of whom will be "independent" under the NYSE listing standards. This committee will identify, evaluate and recommend qualified nominees to serve on our board of directors; develop and oversee our internal corporate governance processes; and maintain a management succession plan. This committee will also establish salaries, incentives and other forms of compensation for officers and other employees and will administer our incentive compensation and benefit plans. We expect to adopt a nominating, governance and compensation committee charter defining the committee' s primary duties in a manner consistent with the rules of the SEC and the listing standards of the NYSE.

Compensation committee interlocks and insider participation

None of our executive officers serve on the board of directors or compensation committee of a company that has an executive officer that serves on our board or nominating, governance and compensation committee. No member of our board is an executive officer of a company in which one of our executive officers serves as a member of the board of directors or compensation committee of that company.

Executive sessions of our board of directors

Our independent directors are provided the opportunity to meet in executive session at each regularly scheduled meeting of our board.

Risk oversight

The board is actively involved in oversight of risks that could affect us. This oversight function is conducted primarily through committees of our board, but the full board retains responsibility for general oversight of risks. The Audit Committee is charged with oversight of our system of internal controls and risks relating to financial reporting, legal, regulatory and accounting compliance. Our board will continue to satisfy its oversight responsibility through full reports from the Audit Committee chair regarding the committee' s considerations and actions, as well as through regular reports directly from officers responsible for oversight of particular risks within our Company.

Code of business conduct and ethics

Prior to the completion of this offering, our board of directors will adopt a code of business conduct and ethics applicable to our employees, directors and officers, in accordance with applicable U.S. federal securities laws and the corporate governance rules of the NYSE. Any waiver of this code may be made only by our board of directors and will be promptly disclosed as required by applicable U.S. federal securities laws and the corporate governance rules of the NYSE.

Corporate governance guidelines

Prior to the completion of this offering, our board of directors will adopt corporate governance guidelines in accordance with the corporate governance rules of the NYSE.

Executive compensation

The tables and narrative disclosure below provide compensation disclosure that satisfies the requirements applicable to emerging growth companies, as defined in the JOBS Act.

Our management structure was reorganized in connection with the Combination. In this section, we provide disclosure relating to the compensation of our current executive officers who were also executive officers as of December 31, 2016, Ann G. Fox, our President and Chief Executive Officer, David Crombie, Executive Vice President and President, Completion Solutions, and Edward Bruce Morgan, President, Production Solutions. We believe this is the most appropriate and useful information to evaluate our executive compensation program. We refer to Ms. Fox, Mr. Crombie and Mr. Morgan herein, collectively, as our "Named Executive Officers."

2016 summary compensation table

The following table summarizes the compensation paid to our Named Executive Officers for the fiscal year ended December 31, 2016.

Name and principal position	Year	Salary($)(1)	Bonus($)(2)	All other compensation ($)(3)	Total($)
Ann G. Fox	2016	$ 297,500	$ –	$ 36,439	$333,939
(President and Chief Executive Officer)					
David Crombie	2016	$ 325,000	$ 50,000	$ 16,488	$391,488
(Executive Vice President and President–Completion Solutions)					
Edward Bruce Morgan	2016	$ 157,500	$ –	$ 22,113	$179,613
(President–Production Solutions)					

(1) In 2016, Ms. Fox's and Mr. Morgan's annualized base salaries were reduced by approximately 15% and 10%, respectively, in light of general market conditions.

(2) Bonus compensation for 2016 represents Mr. Crombie's annual guaranteed bonus amount under his employment agreement. No discretionary bonuses were provided to our Named Executive Officers in 2016.

(3) Amounts reported in the "All other compensation" column for 2016 include costs of $15,120 for Ms. Fox, $16,488 for Mr. Crombie and $16,250 for Mr. Morgan for the Company to lease vehicles for use by our Named Executive Officers. Ms. Fox currently participates in health benefit plans maintained by SCF. The Company reimburses SCF for the costs associated with the participation of Ms. Fox, her spouse and her eligible dependants in such plans. The aggregate amount of the reimbursement to SCF for providing these benefits to Ms. Fox in 2016 was $21,319. The Company reimburses Mr. Morgan's employee premiums associated with coverage under the Company's health benefit plans for Mr. Morgan, his spouse and his eligible dependents. The aggregate amount of such premiums reimbursed by the Company in 2016 was $5,863.

Narrative disclosure to summary compensation table

Employment agreements

Ms. Fox and Messrs. Crombie and Morgan have each entered into employment agreements with the Company or one of our affiliates, which we refer to herein, collectively, as the "Employment Agreements." In 2017, we entered into a new employment agreement with Mr. Morgan that superseded his Employment Agreement in effect as of 2016 fiscal year-end. Please see the section entitled "Additional narrative disclosure–2017 base salary adjustments and annual bonus awards–2017 employment agreements" below for a description of the new employment agreement with Mr. Morgan. Other

than as set forth in that section, the discussion below describes the terms of Mr. Morgan' s Employment Agreement in effect as of 2016 fiscal year-end.

Ms. Fox' s and Mr. Crombie' s Employment Agreements each have a three-year initial term, and Mr. Morgan' s Employment Agreement has a two-year initial term. The term of the agreements is automatically extended for

successive, additional one-year periods, unless either the executive or the Company provides 60 days' prior written notice in the case of Ms. Fox or Mr. Crombie or 30 days' prior written notice in the case of Mr. Morgan that no such automatic extension will occur. Ms. Fox' s Employment Agreement provides for an annualized base salary of $350,000, which amount may be decreased by up to 10% as part of similar base salary reductions applicable to the Company' s other executive officers. Mr. Crombie' s Employment Agreement provides for an annualized base salary of $250,000 and an annual guaranteed bonus equal to $50,000. In December 2015, Mr. Crombie' s annualized base salary was increased to $350,000 in connection with a change in his title and an increase in his duties and responsibilities. Mr. Morgan' s Employment Agreement provides for an annualized base salary of $175,000. In addition, subject to the satisfaction of certain performance criteria established by our board of directors, the Employment Agreements provide for the opportunity to receive an annual incentive bonus under the terms of Company' s annual cash incentive bonus program based on criteria determined in the discretion of our board of directors; however, other than the annual guaranteed bonus paid to Mr. Crombie, no annual incentive bonuses were provided to our Named Executive Officers for fiscal year 2016. While employed under the Employment Agreements, the executives are eligible for certain additional benefits, including reimbursement of reasonable business expenses, paid vacation, and participation in the Company' s benefit plans, programs or arrangements.

The Employment Agreements provide for certain severance benefits upon a resignation by the applicable executive for "good reason" or upon a termination by the Company without "cause," and, in the case of Mr. Morgan, upon a termination due to death or disability. Please see the section entitled "Additional narrative disclosure–Potential payments upon termination or change in control" below for more details regarding the severance benefits provided to our Named Executive Officers under the Employment Agreements.

The Employment Agreements also contain certain restrictive covenants, including provisions that create restrictions, with certain limitations, on our Named Executive Officers competing with the Company and its affiliates, soliciting any customers, or soliciting or hiring Company employees or inducing them to terminate their employment. These restrictions are intended to generally apply during the term of the executives' employment with the Company and for the one-year period following termination of employment for Ms. Fox and Mr. Morgan and the two-year period following termination of employment for Mr. Crombie.

2011 Stock Incentive Plan

Historically, we have provided grants of stock options and restricted stock to our employees pursuant to our 2011 Stock Incentive Plan. No awards were provided to our Named Executive Officers under the 2011 Stock Incentive Plan in the 2016 fiscal year. As described below, the 2011 Stock Incentive Plan was amended and restated in connection with the Combination. Please see the section entitled "Additional narrative disclosure–Actions taken following fiscal year-end–Amended and Restated 2011 Stock Incentive Plan" below for a description of the 2011 Stock Incentive Plan as amended and restated.

Other compensation elements

We offer participation in broad-based retirement, health and welfare plans to all of our employees. We currently maintain a retirement plan intended to provide benefits under section 401(k) of the Internal Revenue Code. Under the 401(k) plan, eligible employees, including our Named Executive Officers, are allowed to contribute portions of their base compensation to a tax-qualified retirement account. Given recent market conditions, we did not provide matching contributions to participants in our 401(k) plan for the 2016 plan year. See "Additional narrative disclosure–Retirement benefits" for more information. In addition, minimal perquisites have historically been provided to our Named Executive Officers, including company-provided vehicles for our Named Executive Officers and reimbursements for certain healthcare costs. Ms. Fox currently

participates in the healthcare plans maintained by SCF, and we reimburse SCF for the costs associated with the participation of Ms. Fox, her spouse and her eligible dependants in such plans. In 2016, the Company reimbursed Mr. Morgan for his employee premiums associated with medical coverage for him, his spouse and his eligible dependents under the Company' s health benefit plans.

Outstanding equity awards at 2016 fiscal year-end

The following table reflects information regarding outstanding equity-based awards held by our Named Executive Officers as of December 31, 2016.

		Option awards(1)				Stock awards	
Name	Grant date	Number of securities underlying unexercised options exercisable (#)	Number of securities underlying unexercised options unexercisable (#)	Option exercise price ($)	Option expiration date	Number of shares or units of stock that have not vested (#)(2)	Market value of shares or units of stock that have not vested ($)(3)
Ann G. Fox	2/28/2013	783	–	$ 191.51	02/28/2023	–	$ –
	7/15/2015	6,960	13,920	$ 332.20	02/15/2025	–	$ –
	7/15/2015	–	–	$ –	–	1,003	$ 251,021
David Crombie	8/31/2015	–	–	$ –	–	2,500	$ 625,675
Edward Bruce Morgan	8/30/2013	2,500	–	$ 191.52	08/30/2023	–	$ –

(1) The option awards reported in these columns are subject to time-based vesting conditions. The option awards vest in three equal installments on the first three anniversaries of the date of grant of such awards. The remaining unvested installments of the stock options granted to Ms. Fox on July 15, 2015 will vest in equal installments on each of July 15, 2017 and July 15, 2018, subject to Ms. Fox' s continued employment through the applicable vesting dates.

(2) The restricted stock awards reported in this column are subject to time-based vesting conditions. Restricted stock awards held by Ms. Fox vest in three equal installments on the first three anniversaries of the date of grant of such awards. The remaining unvested installments of such awards will vest in equal installments on each of July 15, 2017 and July 15, 2018, subject to Ms. Fox' s continued employment through the applicable vesting dates. Restricted stock awards held by Mr. Crombie vest on the third anniversary of the date of grant, or August 31, 2018, subject to Mr. Crombie' s continued employment through such vesting date.

(3) Calculated based on the fair market value of our common stock on December 31, 2016, which was $250.27 per share.

Additional narrative disclosure

Retirement benefits

We have not maintained, and do not currently maintain, a defined benefit pension plan or nonqualified deferred compensation plan. We currently maintain a retirement plan intended to provide benefits under section 401(k) of the Internal Revenue Code where employees, including our Named Executive Officers, are allowed to contribute portions of their base compensation to a tax-qualified retirement account. We do not currently provide matching contributions of our employees' eligible compensation contributed to the plan, and we did not provide any matching contributions in the 2016 fiscal year.

Potential payments upon termination or change in control

The employment agreements with our Named Executive Officers provide for potential severance benefits in connection with certain terminations of employment. The Employment Agreements provide that upon a resignation by the applicable executive for ‘‘good reason,’’ upon a termination by the Company without ‘‘cause’’ and, in the case of Mr. Morgan, upon a termination due to death or disability, then, subject to the applicable executive’ s execution and non-revocation of a release within the time provided to do so, the applicable

executive will be eligible to receive the following benefits: (i) in the case of Ms. Fox, an amount equal to the sum of (x) one year annualized base salary at the time of termination and (y) Ms. Fox' s then-current target annual bonus, payable in 12 equal monthly installments; (ii) in the case of Mr. Crombie, 18 months of Mr. Crombie' s annualized base salary at the time of termination, payable in 18 equal installments; (iii) in the case of Mr. Morgan, an amount equal to one year of his annualized base salary at the time of termination, payable in 12 equal monthly installments; and (iv) if the applicable executive elects COBRA continuation coverage, monthly reimbursement for the amount paid by such executive to continue such coverage for up to 12 months in the case of Ms. Fox and Mr. Morgan and 18 months in the case of Mr. Crombie following the date of termination. If any of our Named Executive Officers' employment is terminated for any reason other than those described above, the applicable executive will continue to receive the compensation and benefits to be provided by the Company until the date of termination, and the applicable executive' s compensation and benefits will terminate contemporaneously with such executive' s termination of employment. Our Named Executive Officers' employment agreements do not provide for any enhanced benefits in connection with a termination of employment at or following a change in control.

Ms. Fox' s Employment Agreement provides that "cause" means that Ms. Fox has: (i) engaged in gross negligence or willful misconduct in the performance of her duties; (ii) breached any material provision of her Employment Agreement, any other agreement between the Company and Ms. Fox or any of the Company' s corporate policies or codes of conduct; (iii) willfully engaged in conduct that is injurious to the Company; or (iv) committed, pleaded no contest to or received deferred adjudication with respect to a felony or any crime involving fraud, dishonesty or moral turpitude. Ms. Fox' s Employment Agreement provides that "good reason" means: (a) a material diminution in Ms. Fox' s base salary, other than a decrease of up to 10% of the base salaries of all executive officers; or (b) the relocation of Ms. Fox' s principal place of employment by more than 75 miles from her principal place of employment as of the effective date of her Employment Agreement; provided, that, upon written notice from Ms. Fox of the existence of either such condition, the Company will have 30 days to cure such condition. Generally, a disability will exist under Ms. Fox' s Employment Agreement if she is unable to perform her duties or fulfill her obligations under her Employment Agreement by reason of any physical or mental impairment for a continuous period of not less than three months.

Mr. Crombie' s Employment Agreement provides that "cause" means that Mr. Crombie has: (i) engaged in gross negligence or willful misconduct in the performance of his duties; (ii) willfully refused to perform his duties for a period of more than 30 days following written notice from the Company; (iii) breached any material provision of his Employment Agreement or any other agreement between Mr. Crombie and the Company, which breach is not remedied within 30 days of written notice from the Company; (iv) materially violated a material corporate policy or code of conduct established by the Company; (v) committed an act of theft, fraud, embezzlement, or misappropriation against the Company; (vi) been convicted of (or pleaded no contest to) a crime involving fraud, dishonesty or moral turpitude or any felony; or (vii) willfully and knowingly violated any material legal requirement applicable to the Company. Mr. Crombie' s Employment Agreement provides that "good reason" means: (a) Mr. Crombie' s reassignment to a position not commensurate with his current position and level of seniority; (b) a reduction in his annual base salary of more than 10%; (c) the Company' s material breach of Mr. Crombie' s Employment Agreement; or (d) the relocation of Mr. Crombie' s principal place of work outside a 50-mile radius of Tarrant County, Texas; provided that, upon written notice from Mr. Crombie of the existence of any of the foregoing conditions, the Company will have 30 days to cure such condition. Generally, a disability will exist under Mr. Crombie' s Employment Agreement if he is incapacitated by accident, sickness or other circumstance that renders him mentally or physically incapable of performing his duties under his Employment Agreement for a period of at least 120 consecutive days or for a period of at least 180 days (whether or not consecutive) during any 12-month period.

Mr. Morgan's Employment Agreement provides that "cause" means that Mr. Morgan has: (i) engaged in gross negligence, gross incompetence or willful misconduct in the performance of his duties; (ii) willfully refused to perform his duties for a period of more than 30 days following written notice from the Company; (iii) breached any material provision of his Employment Agreement or any other agreement between Mr. Morgan and the Company, which breach is not remedied within 30 days of written notice from the Company; (iv) violated a material, written corporate policy or code of conduct established by the Company, which breach is not remedied within 30 days of written notice from the Company; (v) willfully engaged in conduct that is materially injurious to the Company, and such injury, if curable, is not remedied within 30 days of written notice from the Company; (vi) disclosed without authorization confidential information that is, or could be expected to be, materially injurious to the Company; (vii) committed an act of theft, fraud, embezzlement, misappropriation or willful breach of a fiduciary duty to the Company; (viii) been convicted of (or pleaded no contest to) a crime involving fraud, dishonesty or moral turpitude or any felony; or (ix) willfully violated any material legal requirement applicable to the Company. Mr. Morgan's Employment Agreement provides that "good reason" means: (a) the relocation of Mr. Morgan's principal place of employment outside a 30-mile radius of Midland County or Ector County, Texas; (b) a reduction in his annual base salary of more than 10%, unless such reduction coincides with a similar reduction to the base salaries of all similarly situated executives; or (c) the Company's material breach of a material provision of Mr. Morgan's Employment Agreement; provided that, upon written notice from Mr. Morgan of the existence of any of the foregoing conditions, the Company will have 30 days to cure such condition. Generally, a disability will exist under Mr. Morgan's Employment Agreement if he is incapacitated by accident, sickness or other circumstance that renders him mentally or physically incapable of performing his duties under his Employment Agreement for a period of at least 120 consecutive days or for a period of at least 180 days (whether or not consecutive) during any 12-month period.

Generally, any shares of restricted stock subject to forfeiture restrictions held by our Named Executive Officers are forfeited for no consideration upon any termination of employment. In addition, stock options held by our Named Executive Officers may only be exercised to the extent vested while such Named Executive Officer remains employed by the Company or one of our affiliates; however, our Named Executive Officers may exercise vested stock options for a period of 30 days following a termination of employment other than for "cause" (as defined in the applicable stock option agreement) or for a period of one year following a termination of employment due to death or disability. Other than the foregoing, we do not currently maintain any other severance or change in control agreements with any of our Named Executive Officers.

Actions taken following fiscal year-end

Amended and Restated 2011 Stock Incentive Plan

In connection with the Combination, the Company adopted an amendment and restatement of the Nine Energy Service, Inc. 2011 Stock Incentive Plan, which we refer to herein as the "Stock Plan." Employees, consultants and directors of the Company and its affiliates are eligible to participate in the Stock Plan. The description of the Stock Plan below is a summary of the material terms of the Stock Plan and is not meant to be a complete description of all of the provisions of the Stock Plan. This summary is qualified in its entirety by reference to the Stock Plan, which is included as an exhibit to the Registration Statement of which this prospectus forms a part.

Administration. The Stock Plan is administered by a committee of directors selected by our board of directors (the "Committee"). The Committee has the power to determine to whom and when awards will be granted, determine the amount of awards (measured in cash or in shares of our common stock), prescribe and interpret the terms and provisions of each award agreement (the terms of which may vary), accelerate the vesting or exercisability of an award, delegate duties under the Stock Plan and execute all other responsibilities permitted or required under the Stock Plan. Subject to the constraints of applicable law, the Committee may from time to

time, in its sole discretion, delegate to our Chief Executive Officer the administration (or interpretation of any provision) of the Stock Plan and the right to grant awards under the Stock Plan. The Committee may revoke any such delegation at any time, and may put any conditions and restrictions on the powers that may be exercised by the Chief Executive Officer upon such delegation as the Committee determines in its sole discretion.

Types of awards. The Stock Plan provides for the grant of: (i) incentive stock options qualified as such under U.S. federal income tax laws (“incentive stock options”); (ii) stock options that do not qualify as incentive stock options (“non-statutory stock options,” and together with incentive options, “options”); (iii) stock appreciation rights (“SARs”); (iv) restricted stock awards (“restricted stock awards”); (v) performance awards (“performance awards”); (vi) restricted stock units (“restricted stock units” or “RSUs”); (vii) bonus stock (“bonus stock awards”); (viii) dividend equivalents; (ix) other stock-based awards; (x) cash awards; and (xi) substitute awards (referred to collectively herein with the other awards as “awards”).

Options and SARs. The Stock Plan provides for two types of options: incentive stock options and non-statutory stock options. The Committee is authorized to grant options to eligible participants (which in the case of incentive stock options are only individuals who are employed by us or one of our subsidiaries at the time of grant) subject to the terms and conditions set forth below:

The exercise price per share of common stock will be determined by the Committee; however, the exercise price per share of common stock will not be less than the fair market value of a share of common stock on the date of the grant of such option regardless of whether such option is an incentive stock option or a non-statutory stock option. Further, the exercise price of any incentive stock option granted to an employee who possesses more than 10% of the total combined voting power of all classes of the Company’ s common stock or of any of our subsidiaries within the meaning of Section 422(b)(6) of the Code, must be at least 110% of the fair market value of a share of common stock at the time such option is granted. The exercise price or portion thereof will be paid in full in the manner prescribed by the Committee.

The Committee determines the term of each option; provided, however, that any incentive stock option granted to an employee who possesses more than 10% of the total combined voting power of all classes of our common stock or of any of our subsidiaries within the meaning of Section 422(b)(6) of the Code must not be exercisable after the expiration of five years from the date of grant. The Committee also determines the time at which an option may be exercised in whole or in part (subject to the restrictions on exercisability described above), and the method by which (and the form, including cash or shares of common stock or any combination thereof having a fair market value on the exercise date equal to the relevant exercise price, in which) payment of the exercise price with respect thereto may be made or deemed to have been made. Each incentive stock option is not transferable other than by will or the laws of descent and distribution and is exercisable during the holder’ s lifetime only by the holder or the holder’ s guardian or legal representative.

The Committee, in its sole discretion, may grant SARs in connection with option awards. SARs granted in connection with incentive stock options are exercisable only when the fair market value of our common stock exceeds the exercise price specified under the option. The term of each stock option may not exceed 10 years from the date of grant. Option agreements may contain such other terms as determined by the Committee. The Committee is authorized to amend outstanding option agreements from time to time in any manner not inconsistent with the terms of the Stock Plan, including acceleration of the time at which the option, or a portion thereof, may be exercised, provided that unless otherwise provided for in the Stock Plan, no such amendment that materially reduces the rights of a participant may be made without such participant’ s consent.

Except in connection with adjustments for certain subdivisions or consolidations of our common stock or the payment of a stock dividend as described below, without stockholder approval, the Committee cannot amend an option agreement to decrease the exercise price of the option or SARs granted in connection with the option

(or cancel an option agreement and replace it with one having a lower exercise price for options or SARs granted under the agreement).

Stock appreciation rights. A SAR is the right to receive a share of our common stock, or an amount equal to the excess of the fair market value of one share of common stock on the date of exercise over the grant price of the SAR, as determined by the Committee. The exercise price of a share of common stock subject to the SAR shall be determined by the Committee, but in no event shall that exercise price be less than the fair market value of our common stock on the date of grant. The Committee will have the discretion to determine other terms and conditions of a SAR award.

Restricted stock awards. The Committee is authorized to grant restricted stock awards to eligible participants. Pursuant to a restricted stock award, shares of common stock will be issued or delivered to the holder without any cash payment to the Company, except to the extent otherwise provided by the Committee or required by law; provided, however, that the shares will be subject to certain restrictions on the disposition thereof and certain obligations to forfeit the shares to the Company as may be determined in the discretion of the Committee. The restrictions on disposition and the forfeiture restrictions may lapse based upon:

- the Company's attainment of specific performance measures established by the Committee that are based on (i) the price of a share of common stock, (ii) earnings per share, (iii) market share, (iv) revenues or sales, (v) operating income or operating income margin, (vi) net income or net income margin (before or after taxes), (vii) cash flow, cash flow from operations or return on investment, (viii) earnings or earnings margin before or after interest, taxes, depreciation, amortization, exploration and/or abandonment costs, (ix) economic value added, (x) return on capital, assets, net assets or equity, (xi) debt level or debt reduction, (xii) cost reduction targets, (xiii) total stockholders' return, (xiv) capital expenditures, (xv) general and administrative expenses, (xvi) net asset value, (xvii) operating costs, (xviii) safety performance or incident rate or (xix) any combination of the foregoing;

- the holder's continued employment with the Company or its affiliates or continued service as a consultant or director for a specified time;

- the occurrence of any event or the satisfaction of any other condition specified by the Committee; or

- a combination of these factors.

The performance measures may be absolute, relative to one or more other companies or relative to one or more indexes, and may be contingent upon the Company's future performance or that of any affiliate, business unit, division or department. The Committee is authorized under the Stock Plan to adjust performance measures for significant extraordinary items or events.

The Company retains custody of the shares of common stock issued pursuant to a restricted stock award until the disposition and forfeiture restrictions lapse. The holder may not sell, transfer, pledge, exchange, hypothecate or otherwise dispose of the shares until the expiration of the restriction period. However, upon the issuance to the holder of shares of common stock pursuant to a restricted stock award, except for the foregoing restrictions or as otherwise provided by the Committee in the terms of a restricted stock agreement, the holder will have all the rights of a stockholder with respect to the shares, including the right to vote the shares and to receive all dividends and other distributions paid with respect to the shares. Restricted stock award agreements may contain such other terms as determined by the Committee.

Performance awards. The Committee may, in its sole discretion, grant performance awards under the Stock Plan that may be paid in cash, shares of common stock, or a combination thereof as determined by the Committee. At the time of the grant, the Committee will establish the maximum number of shares of common

stock subject to, or the maximum value of, each performance award and the performance period over which the performance applicable to the award will be measured. A performance award will terminate if the recipient' s employment or service as a consultant to or director for the Company and its affiliates terminates during the applicable performance period, except as otherwise determined by the Committee.

The receipt of cash or shares of common stock pursuant to a performance award will be contingent upon satisfaction by the Company, or any affiliate, business unit, division or department, of performance measures established by the Committee. The performance measures to which the Committee may subject a performance award are the same as those available with respect to the grant of restricted stock awards, and are subject to the same adjustment as applies with respect to restricted stock awards. Following the end of the performance period, the Committee will determine and certify in writing the amount payable to the holder of the performance award, not to exceed the maximum number of shares of common stock subject to, or the maximum value of, the performance award, based on the achievement of the performance measures for such performance period. Payment may be made in cash, shares of common stock or a combination thereof, as determined by the Committee. The payment will be made in a lump sum or in installments as prescribed by the Committee. If a performance award covering shares of common stock is to be paid in cash, then the payment will be based on the fair market value of such stock on the payment date or such other date as may be specified by the Committee. Performance award agreements may contain such other terms as determined by the Committee.

Restricted stock units. RSUs are rights to receive common stock, cash or a combination of both at the end of a specified period. The Committee may subject RSUs to restrictions (which may include a risk of forfeiture) as specified in the RSU award agreement, and such restrictions may lapse at such times determined by the Committee. RSUs may be settled by delivery of common stock, cash equal to the fair market value of the specified number of shares of common stock covered by the RSUs, or any combination thereof determined by the Committee at the date of grant or thereafter. Dividend equivalents on the specified number of shares of common stock covered by RSUs may be paid on a current, deferred or contingent basis, as determined by the Committee on or following the date of grant.

Bonus stock awards. The Committee is authorized to grant bonus stock awards under the Stock Plan. Bonus stock awards are unrestricted shares of common stock that are subject to such terms and conditions as the Committee may determine. The Committee determines the purchase price, if any, for bonus stock awards.

Dividend equivalents. Dividend equivalents entitle a participant to receive cash, common stock, other awards or other property equal in value to dividends paid with respect to a specified number of shares of our common stock, or other periodic payments at the discretion of the Committee. Dividend equivalents may be granted on a free-standing basis or in connection with another award (other than a restricted stock award or a bonus stock award).

Other stock-based awards. Other stock-based awards are awards denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, the value of the Company' s common stock.

Cash awards. Cash awards may be granted on a free-standing basis, as an element of or a supplement to, or in lieu of any other award.

Substitute awards. Awards may be granted in substitution or exchange for any other award granted under the Stock Plan or under another equity incentive plan or any other right of an eligible person to receive payment from us. Awards may also be granted under the Stock Plan in substitution for similar awards held for individuals who become participants as a result of a merger, consolidation or acquisition of another entity by or with us or one of our affiliates.

Shares subject to the stock plan and limitations on awards to individual participants. Pursuant to the Stock Plan, the aggregate maximum number of shares of our common stock that may be issued under the Stock Plan,

and the aggregate maximum number of shares of common stock that may be issued under the Stock Plan through incentive stock options, will not exceed the sum of (i) 12% of the number of shares of the Company' s common stock (inclusive of the shares subject to the stock options and subject to risk of forfeiture under the restricted stock awards granted under the Prior Plan that are outstanding immediately prior to the adoption of the Stock Plan) and (ii) 12% of any additional shares of common stock sold by the Company in this offering. Shares will be deemed to have been issued under the Stock Plan only to the extent actually issued and delivered pursuant to an award. To the extent that an award lapses or the rights of its holder terminate, any shares of common stock subject to such award will again be available for the grant of an award under the Stock Plan. In addition, shares issued under the Stock Plan and forfeited back to the Stock Plan, shares surrendered in payment of the exercise price or purchase price of an award, and shares withheld for payment of applicable employment taxes and/or withholding obligations associated with an award will again be available for the grant of an award under the Stock Plan. Any shares of common stock delivered pursuant to an award may consist, in whole or in part, of authorized and unissued shares or (where permitted by applicable law) previously issued shares of common stock that have been reacquired. Further, the following limitations apply with respect to awards granted under the Stock Plan:

- the maximum number of shares of common stock that may be subject to awards denominated in shares of common stock granted to any one individual during any 12-month period may not exceed 50% of the common stock that may be issued under the Stock Plan; and
- the maximum amount of compensation that may be paid under all performance awards that are not denominated in shares of common stock (including the fair market value of any shares of common stock paid in satisfaction of such performance awards) granted to any one individual during any 12-month period may not exceed $20,000,000 and any payment due with respect to a performance award must be paid no later than 10 years after the date of the grant of the award.

Adjustments. The Stock Plan provides that if the Company effects a subdivision or consolidation, or a payment of a stock dividend without receipt of consideration, on the shares of common stock subject to an award, the number of shares subject to the award, and the purchase price thereunder (if applicable) are proportionately adjusted. If the Company recapitalizes, reclassifies or otherwise changes its capital structure, outstanding awards will be adjusted so that the award will thereafter cover the number and class of shares to which the holder would have been entitled if he or she had been the holder of record of the shares covered by such award immediately prior to the recapitalization, reclassification or other change in the Company' s capital structure. Further, the aggregate number of shares available under the Stock Plan and the individual award limitations may also be appropriately adjusted by the Committee.

Corporate change. The Stock Plan provides that, upon a Corporate Change (as defined in the Stock Plan), the Committee may accelerate the vesting and exercise date of outstanding awards, cancel outstanding awards and make payments in respect thereof in cash or adjust the outstanding awards as appropriate to reflect the Corporate Change. The Stock Plan provides that a Corporate Change occurs if:

- the Company is dissolved and liquidated;
- if the Company is not the surviving entity in any merger, consolidation or other business combination or reorganization (or survives only as a subsidiary of an entity);
- if the Company sells, leases or exchanges or agree to sell, lease or exchange all or substantially all of its assets;
- any person, entity or group acquires or gains ownership or control of more than 50% of the outstanding shares of the Company' s voting stock; or

after a contested election of directors, the persons who were directors before such election cease to constitute a majority of our board of directors.

Amendment and termination of the stock plan. Our board of directors in its discretion may terminate the Stock Plan (at any time with respect to any shares of common stock for which awards have not been granted. Our board of directors also has the right to alter or amend the Stock Plan or any part thereof from time to time; provided that no change in the Stock Plan may be made that would materially impair the rights of a participant without the consent of the participant. In addition, our board of directors may not, without approval of our stockholders, amend the Stock Plan to increase the aggregate maximum number of shares common stock that may be issued under the Stock Plan, increase the aggregate maximum number of shares of common stock that may be issued under the Stock Plan through incentive stock options, change the class of individuals eligible to receive awards under the Stock Plan or amend or delete the restrictions on the repricing of options.

Transferability of awards. Awards granted under the Stock Plan (other than incentive stock options, which are subject to special rules described above) may not be transferred other than (i) by will or the laws of descent and distribution, (ii) pursuant to a qualified domestic relations order as defined by the Internal Revenue Code or Title I of the Employee Retirement Income Security Act of 1974, as amended, or (iii) with the consent of the Committee.

2017 base salary adjustments and annual bonus awards

In 2017, our Named Executive Officers' annualized base salaries were increased to $500,000, $400,000 and $250,000 for Ms. Fox, Mr. Crombie and Mr. Morgan, respectively, in order to more appropriately align our Named Executive Officers' base salaries with current market practice. In addition, for the 2017 fiscal year, our Named Executive Officers will be eligible to earn target annual bonuses of up to $500,000 for Ms. Fox, up to $400,000 for Mr. Crombie and up to $250,000 for Mr. Morgan. In addition to the target annual bonus described in the preceding sentence, Mr. Crombie remains eligible to receive an annual guaranteed bonus of $50,000.

2017 employment agreements

In 2017, we entered into a new employment agreement with Mr. Morgan, which we refer to as the "Morgan 2017 Employment Agreement." The Morgan 2017 Employment Agreement has a three-year initial term, which is automatically extended for successive, additional one-year periods, unless either Mr. Morgan or the Company provides 60 days' prior written notice that no such automatic extension will occur. The Morgan 2017 Employment Agreement provides for certain severance benefits upon a resignation by Mr. Morgan for "good reason" or upon a termination by the Company without "cause." These benefits include: (i) a severance payment amount equal to the sum of (x) one year annualized base salary at the time of termination and (y) Mr. Morgan' s then-current target annual bonus, payable in 12 equal monthly installments, (ii) accelerated vesting of a certain portion of Mr. Morgan' s outstanding equity awards, and (iii) if Mr. Morgan elects COBRA continuation coverage, monthly reimbursement for the amount paid by Mr. Morgan to continue such coverage for up to 12 months. The Morgan 2017 Employment Agreement also contains certain restrictive covenants, including provisions that create restrictions, with certain limitations, on Mr. Morgan competing with the Company and its affiliates, soliciting any customers, or soliciting or hiring Company employees or inducing them to terminate their employment. These restrictions are intended to generally apply during the term of Mr. Morgan' s employment with the Company and for the one-year period following the termination of his employment.

2017 awards

As of the date of this prospectus, our board of directors has granted awards in 2017 under the Stock Plan to certain of our employees (including our Named Executive Officers) and non-employee directors with respect to 94,823 shares of our common stock. Generally, these awards either vest in full on the third anniversary of the applicable date of grant or vest in three equal installments on each of the first three anniversaries of the applicable date of grant in each case, so long as the employee remains employed by us through the applicable vesting date.

Director compensation

Generally, our non-employee directors receive quarterly cash payments of $6,375 for their service on our board of directors. In addition, in 2016, our non-employee directors received an additional $6,375 payment in connection with the special meeting held in February 2016. No equity-based awards were granted to our non-employee directors in 2016. As discussed above, our non-employee directors received awards under the Stock Plan in 2017. The amount and form of non-employee director compensation following the consummation of this offering has not yet been determined. Directors that also provide services to the Company or its affiliates as employees, including Ms. Fox, and directors appointed to our board of directors by SCF do not receive compensation for their service on our board of directors.

The following table summarizes the compensation awarded or paid to the members of our board of directors for the fiscal year ended December 31, 2016.

Name	Fees earned or paid in cash ($)(1)	Stock awards ($)(2)	All other compensation ($)	Total ($)
Gary Thomas	$ 31,875	$ –	$ –	$31,875
Mark Baldwin	$ 31,875	$ –	$ –	$31,875
John Schmitz(3)	$ 31,875	$ –	$ –	$31,875
Wendell Brooks(3)	$ 31,875	$ –	$ –	$31,875

(1) Amounts reported in this column reflect annual cash retainer amounts received by our non-employee directors for service on our board of directors. As described above, in 2016, our directors received quarterly payments of $6,375 and an additional $6,375 payment in connection with the special meeting held in February 2016.

(2) No equity-based awards were granted to our directors in 2016, and no equity-based awards held by our directors were outstanding and unvested as of December 31, 2016.

(3) Following the completion of the Combination, Messrs. Schmitz and Brooks no longer serve on our board of directors.

Certain relationships and related party transactions

The descriptions set forth below are qualified in their entirety by reference to the applicable agreements.

The Combination

On February 28, 2017, we closed the Combination with Beckman, a growth-oriented oilfield services company that provides a wide range of well and coiled tubing services. Pursuant to the Combination, all of the issued and outstanding shares of Beckman common stock were converted into shares of our common stock, except 1.6% of Beckman shares paid in cash. Prior to the Combination, Beckman was also an SCF Partners portfolio company. A key strategic rationale for the Combination was to enhance our ability to serve customers and our growth potential through broader product lines and basin diversification, enabling us to cross-sell our products and compete with larger companies. The Combination was a means of achieving these objectives and created various synergistic opportunities, including greater ability to raise capital for expansion, opportunity to develop broader and more diversified product lines, ability to compete with larger companies and opportunity to leverage internal initiatives.

Immediately prior to the Combination and the Subscription Offers (described below), SCF owned 615,525 shares of Beckman common stock or 56.4%.

Immediately following the completion of the transactions contemplated by the Combination and the Subscription Offers, SCF beneficially owned a total of 1,088,426 shares of our common stock (calculated pursuant to Rule 13d-3 under the Securities Exchange Act of 1934 (the "Exchange Act")). This beneficial ownership consisted of (1) 938,064 shares of common stock issued to SCF in connection with the Combination, (2) 100,242 shares of common stock issued to SCF in connection with the Subscription Offers, and (3) warrants to purchase 50,120 shares of our common stock issued to SCF in connection with the Subscription Offers. For a discussion of the Combination, please see "Prospectus Summary–Our history and the Combination," and for a discussion of the Subscription Offers, and related issuance of warrants to SCF, please see "–Subscription and warrant agreements."

Transactions with our significant stockholders and our directors and executive officers

During 2014, in conjunction with an exercise of warrants to provide a capital infusion, a $1.25 million promissory note was issued to Christopher Payson, who was an executive officer of the Company in 2014 and 2015. The principal is due on June 30, 2019 (the "Maturity Date"). Interest of 4% per annum is due and payable on the Maturity Date. As of December 31, 2015 and 2014, the outstanding balance of the notes, including principal and unpaid interest, was $2.7 million and $1.3 million, respectively.

During 2014, promissory notes totaling $9.4 million were issued to former owners of Crest, including Mr. Crombie. The principal is due on June 30, 2019. The interest rate is based on the prime rate, the federal funds rate or LIBOR, plus a margin to be determined in connection with Nine' s credit agreement, and is due quarterly. Mr. Crombie paid $1.8 million during 2016 to repay his promissory note in full. From 2014 to the date of such repayment, Mr. Crombie made principal and interest payments totaling $1.8 million and $0.1 million, respectively.

In 2014, Beckman entered into a shared services agreement with Winco Development, LLC ("Winco"), pursuant to which Winco provides office space, personnel and certain general and administrative services to Beckman. A manager of Winco, Benjamin Winston, is also a stockholder of the Company and was a member of Beckman' s board of directors from 2014 through the consummation of the Combination. Beckman paid Winco $0.2 million, $0.2 million and $0.1 million for the years ended December 31, 2016, 2015 and 2014, respectively.

Beckman leases facilities and buildings in Monahans, Texas and Enid, Oklahoma, from an entity owned by Mr. Winston. Beckman paid rent expenses of $0.6 million and $0.5 million to this entity during 2016 and 2015, respectively.

Beckman utilizes Winco Trucking, LLC to transport equipment, chemicals and supplies. Mr. Winston serves as a manager of Winco Trucking, LLC. Beckman incurred expense of $0.7 million, $0.7 million and $0.2 million for these services during 2016, 2015 and 2014, respectively.

Beckman utilizes airplanes and related services, owned by Mr. Winston. Beckman incurred expenses of $0.2 million and $0.1 million for these services during 2016 and 2015, respectively.

In 2015, Beckman sold $1.2 million of equipment to an entity owned by Mr. Winston. Beckman facilitates pass-through billings on behalf of Momentum Completions, LLC, an entity owned by one of the shareholders who was also a member of the Board. Beckman recognizes no revenue or expense related to this activity. During 2015, the related entity billed Beckman $2.2 million. Beckman rebilled respective customers of this related entity $2.2 million, and Beckman collected cash for and reimbursed to the related entity approximately $2.1 million. During 2016, the related entity billed Beckman $0.8 million, and Beckman billed respective customers the same amount. Beckman collected cash for and reimbursed to the related entity $1.1 million.

Beckman provides services to Citation Oil & Gas Corp., an entity owned by Curtis F. Harrell, a director of the Company. Beckman billed approximately $0.4 million and $0.5 million for services provided to Beckman during 2016 and 2015, respectively.

The Company leases office space, yard facilities and equipment from Mr. Crombie under operating leases. Lease expense was $0.7 million in each of the years ended December 31, 2016 and 2015.

Subscription and warrant agreements

In connection with the Combination and pursuant to subscription agreements dated March 10, 2017, we offered each of our stockholders (our existing stockholders and the Beckman stockholders) who were accredited investors or non-U.S. persons (as such term is defined in Regulation S under Securities Act) the opportunity to purchase shares of our common stock worth $20 million in the aggregate, up to their pro-rata ownership of the Company (the "Combined Nine Subscription Offer"). If each eligible purchaser did not purchase its respective pro rata portion of such approximately $20 million of shares of our common stock, the eligible purchasers that elected to participate in the Combined Nine Subscription Offer were entitled, but not obligated, to purchase the remaining number of shares of our common stock worth $20 million in the aggregate. In connection with the Combined Nine Subscription Offer, we issued to those stockholders who purchased shares of our common stock a warrant to purchase additional shares of our common stock on the basis of one warrant share for every two shares purchased in the Combined Nine Subscription Offer. The warrants were exercisable upon their issuance and will remain exercisable until the expiration date which is the earlier of the third anniversary of the effective date of the Combined Nine Subscription Offer or upon consummation of an initial public offering, among other things. The warrants may be exercised, in whole or in part, either for cash or on a cashless basis, subject to the limitations described in "Description of capital stock–Warrants–Combined Nine Subscription Offer warrants." The initial exercise price of the warrants was $250.27 per share. The proceeds from the Combined Nine Subscription Offer were used to (i) to finance the purchase of non-accredited investors' shares in the Combination and pay fees and expenses related to the Combination and (ii) for general corporate purposes, including ensuring compliance with our financial covenants under the Existing Nine Credit Facility.

In addition to the Combined Nine Subscription Offer, though not in connection with the Combination, pursuant to subscription agreements dated March 10, 2017, we offered each of our existing stockholders pre-Combination who

were accredited investors or non-U.S. persons (as such term is defined in Regulation S under the Securities Act) the opportunity to purchase shares of our common stock worth $5 million in the aggregate, up to their pro-rata ownership of the Company (the "Nine Subscription Offer"). If each eligible purchaser did not purchase its respective pro rata portion of such approximately $5 million of shares of our common stock, the eligible purchasers that elected to participate in the Nine Subscription Offer were entitled, but not obligated, to purchase the remaining number of shares of our common stock worth $5 million in the aggregate. In connection with the Nine Subscription Offer, we issued to those stockholders who purchased shares of our common stock a warrant to purchase additional shares of our common stock on the basis of one warrant share for every two shares purchased in the Nine Subscription Offer. The warrants were exercisable upon their issuance and will remain exercisable until the expiration date which is the earlier of the third anniversary of the effective date of the Nine Subscription Offer or upon consummation of an initial public offering, among other things. The warrants may be exercised, in whole or in part, either for cash or on a cashless basis, subject to the limitations described in "Description of capital stock–Warrants–Nine Subscription Offer warrants." The initial exercise price of the warrants was $250.27 per share. The proceeds from the Nine Subscription Offer were retained by us to ensure compliance with our financial covenants under the Existing Nine Credit Facility.

In addition to the Combined Nine Subscription Offer and the Nine Subscription Offer, though not in connection with the Combination, pursuant to subscription agreements dated February 10, 2017, Beckman offered each of its stockholders pre-Combination who were accredited investors or non-U.S. persons (as such term is defined in Regulation S under the Securities Act) the opportunity to purchase shares of its common stock worth $15 million in the aggregate, up to their pro-rata ownership of Beckman (the "Beckman Subscription Offer" and with the Combined Nine Subscription Offer and the Nine Subscription Offer, the "Subscription Offers"). If each eligible purchaser did not purchase its respective pro rata portion of such approximately $15 million of shares of its common stock, the eligible purchasers that elected to participate in the Beckman Subscription Offer were entitled, but not obligated, to purchase the remaining number of shares of its common stock worth $15 million in the aggregate. In connection with the Beckman Subscription Offer, Beckman issued to those stockholders who purchased shares of its common stock a warrant to purchase additional shares of its common stock on the basis of one warrant share for every two shares purchased in the Beckman Subscription Offer. Beckman shares of common stock issued in the Beckman Subscription Offer and warrants purchased in the Beckman Subscription Offer converted into shares and warrants of our common stock based on the exchange ratio used with respect to the Combination. The proceeds from the Beckman Subscription Offer were used to pay outstanding indebtedness under the Existing Beckman Credit Facility.

The following table identifies each related person who participated in the Combined Nine and Nine Subscription Offers.

Related person	No. of shares purchased	$ amount purchased	No. of warrant shares
Mark Baldwin	87	$21,774	43
David Crombie(1)	1,289	$322,598	644
Ernie L. Danner(2)	499	$124,884	249
Ann G. Fox	239	$59,815	119
Curtis F. Harrell(3)	173	$43,297	86
Gary L. Thomas	87	$21,774	43

(1) Amounts reported include 1,289 shares purchased at a purchase price of $322,598 and 644 warrants by DKM Investments, LP of which Mr. Crombie is a member.

(2) Amounts reported include 172 shares purchased at a purchase price of $43,046 and 86 warrants by Autumn Plecher, LP of which Mr. Danner is a limited partner of the general partner.

(3) Amounts reported include 173 shares purchased at a purchase price of $43,297 and 86 warrants by Harrell Ventures, LLC of which Mr. Harrell is the managing member.

In connection with the Beckman Subscription Agreement, Mr. Danner subscribed to purchase 1,850 shares of Beckman common stock (1,049 shares of our common stock after giving effect to the application of the exchange ratio used with respect to the Combination to convert the shares of Beckman common stock into shares of our common stock) in exchange for a purchase price of $141.94. Mr. Danner also received 925 warrants to purchase Beckman shares of common stock, which were converted into 524 warrants to purchase Nine shares of common stock after giving effect to the application of the exchange ratio use with respect to the Combination to convert the Beckman warrants into Nine warrants.

In connection with the Beckman Subscription Agreement, Mr. Harrell subscribed to purchase 672 shares of Beckman common stock (381 shares of our common stock after giving effect to the application of the exchange ratio used with respect to the Combination to convert the shares of Beckman common stock into shares of our common stock) in exchange for a purchase price of $141.94. Mr. Harrell also received 226 warrants to purchase Beckman shares of common stock, which were converted into 190 warrants to purchase Nine shares of common stock after giving effect to the application of the exchange ratio use with respect to the Combination to convert the Beckman warrants into Nine warrants.

Pursuant to a Subscription Agreement dated March 31, 2017, Mr. Aron subscribed to purchase 4,000 shares of our common stock in exchange for a cash payment of $1,001,080.

Stockholders agreement

In connection with the Combination, on February 28, 2017, we, SCF and substantially all of the holders of our common stock and warrants entered into the Second Amended and Restated Stockholders Agreement (the ‘‘Existing Stockholders Agreement’’). The Existing Stockholders Agreement contains provisions related to, among other things, stock transfer restrictions, tag-along and drag-along rights, preemptive rights, registration rights and board composition.

The Existing Stockholders Agreement, other than the provisions relating registration rights and certain miscellaneous provisions, will terminate upon the consummation of (i) an initial public offering; (ii) our merger into or combination with a corporation whose common stock is authorized and approved for listing on a national securities exchange (a ‘‘Qualified Public Company’’) or a subsidiary of a Qualified Public Company and our stockholders receive cash and/or common stock of such Qualified Public Company in respect of their shares of our common stock in such merger; (iii) our merger or combination with another entity if our stockholders receive solely cash in respect of their shares of our common stock in such merger or (iv) a sale pursuant to the drag-along provisions contained in the Existing Stockholders Agreement (a ‘‘drag-along sale’’). In the event of a drag-along sale or merger or combination in which our stockholders receive solely cash, the Existing Stockholders Agreement will terminate in its entirety. Upon the consummation of this offering, we will amend and restate the Existing Stockholders Agreement (the ‘‘Amended Stockholders Agreement’’) to eliminate all terminated provisions. The registration rights provisions that will be contained in the Amended Stockholders Agreement are described below.

Demand registration rights

Under the Amended Stockholders Agreement, from and after 180 days following an initial public offering, SCF (and its permitted transferees) will have the right to demand (a ‘‘Demand Request’’) on five occasions that we register all or any portion of the SCF Registrable Securities (as such term is defined in the Amended Stockholders Agreement) (a ‘‘Demand Registration’’) so long as the SCF Registrable Securities proposed to be sold on an individual registration statement have an aggregate gross offering price of at least $10.0 million or at least $1.0 million if we are then eligible to register such sale on a Form S-3 registration statement (or any

comparable or successor form) and provided that we are not required to effect more than one Demand Registration in any six-month period. After such time that we become eligible to use Form S-3 (or comparable form) for the registration under the Securities Act of any of our securities, any Demand Request with a reasonably anticipated aggregate offering price of $100.0 million may be for a "shelf" registration statement pursuant to Rule 415 under the Securities Act.

We may delay the filing of a registration statement pursuant to a Demand Request until a date not later than 60 days after the required filing date if (i) we are engaged in confidential negotiations or other confidential business activities that would require disclosure in the registration statement and our board of directors determines in good faith that such disclosure would be materially detrimental to us or (ii) we have experienced some other material non-public event or is in possession of material non-public information concerning the Company. We may also delay the filing if, prior to receiving a Demand Request, we are already proceeding with another offering for its own account or for the account of another requesting holder.

Piggyback registration rights

If we propose to file a registration statement under the Securities Act relating to an offering of our common stock for our own account or for the account of any common stockholder (other than certain registration statements, including those relating to securities offered in connection with benefit plans or acquisitions), the holders of Registrable Securities (as defined in the Amended Stockholders Agreement) will have customary piggyback registration rights that allow them to include the Registrable Securities that they own in any such registration statement, and any related underwriting. We will provide written notice to holders of Registrable Securities of such filing as soon as practicable (but in no event less than 15 days prior to the anticipated filing).

If the managing underwriter of a proposed underwritten offering advises us that in its opinion the total amount of securities to be included in such offering is sufficiently large to materially and adversely affect the price or success of the offering, then the securities to be included in such offering will be allocated first to the requesting holders if the registration statement is pursuant to a Demand Request or, if not, then to us, and then pro rata among the holders of piggyback securities on the basis of the number of Registrable Securities then held by each such holder.

Holdback agreements

Each holder of Registrable Securities will be subject to certain lock-up provisions that restrict transfer during the period beginning 14 days prior to, and continuing for a period not to exceed 180 days after, the date of a final prospectus for an initial public offering, or 90 days for any subsequent underwritten public offering of equity securities of the Company, except as part of such registration (subject to an extension of such lock-up period by up to 35 days in certain circumstances).

Registration procedures and expenses

The Amended Stockholders Agreement will contain customary procedures relating to underwritten offerings and the filing of registration statements. We will agree to pay all registration expenses incurred in connection with any registration, including all registration, qualification and filing fees, printing expenses, accounting fees, escrow fees, legal fees of the Company, reasonable fees of one counsel to the holders of Registrable Securities, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration. All underwriting discounts and selling commissions and stock transfer taxes applicable to securities registered by holders and fees of counsel to any such holder (other than as described above) will be payable by holders of Registrable Securities.

Indemnification and contribution

The Amended Stockholders Agreement will contain customary indemnification and contribution provisions by the Company for the benefit of holders participating in any registration. Each holder participating in any registration will also agree to indemnify the Company in respect of information provided by such holder to the Company for use in connection with such registration; provided that such indemnification will be limited to the net proceeds actually received by such indemnifying holder from the sale of Registrable Securities.

Procedures for approval of related person transactions

A ‘‘Related Party Transaction’’ is a transaction, arrangement or relationship in which we or any of our subsidiaries was, is or will be a participant, the amount of which involved exceeds $120,000, and in which any related person had, has or will have a direct or indirect material interest. A ‘‘Related Person’’ means:

- any person who is, or at any time during the applicable period was, one of our executive officers or one of our directors;
- any person who is known by us to be the beneficial owner of more than 5.0% of our common stock;
- any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of a director, executive officer or a beneficial owner of more than 5.0% of our common stock, and any person (other than a tenant or employee) sharing the household of such director, executive officer or beneficial owner of more than 5.0% of our common stock; and
- any firm, corporation or other entity in which any of the foregoing persons is a partner or principal or in a similar position or in which such person has a 10.0% or greater beneficial ownership interest.

Our board of directors intends to adopt a written related party transactions policy prior to the completion of this offering. Pursuant to this policy, the Audit Committee expects to review all material facts of all Related Party Transactions and either approve or disapprove entry into the Related Party Transaction, subject to certain limited exceptions. In determining whether to approve or disapprove entry into a Related Party Transaction, the Audit Committee expects to take into account, among other factors, the following: (1) whether the Related Party Transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and (2) the extent of the Related Person’ s interest in the transaction. Further, the policy would require that all Related Party Transactions required to be disclosed in our filings with the SEC be so disclosed in accordance with applicable laws, rules and regulations.

Principal and selling stockholders

The following table sets forth information with respect to the beneficial ownership of our common stock as of , 2017 by:

- each of our Named Executive Officers;
- each of our directors;
- all of our directors and executive officers as a group;
- each person known to us to beneficially own 5% or more of our outstanding common stock; and
- each of the selling stockholders.

Except as otherwise indicated, the persons or entities listed below have sole voting and investment power with respect to all shares of our common stock beneficially owned by them, except to the extent this power may be shared with a spouse. All information with respect to beneficial ownership has been furnished by the respective directors, executive officers, 5% or more stockholders or the selling stockholders, as the case may be. Unless otherwise noted, the mailing address of each listed beneficial owner is 16945 NorthChase Drive, Suite 1600, Houston, Texas 77060.

To the extent the underwriters sell more than shares of common stock, the underwriters have the option to purchase, exercisable within 30 days from the date of this prospectus, up to an additional shares from the selling stockholders.

Name and address of beneficial owner	Shares beneficially owned prior to the offering		Shares offered hereby (assuming no exercise of the underwriters' option to purchase additional shares)	Shares offered hereby (assuming exercise in full of the underwriters' option to purchase additional shares)	Shares beneficially owned after this offering (assuming no exercise of the underwriters' option to purchase additional shares)		Shares beneficially owned after this offering (assuming exercise in full of the underwriters' option to purchase additional shares)	
	Number	%(1)			Number	%	Number	%
5% or more Stockholders:								
SCF(3)								
Directors and Named Executive Officers:								
Ann G. Fox								
David Crombie								
Edward Bruce Morgan								
Ernie L. Danner								
David C. Baldwin								
Mark E. Baldwin								
Curtis F. Harrell								
Gary L. Thomas								
Andrew L. Waite								

All directors and executive officers as a group (11 persons)							

* less than 1%.

(1) Based upon an aggregate of shares outstanding as of , 2017. For each stockholder, in accordance with Rule 13d-3 promulgated under the Exchange Act, this percentage is determined by assuming the named stockholder exercises all options, warrants and other instruments pursuant to which the stockholder has the right to acquire shares of our common stock within 60 days of , 2017, but that no other person exercises any options, warrants or other purchase rights (except with respect to the calculation of the beneficial ownership of all directors and executive officers as a group, for which the percentage assumes that all directors and executive officers exercise any options, warrants or other purchase rights).

(2) Assumes no exercise of the underwriters' over-allotment option to purchase additional shares of our common stock from the selling stockholders. If the underwriters' over-allotment option is exercised in full, each of and will sell and shares, respectively, and will own % and % of our common stock, respectively, following the sale of such shares.

(3) Includes shares issuable upon exercise of warrants. L. E. Simmons is the natural person who has voting and investment control over the securities owned by SCF. Mr. Simmons serves as the President and sole member of the board of directors of LESA, the ultimate general partner of SCF. Because SCF-VII, L.P. and SCF-VII(A), L.P. are controlled by LESA, these entities may be considered to be a group for purposes of Section 13(d)(3) under the Exchange Act. As a group, SCF beneficially owns shares of our common stock in the aggregate. This beneficial ownership includes shares of our common stock held by SCF-VII, L.P. and shares of our common stock held by SCF-VII(A), L.P. The address for SCF-VII, L.P. and SCF-VII(A), L.P. is 600 Travis Street, Suite 6600, Houston, Texas 77002.

Description of capital stock

Our authorized capital stock consists of shares of common stock, par value $0.01 per share, of which shares of common stock will be issued and outstanding upon completion of this offering, which includes the issuance of shares of common stock issuable upon the exercise of outstanding warrants held by our existing stockholders, which will automatically be exercised on a cashless basis upon the consummation of this offering, and shares of preferred stock, par value $0.01 per share, of which no shares will be issued and outstanding.

The following summary of the capital stock and our charter and our bylaws does not purport to be complete and is qualified in its entirety by reference to the provisions of applicable law and to our charter and bylaws, which will be filed as exhibits to the registration statement of which this prospectus is a part.

Common stock

Except as provided by law or in a preferred stock designation, holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders. Because holders of our common stock have the exclusive right to vote for the election of directors and do not have cumulative voting rights, the holders of a majority of the shares of our common stock can elect all of the members of the board of directors standing for election, subject to the rights, powers and preferences of any outstanding series of preferred stock. Subject to the rights and preferences of any preferred stock that we may issue in the future, the holders of our common stock are entitled to receive:

- dividends as may be declared by our board of directors; and
- all of our assets available for distribution to holders of our common stock in liquidation, pro rata, based on the number of shares held.

There are no redemption or sinking fund provisions applicable to our common stock. All outstanding shares of our common stock are fully paid and non-assessable, and the shares of common stock to be issued upon completion of this offering will be fully paid and non-assessable.

Preferred stock

Subject to the provisions of our charter and legal limitations, our board of directors will have the authority, without further vote or action by our stockholders:

- to issue up to shares of preferred stock in one or more series; and
- to fix the rights, preferences, privileges and restrictions of our preferred stock, including provisions related to dividends, conversion, voting, redemption, liquidation and the number of shares constituting the series or the designation of that series, which may be superior to those of our common stock.

There will be no shares of preferred stock outstanding upon the closing of this offering, and we have no present plans to issue any preferred stock.

The issuance of shares of preferred stock by our board of directors as described above may adversely affect the rights of the holders of our common stock. For example, preferred stock may rank prior to our common stock as to dividend rights, liquidation preference or both, may have full or limited voting rights and may be convertible into shares of our common stock. The issuance of shares of preferred stock may discourage third-party bids for our common stock or may otherwise adversely affect the market price of our common stock. In addition,

preferred stock may enable our board of directors to make it more difficult or to discourage attempts to obtain control of us through a hostile tender offer, proxy contest, merger or otherwise, or to make changes in our management.

Anti-takeover effects of provisions of our charter, our bylaws and Delaware law

Some provisions of Delaware law, our charter and our bylaws could make certain change of control transactions more difficult, including acquisitions of us by means of a tender offer, a proxy contest or otherwise, as well as removal of our incumbent officers and directors. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares. Therefore, these provisions could adversely affect the price of our common stock.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased protection and our potential ability to negotiate with the proponent of an unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Opt out of Section 203 of the DGCL

In our charter, we have elected not to be subject to the provisions of Section 203 of the DGCL regulating corporate takeovers until the date on which the SCF group is no longer the holder of at least 15% of our outstanding common stock. On and after such date, we will be subject to the provisions of Section 203 of the DGCL. In general, those provisions prohibit a Delaware corporation, including those whose securities are listed for trading on the NYSE, from engaging in any business combination with any interested stockholder for a period of three years following the date that the stockholder became an interested stockholder, unless:

- the transaction is approved by the board of directors before the date the interested stockholder attained that status;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or
- on or after the date the interested stockholder attained that status, the business combination is approved by the board of directors and authorized at a meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

Our charter and bylaws

Among other things, our charter and bylaws:

- establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of stockholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the

first anniversary date of the annual meeting for the preceding year' s annual meeting. Our bylaws specify the requirements as to form and content of all stockholders' notices. These requirements may deter stockholders from bringing matters before the stockholders at an annual or special meeting;

authorize our board of directors to issue undesignated preferred stock. This ability makes it possible for our board of directors to issue, without stockholder approval, preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company;

provide that the authorized number of directors may be changed only by resolution of the board of directors;

provide that all vacancies, including newly created directorships, may, except as otherwise required by law or, if applicable, the rights of holders of a series of preferred stock, be filled by the affirmative vote of a majority of the total number of directors then in office, even if less than a quorum;

provide that any action required or permitted to be taken by the stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent in writing in lieu of a meeting of such stockholders, subject to the rights of the holders of any series of preferred stock with respect to such series;

provide that special meetings of our stockholders may only be called by a majority of the total number of directors;

provide that our board of directors be divided into three classes of directors, with each class as nearly equal in number as possible, serving staggered three-year terms, other than directors which may be elected by holders of preferred stock, if any. This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us because it generally makes it more difficult for stockholders to replace a majority of the directors;

provide that we renounce any interest or expectancy in any business opportunity (existing and future) that involves any aspect of the energy business or industry and that may be from time to time presented to SCF or any director or officer of the corporation who is also an employee, partner, member, manager, officer or director of any SCF entity, and that such persons have no obligation to offer us those investments or opportunities (see "–Renouncement of business opportunities" for more information);

provide that our charter and bylaws may be amended by the affirmative vote of the holders of at least two-thirds of our then outstanding common stock (except with respect to provisions relating to the renouncement business opportunities, which require approval of at least 80% of the voting power of the outstanding stock entitled to vote thereon); and

a member of our board of directors may only be removed for cause and only by the affirmative vote of the holders of at least two-thirds of our then outstanding common stock.

Forum selection

Our charter provides that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for:

any derivative action or proceeding brought on our behalf;

any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders;

any action asserting a claim against us or any director or officer or other employee of ours arising pursuant to any provision of the DGCL, our charter or our bylaws; or

any action asserting a claim against us or any director or officer or other employee of ours that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein.

Our charter also provides that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and to have consented to, this forum selection provision. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against our directors, officers, employees and agents. The enforceability of similar exclusive forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with one or more actions or proceedings described above, a court could rule that this provision in our charter is inapplicable or unenforceable.

Warrants

Combined Nine Subscription Offer warrants

In connection with the Combined Nine Subscription Offer, we issued to those stockholders who purchased shares of our common stock a warrant to purchase additional shares of our common stock on the basis of one warrant share for every two shares purchased in the Combined Nine Subscription Offer. The warrants were issued pursuant to a warrant agreement by and between the holders of the warrants and us. The warrants may be exercised, in whole or in part, either for cash or on a cashless basis, subject to the limitations described below. The warrants were exercisable upon their issuance and will remain exercisable until the consummation of this offering. The initial exercise price of the warrants was $250.27 per share.

Cash exercise

Prior to the consummation of this offering, the holder of any Combined Nine Subscription Offer warrants may exercise such warrant by the payment of cash for the applicable exercise price of such warrant exercised; however, upon the consummation of this offering, the holder of any warrant may no longer exercise such warrant by the payment of cash for the applicable exercise price of such warrant exercised.

Cashless exercise

Upon the consummation of this offering, all Combined Nine Subscription Offer warrants that remain unexercised shall be exercised in whole (not in part) on a cashless basis automatically, without further action by the Company or the holders of the Combined Nine Subscription Offer warrants.

Exercise by the Company

Prior to the consummation of this offering, our board of directors may require the holders of Combined Nine Subscription Offer warrants to purchase all or a portion of the shares then remaining to be exercised under the terms of the Combined Nine Subscription Offer warrant. The holder of Combined Nine Subscription Offer warrants shall pay the aggregate exercise price for the number of shares subject to each call notice. If the holder of Combined Nine Subscription Offer warrants does not pay the aggregate exercise price for the number of shares subject to the call notice on or before the closing date set forth in the call notice, then such Combined

Nine Subscription Offer warrant subject to the call notice shall expire and be deemed cancelled immediately without further action by the Company or the holder of Combined Nine Subscription Offer warrants.

Adjustments

The exercise price of the Combined Nine Subscription Offer warrants and the number of shares of our common stock issuable upon exercise of the Combined Nine Subscription Offer warrants are subject to adjustment in certain circumstances, including in the event we (i) make a distribution payable in our common stock, subdivide our outstanding shares of common stock into a larger number or combine the outstanding shares of common stock into a smaller number, (ii) issue rights, options, warrants or equivalent rights to all or substantially all of the holders of our common stock (and not to the holders of Combined Nine Subscription Offer warrants) entitling our stockholders to subscribe for or purchase shares of our common stock at a price less than fair market value or (iii) distribute (A) shares of any class other than our common stock, (B) evidences of our indebtedness, (C) cash or other assets or (D) rights or warrants other than as described above.

Nine Subscription Offer warrants

In connection with the Nine Subscription Offer, we issued to those stockholders who purchased shares of our common stock a warrant to purchase additional shares of our common stock on the basis of one warrant share for every two shares purchased in the Nine Subscription Offer. The warrants were issued pursuant to a warrant agreement by and between the holders of the warrants and us. The warrants may be exercised, in whole or in part, either for cash or on a cashless basis, subject to the limitations described below. The warrants were exercisable upon their issuance and will remain exercisable until the consummation of this offering. The initial exercise price of the warrants was $250.27 per share.

Cash exercise

Prior to the consummation of this offering, the holder of any Nine Subscription Offer warrants may exercise such warrant by the payment of cash for the applicable exercise price of such warrant exercised; however, upon the consummation of this offering, the holder of any warrant may no longer exercise such warrant by the payment of cash for the applicable exercise price of such warrant exercised.

Cashless exercise

Upon the consummation of this offering, all Nine Subscription Offer warrants that remain unexercised shall be exercised in whole (not in part) on a cashless basis automatically, without further action by the Company or the holders of the Combined Nine Subscription Offer warrants.

Exercise by the Company

Prior to the consummation of this offering, our board of directors may require the holders of Nine Subscription Offer warrants to purchase all or a portion of the shares then remaining to be exercised under the terms of the Nine Subscription Offer warrant. The holder of Nine Subscription Offer warrants shall pay the aggregate exercise price for the number of shares subject to each call notice. If the holder of Nine Subscription Offer warrants does not pay the aggregate exercise price for the number of shares subject to the call notice on or before the closing date set forth in the call notice, then such Nine Subscription Offer warrant subject to the call notice shall expire and be deemed cancelled immediately without further action by the Company or the holder of Nine Subscription Offer warrants.

Adjustments

The exercise price of the Nine Subscription Offer warrants and the number of shares of our common stock issuable upon exercise of the Nine Subscription Offer warrants are subject to adjustment in certain circumstances, including in the event we (i) make a distribution payable in our common stock, subdivide our outstanding shares of common stock into a larger number or combine the outstanding shares of common stock into a smaller number, (ii) issue rights, options, warrants or equivalent rights to all or substantially all of the holders of our common stock (and not to the holders of Combined Nine Subscription Offer warrants) entitling our stockholders to subscribe for or purchase shares of our common stock at a price less than fair market value or (iii) distribute (A) shares of any class other than our common stock, (B) evidences of our indebtedness, (C) cash or other assets or (D) rights or warrants other than as described above.

Beckman warrants

In connection with the Beckman Subscription Offer, we issued to those stockholders who purchased shares of Beckman common stock a warrant to purchase additional shares of Beckman common stock on the basis of one warrant share for every two shares purchased in the Beckman Subscription Offer. The warrants were issued pursuant to a warrant agreement by and between the holders of the warrants and Beckman. Beckman shares of common stock issued in the Beckman Subscription Offer and warrants purchased in the Beckman Subscription Offer converted into shares and warrants of our common stock based on the exchange ratio used with respect to the Combination. The initial exercise price of the warrants, after giving effect to the exchange ratio used with respect to the Combination, was $250.27.

Renouncement of business opportunities

SCF has investments in other oilfield service companies that may compete with us, and SCF and its affiliates, other than us, may invest in such other companies in the future. SCF, its other affiliates and its portfolio companies are referred to as the ‘‘SCF group.’’ Our charter provides that, until we have had no directors that are SCF Nominees for a continuous period of one year, we renounce any interest in any business opportunity in which any member of the SCF group participates or desires or seeks to participate in and that involves any aspect of the energy equipment or services business or industry, other than:

- any business opportunity that is brought to the attention of an SCF Nominee solely in such person’ s capacity as our director or officer and with respect to which no other member of the SCF group independently receives notice or otherwise identifies such opportunity; or
- any business opportunity that is identified by the SCF group solely through the disclosure of information by or on behalf of us.

In addition, LESA, the ultimate general partner of SCF, has an internal policy that discourages it from investing in two or more portfolio companies with substantially overlapping industry segments and geographic areas. However, LESA’ s internal policy does not restrict the management or operation of its other individual portfolio companies from competing with us. Pursuant to LESA’ s policy, LESA may allocate any potential opportunities to the existing portfolio company where LESA determines, in its discretion, such opportunities are the most logical strategic and operational fit. Thus, members of the SCF group, which includes any SCF Nominees, may pursue opportunities in the oilfield services industry for their own account or present such opportunities to us or one of SCF’ s other portfolio companies. Our charter provides that the SCF group, which includes any SCF Nominees, has no obligation to offer such opportunities to us, even if the failure to provide such opportunity would have a competitive impact on us. We are not prohibited from pursuing any business opportunity with respect to which we have renounced any interest.

Our charter further provides that any amendment to or adoption of any provision inconsistent with the charter' s provisions governing the renouncement of business opportunities must be approved by the holders of at least 80% of the voting power of the outstanding stock of the corporation entitled to vote thereon.

Limitation of liability and indemnification of officers and directors

Our directors will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except, if required by Delaware law, for liability:

- for any breach of the duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or involving intentional misconduct or a knowing violation of law;
- for unlawful payment of a dividend or unlawful stock purchases or redemptions; or
- for any transaction from which the director derived an improper personal benefit.

As a result, neither we nor our stockholders have the right, through stockholders' derivative suits on our behalf, to recover monetary damages against a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior, except in the situations described above. We intend to enter into indemnification agreements with each of our current and future directors and officers.

Registration rights

For a description of registration rights relating to our common stock, please read "Certain relationships and related party transactions–Stockholders agreement."

Transfer agent and registrar

The transfer agent and registrar for the common stock is American Stock Transfer & Trust Company, LLC.

Listing; public market

We expect to apply to list our common stock on the NYSE under the symbol "NINE." There is no established market for our shares of common stock. The development and maintenance of a public market for our common stock, having the desirable characteristics of depth, liquidity and orderliness, depends on the existence of willing buyers and sellers, the presence of which is not within our control or that of any market maker. The number of active buyers and sellers of shares of our common stock at any particular time may be limited, which may have an adverse effect on the price at which shares of our common stock can be sold.

Certain ERISA considerations

The following is a summary of certain considerations associated with the acquisition and holding of shares of common stock by employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”) or employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), non-U.S. plans (as described in Section 4(b)(4) of ERISA) or other plans that are not subject to the foregoing but may be subject to provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, “Similar Laws”), and entities whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement (each, a “Plan”).

This summary is based on the provisions of ERISA and the Code (and related regulations and administrative and judicial interpretations) as of the date of this registration statement. This summary does not purport to be complete, and no assurance can be given that future legislation, court decisions, regulations, rulings or pronouncements will not significantly modify the requirements summarized below. Any of these changes may be retroactive and may thereby apply to transactions entered into prior to the date of their enactment or release. This discussion is general in nature and is not intended to be all inclusive, nor should it be construed as investment or legal advice.

General fiduciary matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an “ERISA Plan”) and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of an ERISA Plan or the management or disposition of the assets of an ERISA Plan, or who renders investment advice for a fee or other compensation to an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in shares of common stock with a portion of the assets of any Plan, a fiduciary should consider the Plan’ s particular circumstances and all of the facts and circumstances of the investment and determine whether the acquisition and holding of shares of common stock is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code, or any Similar Law relating to the fiduciary’ s duties to the Plan, including, without limitation:

- whether the investment is prudent under Section 404(a)(1)(B) of ERISA and any other applicable Similar Laws;
- whether, in making the investment, the ERISA Plan will satisfy the diversification requirements of Section 404(a)(1)(C) of ERISA and any other applicable Similar Laws;
- whether the investment is permitted under the terms of the applicable documents governing the Plan;
- whether the acquisition or holding of the shares of common stock will constitute a “prohibited transaction” under Section 406 of ERISA or Section 4975 of the Code (please see discussion under “–Prohibited transaction issues” below); and
- whether the Plan will be considered to hold, as plan assets, (i) only shares of common stock or (ii) an undivided interest in our underlying assets (please see the discussion under “–Plan asset issues” below).

Prohibited transaction issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to excise taxes, penalties and liabilities under ERISA and the Code. The acquisition and/or holding of shares of common stock by an ERISA Plan with respect to which the issuer, the initial purchaser, or a guarantor is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption.

Because of the foregoing, shares of common stock should not be acquired or held by any person investing "plan assets" of any Plan, unless such acquisition and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or a similar violation of any applicable Similar Laws.

Plan asset issues

Additionally, a fiduciary of a Plan should consider whether the Plan will, by investing in us, be deemed to own an undivided interest in our assets, with the result that we would become a fiduciary of the Plan and our operations would be subject to the regulatory restrictions of ERISA, including its prohibited transaction rules, as well as the prohibited transaction rules of the Code and any other applicable Similar Laws.

The Department of Labor (the "DOL") regulations provide guidance with respect to whether the assets of an entity in which ERISA Plans acquire equity interests would be deemed "plan assets" under some circumstances. Under these regulations, an entity's assets generally would not be considered to be "plan assets" if, among other things:

- the equity interests acquired by ERISA Plans are publicly offered securities–i.e., the equity interests are part of a class of securities that is widely held by 100 or more investors independent of the issuer and each other, are "freely transferable" (as defined in the DOL regulations), and are either registered under certain provisions of the federal securities laws or sold to the ERISA Plan as part of a public offering under certain conditions;

- the entity is an "operating company"–i.e., it is primarily engaged in the production or sale of a product or service, other than the investment of capital, either directly or through a majority-owned subsidiary or subsidiaries; or

- there is no significant investment by benefit plan investors, which is defined to mean that immediately after the most recent acquisition by an ERISA Plan of any equity interest in the entity, less than 25% of the total value of each class of equity interest (disregarding certain interests held by persons (other than benefit plan investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof) is held by ERISA Plans, IRAs and certain other Plans (but not including governmental plans, foreign plans and certain church plans), and entities whose underlying assets are deemed to include plan assets by reason of a Plan's investment in the entity.

Due to the complexity of these rules and the excise taxes, penalties and liabilities that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other

persons considering acquiring and/or holding shares of our common stock on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the acquisition and holding of shares of common stock. Purchasers of shares of common stock have the exclusive responsibility for ensuring that their acquisition and holding of shares of common stock complies with the fiduciary responsibility rules of ERISA and does not violate the prohibited transaction rules of ERISA, the Code or applicable Similar Laws. The sale of shares of common stock to a Plan is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plan or that such investment is appropriate for any such Plan.

Shares eligible for future sale

Prior to this offering, there has been no public market for our common stock. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of a substantial number of shares of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity-related capital at a time and price we deem appropriate.

Sales of restricted shares

Upon the closing of this offering, we will have outstanding an aggregate of shares of common stock, which includes the issuance of shares of common stock issuable upon the exercise of outstanding warrants held by our existing stockholders, which will automatically be exercised on a cashless basis upon the consummation of this offering. Of these shares, all of the shares of common stock to be sold in this offering will be freely tradable without restriction or further registration under the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 of the Securities Act. All remaining shares of common stock held by existing stockholders will be deemed "restricted securities" as such term is defined under Rule 144. The restricted securities were, or will be, issued and sold by us in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below.

As a result of the lock-up agreements described below and the lock-up provision contained in our existing stockholders agreement and the provisions of Rule 144 and Rule 701 under the Securities Act, the shares of our common stock (excluding the shares to be sold in this offering) that will be available for sale in the public market are as follows:

- shares will be eligible for sale upon the expiration of the lock-up agreements, beginning 180 days after the date of this prospectus (subject to extension) and when permitted under Rule 144 or Rule 701; and
- shares will be eligible for sale, upon exercise of vested options and outstanding warrants, upon the expiration of the lock-up agreements, beginning 180 days after the date of this prospectus.

Lock-up agreements

We, all of our directors and officers, SCF and the selling stockholders have agreed not to sell any common stock for a period of 180 days from the date of this prospectus, subject to certain exceptions and extensions. See "Underwriting (conflicts of interest)" for a description of these lock-up provisions.

Rule 144

In general, under Rule 144 as currently in effect, once we have been a reporting company subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act for 90 days, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for a least six months (including any period of consecutive ownership of preceding non-affiliated holders) would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

Once we have been a reporting company subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act for 90 days, a person (or persons whose shares are aggregated) who is deemed to be an affiliate of ours and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months would be entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of the then outstanding shares of our common stock or the average weekly trading volume of our common stock reported through the NYSE during the four calendar weeks preceding the filing of notice of the sale. Such sales are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who purchases shares from us in connection with a compensatory stock or option plan or other written agreement pursuant to Rule 701 before the effective date of the registration statement for this offering is entitled to sell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirement of Rule 144 and, in the case of non-affiliates, without having to comply with the public information, volume limitation or notice filing provisions of Rule 144. The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus.

Stock issuable under employee plans

We intend to file a registration statement on Form S-8 under the Securities Act to register stock issuable under our 2017 Plan. This registration statement is expected to be filed following the effective date of the registration statement of which this prospectus is a part and will be effective upon filing. Accordingly, shares registered under such registration statement will be available for sale in the open market following the effective date, unless such shares are subject to vesting restrictions with us, Rule 144 restrictions applicable to our affiliates or the lock-up restrictions described above.

Registration rights

For a description of registration rights relating to our common stock, please read ‘‘Certain relationships and related party transactions–Stockholders agreement.’’

Material U.S. federal income tax considerations for non-U.S. holders

The following is a summary of the material U.S. federal income tax considerations related to the purchase, ownership and disposition of our common stock by a non-U.S. holder (as defined below), that holds our common stock as a ‘‘capital asset’’ (generally property held for investment). This summary is based on the provisions of the Code, U.S. Treasury regulations, administrative rulings and judicial decisions, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. We have not sought any ruling from the Internal Revenue Service (‘‘IRS’’) with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This summary does not address all aspects of U.S. federal income taxation that may be relevant to non-U.S. holders in light of their personal circumstances. In addition, this summary does not address the Medicare tax on certain investment income, U.S. federal estate or gift tax laws, any state, local or non-U.S. tax laws or any tax treaties. This summary also does not address tax considerations applicable to investors that may be subject to special treatment under the U.S. federal income tax laws, such as:

- banks, insurance companies or other financial institutions;
- tax-exempt or governmental organizations;
- qualified foreign pension funds (or any entities all of the interests of which are held by a qualified foreign pension fund);
- dealers in securities or foreign currencies;
- traders in securities that use the mark-to-market method of accounting for U.S. federal income tax purposes;
- persons subject to the alternative minimum tax;
- partnerships or other pass-through entities for U.S. federal income tax purposes or holders of interests therein;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons that acquired our common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;
- certain former citizens or long-term residents of the United States; and
- persons that hold our common stock as part of a straddle, appreciated financial position, synthetic security, hedge, conversion transaction or other integrated investment or risk reduction transaction.

PROSPECTIVE INVESTORS ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Non-U.S. holder defined

For purposes of this discussion, a ‘‘non-U.S. holder’’ is a beneficial owner of our common stock that is not for U.S. federal income tax purposes a partnership or any of the following:

- an individual who is a citizen or resident of the United States;

a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate the income of which is subject to U.S. federal income tax regardless of its source; or

a trust (i) the administration of which is subject to the primary supervision of a U.S. court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (ii) which has made a valid election under applicable U.S. Treasury regulations to be treated as a United States person.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner, upon the activities of the partnership and upon certain determinations made at the partner level. Accordingly, we urge partners in partnerships (including entities or arrangements treated as partnerships for U.S. federal income tax purposes) considering the purchase of our common stock to consult their tax advisors regarding the U.S. federal income tax considerations of the purchase, ownership and disposition of our common stock by such partnership.

Distributions

Distributions of cash or property on our common stock, if any, will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, the distributions will be treated as a non-taxable return of capital to the extent of the non-U.S. holder' s tax basis in our common stock and thereafter as capital gain from the sale or exchange of such common stock. See "–Gain on Disposition of Common Stock." Subject to the withholding requirements under FATCA (as defined below) and with respect to effectively connected dividends, each of which is discussed below, any distribution made to a non-U.S. holder on our common stock generally will be subject to U.S. withholding tax at a rate of 30% of the gross amount of the distribution unless an applicable income tax treaty provides for a lower rate. To receive the benefit of a reduced treaty rate, a non-U.S. holder must provide the applicable withholding agent with an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form) certifying qualification for the reduced rate.

Dividends paid to a non-U.S. holder that are effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, are treated as attributable to a permanent establishment maintained by the non-U.S. holder in the United States) generally will be taxed on a net income basis at the rates and in the manner generally applicable to United States persons (as defined under the Code). Such effectively connected dividends will not be subject to U.S. withholding tax if the non-U.S. holder satisfies certain certification requirements by providing the applicable withholding agent with a properly executed IRS Form W-8ECI certifying eligibility for exemption. If the non-U.S. holder is a corporation for U.S. federal income tax purposes, it may also be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty) on its effectively connected earnings and profits (as adjusted for certain items), which will include effectively connected dividends.

Gain on disposition of common stock

Subject to the discussions below under ‘‘–Backup Withholding and Information Reporting’’ and ‘‘–Additional Withholding Requirements under FATCA,’’ a non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on any gain realized upon the sale or other disposition of our common stock unless:

- the non-U.S. holder is an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met;
- the gain is effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States); or
- our common stock constitutes a United States real property interest by reason of our status as a United States real property holding corporation (‘‘USRPHC’’) for U.S. federal income tax purposes.

A non-U.S. holder described in the first bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate as specified by an applicable income tax treaty) on the amount of such gain, which generally may be offset by U.S. source capital losses.

A non-U.S. holder whose gain is described in the second bullet point above or, subject to the exceptions described in the next paragraph, the third bullet point above, generally will be taxed on a net income basis at the rates and in the manner generally applicable to United States persons (as defined under the Code) unless an applicable income tax treaty provides otherwise. If the non-U.S. holder is a corporation for U.S. federal income tax purposes whose gain is described in the second bullet point above, then such gain would also be included in its effectively connected earnings and profits (as adjusted for certain items), which may be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty).

Generally, a corporation is a USRPHC if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. We believe that we currently are not a USRPHC for U.S. federal income tax purposes, and we do not expect to become a USRPHC for the foreseeable future. However, in the event that we become a USRPHC, as long as our common stock is and continues to be regularly traded on an established securities market, only a non-U.S. holder that actually or constructively owns, or owned at any time during the shorter of the five-year period ending on the date of the disposition or the non-U.S. holder’ s holding period for the common stock, more than 5% of our common stock will be taxable on gain realized on the disposition of our common stock as a result of our status as a USRPHC. If we were to become a USRPHC and our common stock were not considered to be regularly traded on an established securities market, such holder (regardless of the percentage of stock owned) would be subject to U.S. federal income tax on a taxable disposition of our common stock (as described in the preceding paragraph), and a 15% withholding tax would apply to the gross proceeds from such disposition.

Non-U.S. holders should consult their tax advisors with respect to the application of the foregoing rules to their ownership and disposition of our common stock.

Backup withholding and information reporting

Any dividends paid to a non-U.S. holder must be reported annually to the IRS and to the non-U.S. holder. Copies of these information returns may be made available to the tax authorities in the country in which the non-U.S. holder resides or is established. Payments of dividends to a non-U.S. holder generally will not be subject to

backup withholding if the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form).

Payments of the proceeds from a sale or other disposition by a non-U.S. holder of our common stock effected by or through a U.S. office of a broker generally will be subject to information reporting and backup withholding (at the applicable rate) unless the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form) and certain other conditions are met. Information reporting and backup withholding generally will not apply to any payment of the proceeds from a sale or other disposition of our common stock effected outside the United States by a non-U.S. office of a broker. However, unless such broker has documentary evidence in its records that the non-U.S. holder is not a United States person and certain other conditions are met, or the non-U.S. holder otherwise establishes an exemption, information reporting will apply to a payment of the proceeds of the disposition of our common stock effected outside the United States by such a broker if it has certain relationships within the United States.

Backup withholding is not an additional tax. Rather, the U.S. federal income tax liability (if any) of persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is timely furnished to the IRS.

Additional withholding requirements under FATCA

Sections 1471 through 1474 of the Code, and the U.S. Treasury regulations and administrative guidance issued thereunder (“FATCA”), impose a 30% withholding tax on any dividends paid on our common stock and on the gross proceeds from a disposition of our common stock (if such disposition occurs after December 31, 2018), in each case if paid to a “foreign financial institution” or a “non-financial foreign entity” (each as defined in the Code) (including, in some cases, when such foreign financial institution or non-financial foreign entity is acting as an intermediary), unless (i) in the case of a foreign financial institution, such institution enters into an agreement with the U.S. government to withhold on certain payments, and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are non-U.S. entities with U.S. owners), (ii) in the case of a non-financial foreign entity, such entity certifies that it does not have any “substantial United States owners” (as defined in the Code) or provides the applicable withholding agent with a certification identifying the direct and indirect substantial United States owners of the entity (in either case, generally on an IRS Form W-8BEN-E), or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules and provides appropriate documentation (such as an IRS Form W-8BEN-E). Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing these rules may be subject to different rules. Under certain circumstances, a holder might be eligible for refunds or credits of such taxes. Non-U.S. holders are encouraged to consult their own tax advisors regarding the effects of FATCA on an investment in our common stock.

INVESTORS CONSIDERING THE PURCHASE OF OUR COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE APPLICABILITY AND EFFECT OF U.S. FEDERAL ESTATE AND GIFT TAX LAWS AND ANY STATE, LOCAL OR NON-U.S. TAX LAWS AND TAX TREATIES.

Underwriting (conflicts of interest)

We and the selling stockholders are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC, Goldman Sachs & Co. LLC and Wells Fargo Securities, LLC are acting as joint book-running managers of the offering and as representatives of the underwriters. We and the selling stockholders have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we and the selling stockholders have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

Name	Number of shares
J.P. Morgan Securities LLC	
Goldman Sachs & Co. LLC	
Wells Fargo Securities, LLC	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Credit Suisse Securities (USA) LLC	
Raymond James & Associates, Inc.	
Simmons & Company International	
Tudor, Pickering, Holt & Co. Securities, Inc.	
HSBC Securities (USA) Inc.	
Scotia Capital (USA) Inc.	
UBS Securities LLC	
Total	

The underwriters are committed to purchase all the common shares offered by us and the selling stockholders if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the common shares directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares to the public, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the United States may be made by affiliates of the underwriters. The offering of the common shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The underwriters have an option to buy up to additional shares of common stock from the selling stockholders to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional shares. If any shares are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us and the selling stockholders per share of common stock. The underwriting fee is $ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Per share		Total	
	Without over-allotment exercise	With full over-allotment exercise	Without over-allotment exercise	With full over-allotment exercise
Underwriting discounts and commissions paid by us	$	$	$	$
Expenses payable by us	$	$	$	$
Underwriting discounts and commissions paid by the selling stockholders	$	$	$	$
Expenses payable by the selling stockholders	$	$	$	$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $. We have also agreed to reimburse the underwriters for certain FINRA-related expenses incurred by them in connection with their offering of up to $.

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), in each case without the prior written consent of J.P. Morgan Securities LLC for a period of 180 days after the date of this prospectus; provided that the restrictions described in clause (i) shall not apply to issuances of common stock (a) pursuant to the exercise of warrants outstanding on the date of this prospectus, and (b) directly to a seller of a business or assets as part of the purchase price or private placements in connection with acquisitions thereof by us; provided, further, that (x) any such recipient of such shares of common stock will agree to be bound by these restrictions for the remainder of such 180-day period and (y) the aggregate number of shares of common stock that we may offer pursuant to the foregoing proviso shall not exceed % of the total number of shares of our common stock issued and outstanding immediately following the completion of the offering contemplated by this prospectus.

Our directors and executive officers, and certain of our significant stockholders and the selling stockholders have entered into lock-up agreements with the underwriters prior to the commencement of this offering

pursuant to which each of these persons or entities, with limited exceptions, for a period of 180 days after the date of this prospectus, may not, without the prior written consent of J.P. Morgan Securities LLC, (1) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such directors, executive officers, managers and members in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant) or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock or such other securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise, or (3) make any demand for or exercise any right with respect to the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock.

We and the selling stockholders have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

We expect to apply to list our common stock on the NYSE under the symbol ‘‘NINE’’.

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be ‘‘covered’’ shorts, which are short positions in an amount not greater than the underwriters’ option to purchase additional shares referred to above, or may be ‘‘naked’’ shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act of 1933, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the NYSE, in the over-the-counter market or otherwise.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our common shares, or that the shares will trade in the public market at or above the initial public offering price.

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Directed share program

At our request, the underwriters have reserved for sale at the initial public offering price up to % of the common stock being offered by this prospectus for sale to our employees, executive officers, directors and director nominees who have expressed an interest in purchasing common stock in this offering. Any (i) executive officer, director or director nominee purchasing shares of common stock as part of the directed share program or (ii) other person who purchases more than $ of shares of common stock as part of such program will be subject to the 180-day lock-up restriction as described above. All other participants in the directed share program will be subject to a -day lock-up restriction. We do not know if these persons will choose to purchase all or any portion of these reserved shares, but any purchases they do make will reduce the number of shares available to the general public. Any reserved shares of our common stock that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares of our common stock offered by this prospectus. We have agreed to indemnify the underwriters against certain liabilities and expenses, including liabilities under the Securities Act, in connection with sales of the reserved shares.

Relationships with the underwriters and their affiliates

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and

other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Conflicts of interest

An affiliate of Wells Fargo Securities, LLC is a lender under the Existing Nine Credit Facility and the Existing Beckman Credit Facility, and an affiliate of J.P. Morgan Securities LLC is a lender under the Existing Nine Credit Facility, and such affiliates may receive more than 5% of the net proceeds of this offering in connection with the repayment of borrowings under the Existing Nine Credit Facility and the Existing Beckman Credit Facility. Accordingly, this offering is being made in compliance with the requirements of Rule 5121 of the Financial Industry Regulatory Authority, Inc. In accordance with this rule, has assumed the responsibilities of acting as a ‘‘qualified independent underwriter.’’ In its role as a qualified independent underwriter, has participated in due diligence and the preparation of the registration statement. will not receive any additional fees for serving as a qualified independent underwriter in connection with this offering. We have agreed to indemnify against certain liabilities incurred in connection with acting as a ‘‘qualified independent underwriter,’’ including liabilities under the Securities Act. Pursuant to Rule 5121, Wells Fargo Securities, LLC and J.P. Morgan Securities LLC will not confirm sales of the shares to any account over which they exercise discretionary authority without the prior written approval of the customer.

Notice to prospective investors in the European Economic Area

In relation to each Member State of the European Economic Area (each, a ‘‘Relevant Member State’’), no offer of shares may be made to the public in that Relevant Member State other than:

A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

B. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or

C. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares shall require the Company or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a ‘‘qualified investor’’ within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

The Company, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This prospectus has been prepared on the basis that any offer of shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Relevant Member State of shares which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the underwriters have authorized, nor do they authorize, the making of any offer of shares in circumstances in which an obligation arises for the Company or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression "an offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to prospective investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons").

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to prospective investors in Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to

any applicable provisions of the securities legislation of the purchaser' s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to prospective investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to prospective investors in the Dubai International Financial Centre ("DIFC")

This document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ("DFSA"). This document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this document. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

Notice to prospective investors in the United Arab Emirates

The shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

Notice to prospective investors in Australia

This prospectus:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "Corporations Act");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("ASIC"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;
- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a "retail client" (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, or Exempt Investors, available under section 708 of the Corporations Act.

The shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of shares under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the shares you undertake to us that you will not, for a period of 12 months from the date of issue of the shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Notice to prospective investors in Japan

The shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to prospective investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that

Ordinance. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to ‘‘professional investors’’ as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to prospective investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the ‘‘SFA’’), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (1) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except: (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (2) where no consideration is or will be given for the transfer; (3) where the transfer is by operation of law; (4) as specified in Section 276(7) of the SFA; or (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Legal matters

The validity of our common stock offered by this prospectus will be passed upon for Nine Energy Service, Inc., by Vinson & Elkins L.L.P., Houston, Texas. The validity of the common stock offered hereby will be passed upon for the underwriters by Kirkland & Ellis LLP, Houston, Texas.

Experts

The audited financial statements of Nine Energy Service, Inc. included in this prospectus, except as they relate to Beckman Production Services Inc. as of December 31, 2015 and for the year then ended, have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm. Such financial statements, except as they relate to Beckman Production Services Inc, as of December 31, 2015 and for the year then ended, have been so included in reliance on the report (which contains an explanatory paragraph relating to the Company' s ability to continue as a going concern as described in Note 7 to the financial statements) of such independent registered public accounting firm given on the authority of said firm as experts in auditing and accounting.

The financial statements of Beckman Production Services Inc. as of December 31, 2015 and for the year then ended, not separately presented in this Prospectus, have been audited by BDO USA LLP, an independent registered public accounting firm, whose report thereon appears herein. The audited financial statements of Nine Energy Service Inc., to the extent they relate to Beckman Production Services Inc. as of December 31, 2015 and for the year then ended, have been so included in reliance on the report of such independent registered public accounting firm given on the authority of said firm as experts in auditing and accounting.

Where you can find more information

We have filed with the SEC a registration statement on Form S-1 (including the exhibits, schedules and amendments thereto) under the Securities Act, with respect to the shares of our common stock offered hereby. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. For further information with respect to us and the common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed therewith. Statements contained in this prospectus as to the contents of any contract, agreement or any other document are summaries of the material terms of this contract, agreement or other document. With respect to each of these contracts, agreements or other documents filed as an exhibit to the registration statement, reference is made to the exhibits for a more complete description of the matter involved. A copy of the registration statement, and the exhibits and schedules thereto, may be inspected without charge at the public reference facilities maintained by the SEC at 100 F Street NE, Washington, D.C. 20549. Copies of these materials may be obtained, upon payment of a duplicating fee, from the Public Reference Section of the SEC at 100 F Street NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facility. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the SEC' s website is http://www.sec.gov.

After we have completed this offering, we will file annual, quarterly and current reports, proxy statements and other information with the SEC. We maintain a website at http://www.nineenergyservice.com. and we expect to make our periodic reports and other information filed with or furnished to the SEC available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus. We will provide electronic or paper copies of our filings free of charge upon request.

Nine Energy Service, Inc.
Index to condensed consolidated financial statements
Three months ended March 31, 2017

Condensed Consolidated Financial Statements

Nine Energy Service, Inc. and subsidiaries
Index to combined financial statements
December 31, 2016 and 2015

Nine Energy Service, Inc.
Condensed consolidated balance sheets
March 31, 2017 and December 31, 2016

	March 31, 2017	December 31, 2016
	(unaudited) (in thousands of dollars, except shares and share data)	
Assets		
Current assets		
Cash and cash equivalents	$ 27,039	$ 4,074
Accounts receivable, net	67,467	47,366
Inventories	16,697	15,169
Income taxes receivable	14,638	14,620
Prepaid expenses and other	6,224	9,485
Total current assets	132,065	90,714
Property and equipment, net	269,780	273,210
Goodwill	125,286	125,286
Intangible assets, net	73,943	76,144
Other long-term assets	2,267	364
Notes receivable from shareholders	10,402	10,376
Total assets	$ 613,743	$ 576,094
Liabilities and Stockholders' Equity		
Current liabilities		
Long term debt, current portion	$ 135,886	$ 17,975
Accounts payable	26,100	18,823
Accrued expenses	14,781	12,417
Notes payable–insurance premium financing	–	272
Total current liabilities	176,767	49,487
Long-term liabilities		
Long-term debt	114,190	226,287
Deferred taxes	12,802	10,637
Other long-term liabilities	1,575	1,497
Total liabilities	305,334	287,908
Commitments and contingencies (Note 7)		
Stockholders' equity		
Common stock (6,000,000 shares authorized at $.01 par value; 1,826,783 and 1,668,036 shares issued and outstanding at March 31, 2017 and December 31, 2016, respectively)	17	16
Common stock warrants	2,687	–
Additional paid-in capital	356,311	318,055
Accumulated other comprehensive loss	(3,493)	(3,486)

Accumulated deficit	(47,113)	(26,399)
Total stockholders' equity	308,409	288,186
Total liabilities and stockholders' equity	$ 613,743	$ 576,094

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Nine Energy Service, Inc.
Condensed consolidated statements of comprehensive income (unaudited)
Three months ended March 31, 2017 and 2016

	Three months ended March 31,	
	2017	2016
	(in thousands of dollars, except shares and share data)	
Revenues	$ 105,353	$ 65,970
Cost and expenses		
Cost of revenues (exclusive of depreciation and amortization shown separately below)	91,388	58,627
General and administrative expenses	12,769	8,590
Depreciation	13,561	14,185
Amortization of intangibles	2,201	2,287
Loss on sale of property and equipment	224	859
Loss from operations	(14,790)	(18,578)
Other expense		
Interest expense	3,758	3,361
Total other expense	3,758	3,361
Loss before income taxes	(18,548)	(21,939)
Provision (benefit) for income taxes	2,166	(6,578)
Net loss	(20,714)	(15,361)
Loss per share–basic and diluted	$ (12.05)	$ (9.32)
Weighted average shares outstanding	1,719,446	1,647,715
Other comprehensive income (expense)		
Foreign currency translation adjustments	(7)	195
Total other comprehensive income (loss)	(7)	195
Total comprehensive loss	$ (20,721)	$ (15,166)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Nine Energy Service, Inc.
Condensed consolidated statements of stockholders' equity (unaudited)
Three months ended March 31, 2017

	Common stock		Warrants					
	Shares	Amounts	Units	Amounts	Additional paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings (accumulated deficit)	Total stockholders' equity
	(in thousands of dollars)							
Stockholders' equity as of December 31, 2016	1,668,036	$ 16	–	$ –	$318,055	$ (3,486)	$ (26,399)	$ 288,186
Issuance of common stock	168,477	1	–	–	41,845	–	–	41,846
Distribution to non-accredited investors	(9,730)	–	–	–	(2,438)	–	–	(2,438)
Issuance of common stock warrants	–	–	79,889	2,687	(2,687)	–	–	–
Stock-based compensation expense	–	–	–	–	1,536	–	–	1,536
Other comprehensive loss	–	–	–	–	–	(7)	–	(7)
Net loss	–	–	–	–	–	–	(20,714)	(20,714)
Stockholders' equity as of March 31, 2017	1,826,783	$ 17	79,889	$ 2,687	$356,311	$ (3,493)	$ (47,113)	$ 308,409

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Nine Energy Service, Inc.
Condensed consolidated statements of cash flows (unaudited)
Three months ended March 31, 2017 and 2016

	Three months ended March 31,	
	2017	2016
	(in thousands of dollars)	
Cash flows from operating activities		
Net loss	$ (20,714)	$ (15,361)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities		
Depreciation	13,561	14,185
Amortization of intangibles	2,201	2,287
Amortization of deferred financing costs	459	753
Provision for doubtful receivables	29	(198)
Deferred tax expense (benefit)	2,166	(2,733)
Provision for inventory obsolescence	–	177
Stock-based and deferred compensation expense	1,536	1,500
Loss on sales of assets	224	859
Loss on revaluation of contingent consideration	87	–
Changes in operating assets and liabilities		
Accounts receivable	(20,112)	13,842
Inventories	(1,503)	342
Prepaid expenses and other current assets	3,261	1,549
Accounts payable and accrued expenses	8,911	(8,874)
Income taxes receivable/payable	(19)	(3,688)
Other assets and liabilities	(225)	(181)
Net cash (used in) provided by operating activities	(10,138)	4,459
Cash flows from investing activities		
Proceeds from sales of assets	262	587
Proceeds from property and equipment casualty losses	19	154
Proceeds from notes receivable payments	(25)	(25)
Purchases of property and equipment	(10,005)	(3,630)
Equity Investment in DIT	(1,000)	–
Net cash used in investing activities	(10,749)	(2,914)
Cash flows from financing activities		
Borrowings on revolving credit facilities	29,000	22,184
Payments on revolving credit facilities	(23,500)	(7,956)
Proceeds from term loans	–	6,556
Payments on term loans	–	(2,426)
Payments on notes payable–insurance premium financing	(272)	–
Proceeds from share issuances	41,299	–
Distribution to shareholders	(2,438)	–
Deferred financing costs	(230)	(681)

Net cash provided by financing activities	43,859	17,677
Net increase in cash and cash equivalents	22,972	19,222
Impact of foreign currency exchange on cash	(7)	33
Cash and cash equivalents		
Beginning of quarter	4,074	18,877
End of quarter	$ 27,039	$ 38,132

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Nine Energy Service, Inc.
Notes to financial statements
March 31, 2017 and 2016

1. Description of business and organization

Nine Energy Service, Inc. (the "Company", "Nine"), a Delaware corporation, is an oilfield services business that provides services integral to the completion of unconventional wells through a full range of tools and methodologies, and provides a range of production enhancement and well workover services. The Company is headquartered in Houston, Texas.

On February 28, 2017, pursuant to the terms and conditions of a combination agreement dated February 3, 2017 ("Combination") the Company merged with Beckman Production Services, Inc., ("Beckman") and all of the issued and outstanding shares of Beckman common stock were converted into shares of common stock of Nine Energy Service, Inc. Prior to the Combination, SCF-VII, L.P. had controlled a majority of the voting interests of Nine and Beckman since February 28, 2011 and July 31, 2012, respectively. The merger of the entities into the combined Company was accounted for using reorganization accounting (i.e., "as if" pooling of interest) for entities under common control.

The Company has $134,200,000 of debt as of March 31, 2017 that is scheduled to mature on January 1, 2018. The accompanying condensed consolidated financial statements have been prepared on a basis which assumes that the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the normal course of business. The Company performed an evaluation of its ability to continue as a going concern within one year after the date that the condensed consolidated financial statements are issued, as described more fully in Note 6.

In the opinion of management, all adjustments necessary for the fair statement of the Company' s financial position, results of operations and cash flows have been included.

These interim financial statements are unaudited and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") regarding interim financial reporting. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States of America ("U.S. GAAP"). The December 31, 2016 balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America.

2. Significant accounting policies

Basis of presentation

The accompanying condensed consolidated financial statements are prepared in accordance with U.S. GAAP.

Principles of consolidation

The condensed consolidated financial statements for the three months ended March 31, 2017 and March 31, 2016, and as of March 31, 2017 and December 31, 2016, include the accounts of Nine Energy Service, Inc. and Beckman Production Services, Inc. and their wholly owned subsidiaries since the date of their respective acquisition (Note 1). The Company' s historical financial information was recast to combine the condensed consolidated financial statements of the Company with those of Beckman as if the combination had been in

Nine Energy Service, Inc.
Notes to financial statements
March 31, 2017 and 2016–Continued

effect since inception of common control. All inter-company balances and transactions have been eliminated in consolidation.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are based on management' s best knowledge of current events and actions that the Company may undertake in the future. Such estimates include but are not limited to fair value assumptions used in purchase accounting and in analyzing goodwill, other intangibles and long-lived assets for possible impairment, useful lives used in depreciation and amortization expense, stock based compensation fair value, estimated realizable value on excess and obsolete inventories, deferred taxes and income tax contingencies and losses on accounts receivable. It is at least reasonably possible that the estimates used will change within the next year.

Revenue recognition

The Company recognizes revenue for equipment, products and services based upon purchase orders, contracts or other persuasive evidence of an arrangement with the customer that include fixed or determinable prices and that do not include right of return or other similar provisions or other post-delivery obligations. Revenue is recognized for products upon delivery, customer acceptance and when collectability is reasonably assured. Revenue is recognized for services when they are rendered and collectability is reasonably assured.

Completion Solutions–Completion Solutions consists primarily of cementing, wireline and coiled tubing services. Revenue is recognized when services are performed and accepted by the customer; there is persuasive evidence of an arrangement with the customer that includes fixed or determinable prices; and when collectability is reasonably assured. Product sales are less than 3% of total Company revenue.

Production Solutions–Production Solutions consists of rig-based well maintenance and workover services. Revenue is recognized when services are performed and accepted by the customer; there is persuasive evidence of an arrangement with the customer that includes fixed or determinable prices; and when collectability is reasonably assured.

Accounts receivable

The Company extends credit to customers in the normal course of business. Accounts receivable are carried at their estimated collectible amount. Trade credit is generally extended on a short-term basis; thus receivables do not bear interest, although a finance charge may be applied to amounts past due. The Company maintains an allowance for doubtful accounts for estimated losses that may result from the inability of its customers to make required payments. Such allowances are based upon several factors including, but not limited to, credit approval practices, industry and customer historical experience as well as the current and projected financial condition of the specific customer. Accounts receivable outstanding longer than contractual terms are considered past due. The Company writes off accounts receivable to the allowance for doubtful accounts when

Nine Energy Service, Inc.
Notes to financial statements
March 31, 2017 and 2016–Continued

they become uncollectible. Any payments subsequently received on receivables previously written off are credited to bad debt expense.

Bad debt expense (net recovery of accounts receivable previously written off) was $29,000 and ($198,000) for the three months ended March 31, 2017 and 2016, respectively, and the allowance for doubtful accounts was $471,000 and $645,000 at March 31, 2017 and 2016, respectively.

Equity investment

The Company accounts for investments, which it does not control but has the ability to significantly influence, using the equity method of accounting. Under this method, the investment is carried originally at cost, increased by any allocated share of the investee' s net income and contributions made, and decreased by any allocated share of the investee' s net losses and distributions received. The investee' s allocated share of income and losses is based on the rights and priorities outlined in the equity investment agreement.

On March 13, 2017, the Company entered into an agreement to acquire shares of the Series B Preferred stock of Deep Imaging Technologies ("DIT"). DIT provides an advanced electromagnetic fracture monitoring service which will allow our customers to make on-site decisions regarding efficiencies. As of March 31, 2017, the Company' s investment basis in DIT was $1,000,000, which is accounted for as an equity method investment as the Company has a non-controlling interest in DIT, but has the ability to exercise significant influence.

Stockholders' equity

In connection with the Combination, Nine and Beckman completed the following offerings:

- $5 million of shares of our common stock to pre-Combination holders of our common stock (the "Nine Subscription Offer"), the proceeds of which were retained by the Company to ensure compliance with financial covenants under the Existing Nine Credit Facility;
- $15 million of shares of common stock of Beckman to the holders of Beckman common stock (the "Beckman Subscription Offer"), the proceeds of which were used to pay outstanding indebtedness under the Existing Beckman Credit Facility; and
- $20 million of shares of Nine common stock to pre-Combination holders of Nine common stock and holders of Beckman common stock, the proceeds of which were used to (i) to finance the purchase of non-accredited investors' shares in the Combination and pay fees and expenses related to the Combination and (ii) for general corporate purposes, including ensuring compliance with Nine' s financial covenants under the Existing Nine Credit Facility (the "Combined Nine Subscription Offer" and, together with the Nine Subscription Offer and the Beckman Subscription Offer and related warrant issuances described below, the "Subscription Offers").

In connection with the Nine and Combined Nine Subscription Offers, the Company issued warrants to purchase additional shares of our common stock, on the basis of one warrant share for every two shares purchased in the Nine and Combined Nine Subscription Offers, to stockholders who purchased Nine shares. Prior to the Combination, and in connection with the Beckman Subscription Offer, Beckman issued warrants to purchase

Nine Energy Service, Inc.
Notes to financial statements
March 31, 2017 and 2016–Continued

additional shares of its common stock, on the basis of one warrant share for every two shares purchased in the Beckman Subscription Offer, to those stockholders who purchased shares of its common stock. Beckman shares of common stock issued in the Beckman Subscription Offer and warrants purchased in the Beckman Subscription Offer converted into shares and warrants of Nine common stock based on the exchange ratio used with respect to the Combination. The Company collectively issued 79,889 warrants to purchase additional shares of Nine common stock in connection with the Nine and Combined Nine Subscription Offers and subsequent conversion of Beckman shares and warrants issued in connection with the Beckman Subscription Offer.

The warrants described above have a 3-year term and may be exercised, in whole or in part, either for cash or on a cashless basis. The warrants were exercisable upon their issuance and will remain exercisable until the consummation of the contemplated Initial Public Offering (‘‘IPO’’). The initial exercise price of the warrants is $250.27 per share. Prior to the consummation of the contemplated IPO, the warrants may be exercised by the payment of cash for the applicable exercise price. However, upon consummation, all warrants that remain unexercised shall be exercised in whole on a cashless basis automatically, without further action by the Company.

For warrants issued pursuant to the above, a fair value of $33.63 per warrant was determined using the Black-Scholes pricing model with the following assumptions:

- Expected term of 0.26 years
- Volatility of 68%
- Dividend yield of 0%
- Risk-free interest rate of 0.86%

Income taxes

The Company follows the liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based upon temporary differences between the carrying amounts and tax bases of the Company’ s assets and liabilities at the balance sheet date, and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in the tax rates is recognized in income in the period in which the change occurs. The Company records a valuation reserve in each reporting period when management believes that it is more likely than not that any deferred tax asset created will not be realized.

The accounting guidance for income taxes requires that the Company recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. If a tax position meets the ‘‘more likely than not’’ recognition criteria, the accounting guidance requires that the tax position be measured at the largest amount of benefit greater than 50% likely of being realized upon ultimate settlement.

The Company recorded an income tax provision (benefit) of $2,166,000 and ($6,578,000) for the three months ended March 31, 2017 and March 31, 2016, respectively. The effective tax rate was (11.7%) and 30.0% for three months ended March 31, 2017 and March 31, 2016, respectively. The March 31, 2017 effective tax rate is different than the U.S. statutory rate primarily as a result of state income taxes, permanent differences and

changes in valuation allowance recorded against deferred tax assets. The March 31, 2016 effective tax rate is different than the U.S. statutory rate primarily as a result of state tax income taxes partially offset by various permanent differences. The Company estimates its annual effective tax rate for each quarterly period. Jurisdictions with a projected loss for the year where no tax benefit can be recognized due to the valuation allowances on the Company' s deferred tax assets are excluded from the estimated annual effective tax rate.

The Company evaluates deferred tax assets on a quarterly basis to determine whether a valuation allowance is required. We assess whether a valuation allowance should be established based on our determination of whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible and prior to the expiration of our net operating loss carryforwards. Our federal net operating loss will begin to expire in 2033 and a small portion of state net operating losses will begin to expire in 2020. We consider the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. According to ASC Topic No. 740, Income Taxes, cumulative losses in recent years represent significant negative evidence in considering whether deferred tax assets are realizable. We have excluded deferred tax liabilities related to certain indefinite lived intangibles when calculating the amount of valuation allowance needed as these liabilities cannot be considered as a source of income when determining the realizability of the net deferred tax assets. If we are able to generate sufficient taxable income in the future and it becomes more likely than not that we will be able to fully utilize the net deferred tax assets on which a valuation allowance was recorded, our effective tax rate may decrease if the valuation allowance is reversed.

Fair value of financial instruments

The carrying amounts for financial instruments classified as current assets and current liabilities approximate fair value, due to the short maturity of such instruments. The book values of other financial instruments, such as the Company' s debt under its Credit Facility (as defined in Note 6), approximates fair value because interest rates charged are similar to other financial instruments with similar terms and maturities and the rates vary in accordance with a market index in accordance with ASC 820–Fair Value measurement.

For the financial assets and liabilities disclosed at fair value, fair value is determined as the exit price, or the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The established fair value hierarchy divides fair value measurement into three broad levels:

Level 1–inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date;

Level 2–inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly; and

Level 3–inputs are unobservable for the asset or liability, which reflect the best judgment of management.

The financial assets and liabilities that are disclosed at fair value for disclosure purposes are categorized in one of the above three levels based on the lowest level input that is significant to the fair value measurement in its

Nine Energy Service, Inc.
Notes to financial statements
March 31, 2017 and 2016–Continued

entirety. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The Scorpion contingent liability (Note 7) is categorized as level 3.

Recently issued accounting pronouncements

In February 2016, FASB issued new guidance related to leases in order to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The new guidance is effective for fiscal years beginning after December 15, 2019. The Company is evaluating the impact of the new guidance on the financial position, results of operations and cash flows.

In July 2015, FASB issued new guidance regarding the measurement of defined benefit pension plans, defined contribution pension plans, and health and welfare benefit plans, and eliminates certain related disclosures. The new guidance is effective for fiscal years beginning after December 15, 2015. The adoption of this new guidance is not expected to have a material impact to the financial position, results of operations and cash flows of the Company.

In July 2015, FASB issued new guidance requiring that inventory that is not measured using last-in, first-out ("LIFO") or the retail inventory method be measured at the lower of cost and net realizable value. The new guidance is effective for fiscal years beginning after December 15, 2016. The adoption of this new guidance is not expected to have a material impact to the financial position, results of operations and cash flows of the Company. The adoption of this new guidance is not expected to have a material impact to the financial position, results of operations and cash flows of the Company.

In August 2014, FASB issued new guidance regarding evaluation criteria regarding whether there is substantial doubt about an entity' s ability to continue as a going concern and enhanced related disclosures. The new guidance is effective for fiscal years ending after December 15, 2016. The adoption of this new guidance is not expected to have a material impact to the financial position, results of operations and cash flows of the Company.

In May 2014, FASB issued new guidance related to revenue recognition for contracts with customers. This new guidance removes most industry-specific revenue recognition requirements and requires that an entity recognize revenue for the transfer of goods or services to a customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for the goods or services. Insurance contracts are not covered by this guidance. The new guidance also requires additional disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts. The new guidance is effective for fiscal years beginning after December 15, 2017, with early adoption permitted in 2017. The Company is evaluating the impact of the adoption of this new guidance on the financial position, results of operations and cash flows.

In April 2014, FASB issued new guidance related to discontinued operations which changes the criteria for discontinued operations presentation and modifies related disclosure requirements. The new guidance is effective for annual periods beginning on or after December 15, 2015, with early adoption permitted. The Company did not elect early adoption of this guidance. The adoption of this new guidance is not expected to have a material impact to the financial position, results of operations and cash flows of the Company.

Nine Energy Service, Inc.
Notes to financial statements
March 31, 2017 and 2016–Continued

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, in an effort to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The amendments in this standard provide a screen to determine when an integrated set of assets and activities is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the integrated set of assets and activities is not a business. The new guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is allowed for transactions for which the acquisition date occurs before the issuance date or effective date of the amendments, only when the transaction has not been reported in financial statements that have been issued or made available for issuance and for transactions in which a subsidiary is deconsolidated or a group of assets is derecognized before the issuance date or effective date of the amendments, only when the transaction has not been reported in financial statements that have been issued or made available for issuance. Entities will be required to apply the guidance prospectively when adopted. The adoption of this new guidance is not expected to have a material impact to the financial position, results of operations and cash flows of the Company.

In January 2017, the FASB issued ASU 2017-04, *Intangibles–Goodwill and Other* which simplifies the accounting for goodwill impairment by eliminating Step 2 of the current goodwill impairment test. In computing the implied fair value of goodwill under Step 2, an entity had to perform procedures to determine the fair value at the impairment testing date of its assets and liabilities (including unrecognized assets and liabilities) following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. Instead, under the new standard, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit' s fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. The new guidance should be adopted for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. This standard will be implemented prospectively for all future goodwill impairment tests and will simplify such evaluations. The adoption of this new guidance is not expected to have a material impact to the financial position, results of operations and cash flows of the Company.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230)–Classification of Certain Cash Receipts and Cash Payment*. This new guidance addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice, including: debt prepayment or debt extinguishment costs, settlement of zero-coupon debt instruments or other debt instruments, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies, distributions received from equity method investees, beneficial interests in securitization transactions, and separately identifiable cash flows and application of the predominance principle. ASU 2016-15 is effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The adoption of this new guidance is not expected to have a material impact to the financial position, results of operations and cash flows of the Company.

Nine Energy Service, Inc.
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March 31, 2017 and 2016–Continued

In January 2017, the FASB issued Accounting Standards Update No. 2017-03 (“ASU 2017-03”), Accounting Changes and Error Corrections (Topic 250) and Investments-Equity Method and Joint Ventures (Topic 323): Amendments to SEC Paragraphs Pursuant to Staff Announcements at the September 22, 2016 and November 17, 2016 EITF Meetings. This update adds language to the SEC Staff Guidance in relation to ASU 2014-09, ASU 2016-02, and ASU 2016-13. This ASU 2017-03 provides the SEC Staff view that a registrant should consider additional quantitative and qualitative disclosures related to the previously mentioned ASUs in connection with the status and impact of their adoption. This guidance, which was effective immediately, did not have a material impact on our Condensed Consolidated Financial Statements.

Subsequent events

The Company has evaluated events occurring after the balance sheet date through May 19, 2017, which is the date these financial statements were available to be issued.

3. Business combinations

Beckman combination

On February 28, 2017, pursuant to the terms and conditions of a combination agreement dated February 3, 2017 (“Combination”) the Company merged with Beckman Production Services, Inc., (Beckman) and all of the issued and outstanding shares of Beckman common stock were converted into shares of common stock of Nine Energy Service, Inc. Beckman shares were converted at a ratio of .567 Nine shares per Beckman share. Prior to the Combination, SCF-VII, L.P. had controlled a majority of the voting interests of Nine and Beckman since February 28, 2011 and July 31, 2012, respectively. The merger of the entities into the combined Company was accounted for using reorganization accounting (i.e., “as if” pooling of interest) for entities under common control.

4. Goodwill and intangible assets

The changes in the net carrying amount of the components of goodwill and intangible assets for the three months ended March 31, 2017 were as follows:

	Goodwill	Intangible assets
	(in thousands of dollars)	
Balances as of December 31, 2016	$ 125,286	$ 76,144
Amortization expense	–	(2,201)
Balances as of March 31, 2017	$ 125,286	$ 73,943

The Company performs its annual impairment tests of goodwill as of December 31. As of December 31, 2016 the Company recognized goodwill impairment losses of approximately $12,207,000 related to Dak-Tana. There were no impairment losses recorded for the three months ended March 31, 2017 and 2016. As of March 31, 2017, goodwill by segment was $112,300,000 and $12,986,000 in Completion Solutions and Production Solutions, respectively.

Nine Energy Service, Inc.
Notes to financial statements
March 31, 2017 and 2016–Continued

Amortization expense of $2,201,000 and $2,287,000 for the three months ended March 31, 2017 and 2016, respectively, is related to cost of revenues, but reported separately.

Intangible assets arising from business acquisitions consisted of the following:

		December 31, 2016		
	Amortization period	Gross	Accumulated amortization	Net
		(in thousands of dollars)		
Customer relationships	8 to 15 years	$76,040	$ (24,896)	$51,144
Noncompete agreements	3 to 5 years	4,966	(3,452)	1,514
Technology	6 years	1,870	(415)	1,455
Trademarks	Indefinite	22,020	–	22,020
Other intangible assets	4 years	550	(539)	11
		$105,446	$ (29,302)	$76,144

		March 31, 2017		
	Amortization period	Gross	Accumulated amortization	Net
		(in thousands of dollars)		
Customer relationships	8 to 15 years	$76,040	$ (26,821)	$49,219
Noncompete agreements	3 to 5 years	4,966	(3,649)	1,317
Technology	6 years	1,870	(493)	1,377
Trademarks	Indefinite	22,020	–	22,020
Other intangible assets	4 years	556	(546)	10
		$105,452	$ (31,509)	$73,943

5. Accrued expenses

Accrued expenses consisted of the following as of March 31, 2017 and December 31, 2016:

	March 31, 2017	December 31, 2016
	(in thousands of dollars)	
Accrued compensation and benefits	$ 6,936	$ 4,922
Sales tax payable	1,265	820
Accrued expenses	4,779	4,031
Accrued property tax	501	764
Accrued interest	62	96
Scorpion contingent liability	1,238	1,784
	$ 14,781	$ 12,417

Nine Energy Service, Inc.
Notes to financial statements
March 31, 2017 and 2016–Continued

6. Long-term debt

Notes payable and revolving credit facility consist of the following as of March 31, 2017 and December 31, 2016:

	March 31, 2017	December 31, 2016
	(in thousands of dollars)	
Nine US revolving credit facility	$69,000	$ 55,500
Nine US term loan	56,150	56,150
Nine Canada revolving credit facility	9,023	8,938
Beckman revolving credit facility	5,000	114,300
Beckman term loan	112,300	11,000
	251,473	245,888
Less current portion	(135,886)	(17,975)
Long-term debt	115,587	227,913
Less deferred financing costs	(1,397)	(1,626)
	$114,190	$ 226,287

Nine credit facilities

In conjunction with the Crest Pumping Technologies ("Crest") acquisition on June 30 2014, the Company entered into a $300 million credit facility arrangement with several major financial institutions, secured by substantially all of the Company' s assets. Under the credit facility arrangement, $270 million could be borrowed in the U.S, consisting of an $85 million 5-year Term Loan and a $185 million Revolving Credit Facility, and $30 million could be borrowed in Canada under a Revolving Credit Facility. The maturity date was June 30, 2019. Interest rates were based on prime rate, the federal funds rate or the London Interbank Offered Rate (LIBOR), plus a margin determined by the funded debt to EBITDA ratio. There was also a standby fee of 0.375% to 0.5%. Interest rates ranged from 2.2% to 3.4% during 2015 and were approximately 2.7% in 2016 through May 13, 2016 when the Company entered into an amendment to the credit facility (see below). The debt covenants required that the ratio of debt to Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") be no higher than 3.5 to 1 during the period from inception of the loan through December 31, 2014, 3.25 to 1 from January through June 2015 and 3 to 1 thereafter.

On May 13, 2016, the Company entered into an amendment to the credit facility ("Amended Credit Facility") described above. The Amended Credit Facility reduced the borrowing capacity of the Revolving Credit Facility to $75 million in the US and $13 million in Canada, with a new maturity date of January 1, 2018 and increased interest rates and standby fees. The amendment waives all previous covenants through 2016, establishes minimum 12-month EBITDA targets for Q2 2016 through Q2 2017 and limits the amount of capital expenditures in 2016 and 2017. The amendment establishes a debt to EBITDA ratio of 4.5 starting subsequent to June 30, 2017, and EBITDA to fixed charge ratios of 1.00 for Q1 and Q2 2017 and a ratio of 1.25 for Q3 2017 and thereafter. (Fixed charges include interest, term loan payments, capital expenditures and income tax payments.) The amendment also requires that all future income tax refunds resulting from net operating losses be used to prepay term loan advances in reverse order of maturity.

Nine Energy Service, Inc.
Notes to financial statements
March 31, 2017 and 2016–Continued

For the period ended March 31, 2017, Nine was in breach of the minimum EBITDA covenant and the fixed charge coverage ratio contained in the Amended Credit Facility. However, Nine has cured such breaches by using a portion of the available proceeds from the Nine and Combined Nine Subscription Offers. In addition, based on current market conditions and the Company' s potential level of expansion and anticipated capital expenditures for the second quarter of 2017, the Company believes that Nine may be in breach of the fixed charge coverage ratio contained in the Existing Nine Credit Facility for the quarter ending June 30, 2017. In the event Nine is in breach of the fixed charge coverage ratio covenant with respect to such quarter, Nine intends to exercise its right under the Amended Credit Facility to cure such breach by using a portion of the available proceeds from the Nine and Combined Nine Subscription Offers, which will prevent the occurrence of any event of default arising from the possible breach of this financial covenant.

Beckman credit facilities

On May 2, 2014, the Company entered into a new senior secured credit agreement with several major financial institutions ("2014 Credit Facility"). The senior secured credit financing consisted of a revolving credit facility in an aggregate amount of $170,000,000 with an accordion feature of up to $50,000,000 in the aggregate. The 2014 Credit Facility was secured by first priority perfected security interest in all equity interests of domestic subsidiaries, 65% of the voting equity of directly owned foreign subsidiaries, and substantially all of the tangible and intangible assets of the Company. Interest only is due monthly and calculated at 2.50 percent above the London Interbank Offered Rate (LIBOR) or 1.50 percent above the Alternate Base Rate. The credit agreement was to mature on May 2, 2019. As a requirement of the credit agreement, on May 2, 2014 the Company paid the outstanding balance under a 2012 credit agreement of $31,500,000 revolving credit and the term loan of $28,125,000.

The credit agreement contained certain financial covenants which, among other things, limited Beckman' s spending for capital expenditures and required that certain financial ratios be maintained. During 2014, the credit agreement was amended three times, primarily to increase the aggregate amount of the credit facility.

On January 12, 2016, Beckman entered into Amendment No. 4 to the 2014 Credit Facility. The amendment reduced the total aggregate commitments of the lenders from $235 million to $145 million, limited borrowing availability subject to a new borrowing basic mechanic, and amended certain covenant compliance and reporting requirements of the Company. Effective with the amendment date, $12.5 million of the outstanding revolver was converted to a term advance. Repayment of $1.5 million was required in 2016, $3.1 million is required in 2017 and the remainder is due in June 2018. The agreement was to mature in June, 2018.

The amended credit agreement contained certain financial covenants which, among other things, limited spending on capital expenditures and required that certain financial ratios be maintained. Beckman was required to provide a monthly borrowing base certificate which calculates the available borrowing base and reports compliance commencing January 2016. The Company was to provide a cash availability report each week commencing in January 2016 whereby cash on hand at the beginning of the week could not exceed $3.0 million. The leverage ratio was waived through the quarter ending March 31, 2017 and could not be more than 3.50 to 1.00 commencing with the quarter ending June 30, 2017. The fixed charge coverage as of the last day of each quarter, commencing with the quarter ending March 31, 2016, was to be less than 1.15 to 1.00 for each fiscal quarter ending on or prior to March 31, 2017 and 1.25 to 1.00 for each fiscal quarter ending after

Nine Energy Service, Inc.
Notes to financial statements
March 31, 2017 and 2016–Continued

March 31, 2017. Capital expenditures in the fiscal year ended December 31, 2016, were not to exceed $15 million, and in each year ending after December 31, 2016, were not to exceed 75% of EBITDA for the immediately preceding year. Beckman was in compliance with all covenants during 2016 and 2015.

On February 10, 2017, Beckman entered into Amendment No. 5 to the 2014 Credit Facility. The amendment reduces the total aggregate commitments of the lenders from $145 million to $127.3 million, limits borrowing availability subject to a new borrowing basic mechanic, and amends certain covenant compliance and reporting requirements. As a requirement of this amendment, immediately prior to the amendment date, Beckman received $15 million of equity proceeds from certain of its shareholders. Effective with the amendment date, these proceeds were used to prepay the outstanding revolver $10 million and the term advance $5 million, of which $3,875,000 was applied as prepayment of the scheduled amortization payments that were due March 31, 2017 through March 31, 2018 and $106.3 million of the outstanding revolver was converted to a second term advance. The amendment provides for a $15 million revolver of which $2.5 million was drawn on the date of the amendment. Required repayments of the original term advance are $1,500,000 in 2017, $750,000 by March 31, 2018 and the remainder in June 2018.

The amended credit agreement contains certain financial covenants which, among other things, limit spending on capital expenditures and require that certain financial ratios be maintained. Certain of the requirements are:

a. Beckman must provide a monthly borrowing base certificate which calculates the available borrowing base and reports compliance commencing February 2017;

b. Beckman must provide a cash availability report each month commencing in February 2017 whereby cash on hand on the last business day of the month cannot exceed $6,000,000;

c. The leverage ratio is waived through the quarter ending September 30, 2017 and cannot be more than 3.50 to 1.00 commencing with the quarter ending December 31, 2017;

d. The interest coverage ratio remains waived;

e. The fixed charge coverage as of the last day of each quarter, commencing with the quarter ending March 31, 2016, to be a) less than 1.15 to 1.00 for each fiscal quarter ending on or prior to June 30, 2017 and b) 1.25 to 1.00 for each fiscal quarter ending after June 30, 2017;

f. Capital expenditures in the fiscal year ended December 31, 2017 must not exceed $20,000,000, and in each year ending after December 31, 2017 must not exceed 75% of EBITDA for the immediately preceding year.

As of March 31, 2017, $6,000,000 was outstanding under the original term advance, $106,300,000 was outstanding under the second term advance, $5,000,000 was outstanding under the revolver and $850,000 was outstanding under a letter of credit. As of March 31, 2107, the Company had $9,150,000 available under the revolver. The Company was in compliance with all covenants as of March 31, 2017. The Company’ s ability to comply with covenants in the future could be affected by the levels of cash flows from operations and events or circumstances beyond Beckman’ s control. If the market or other economic conditions deteriorate, the risk of noncompliance may increase.

Nine Energy Service, Inc.
Notes to financial statements
March 31, 2017 and 2016–Continued

Nine and Beckman combined

Future principal payments on long-term debt for each of the years ending December 31 are as follows:

	(in thousands of dollars)
2017	$ 16,375
2018	235,098
	$ 251,473

In accordance with ASC 2015-4, *Going Concern,* the Company evaluated whether there are conditions and events that raise substantial doubt about the Company' s ability to continue as a going concern for a period of one year after the date that the financial statements are issued. The Company has $134.2 million of debt outstanding, under the revolving credit facility and term loan discussed above, as of March 31, 2017 that is scheduled to mature on January 1, 2018, and the Company currently does not expect to have sufficient liquidity and capital resources to repay the debt outstanding in full on its maturity date. This condition raises substantial doubt about the Company' s ability to continue as a going concern for a period of one year after the date that the condensed consolidated financial statements are issued.

Delivery of financial statements including a going concern paragraph would result in an event of default under the Existing Nine Credit Facility absent an amendment or waiver. On March 23, 2017, the Company received the requisite waiver from the lenders under the Existing Nine Credit Facility with respect to this potential event of default.

The Company is in the process of pursing an initial public offering of its equity in which the Company plans to repay the Nine Revolving Credit Facility and Term Loan prior to its maturity with the proceeds of the offering. The Company can provide no assurances regarding the successful completion of the offering.

In the event the Company is unable to successfully complete the offering, the Company will need to seek additional sources of financing such as raising additional equity, entering into a new debt agreement, or restructuring existing debt and/or cut costs. The Company can provide no assurance regarding its ability to obtain additional financing.

7. Commitments and contingencies

Litigation

The Company has claims, lawsuits and administrative proceedings that are pending or threatened, all arising in the ordinary course of business, with respect to personal injury, workers' compensation, contractual matters and other commercial matters. Although no assurance can be given with respect to the outcome of the other pending or threatened claims and the effect such outcomes may have, the Company believes any ultimate liability resulting from the outcome of such claims, lawsuits or administrative proceedings, to the extent not otherwise provided for or covered by insurance, will not have a material adverse effect on the company' s business, operating results, financial position or cash flows.

Nine Energy Service, Inc.
Notes to financial statements
March 31, 2017 and 2016–Continued

Scorpion contingent liability

In connection with the acquisition of Scorpion in 2015, the Company recorded a liability for contingent consideration to be paid in shares of Company common stock and in cash, contingent upon quantities of Scorpion Composite Plugs™ sold during 2016 and gross margin related to the product sales for three years following the acquisition. The forecasted quantities of plug sales and the related gross margin increased during the three months ended March 31, 2017, and the shares underlying the contingent liability were revalued to $250.27, resulting in a revaluation loss of $87,000. The revaluation loss is included in "General and administrative expenses" in the Condensed Consolidated Statements of Comprehensive Income. The following is a reconciliation of the beginning and ending amounts of contingent consideration obligation (level 3) related to the Scorpion acquisition for the three months ended March 31, 2017:

	As of March 31, 2017
	(in thousands of dollars)
Balance at beginning of period	$ 3,187
Common stock issuance	(547)
Revaluation	87
Balance at end of period	$ 2,727

Contingent liabilities related to the Scorpion acquisition include $1,238,000 and $1,784,000 reported in "Accrued expenses" at March 31, 2017 and December 31, 2016, respectively, and $1,489,000 and $1,403,000 reported in "Other long term liabilities" at March 31, 2017 and December 31, 2016, respectively, in the Condensed Consolidated Balance Sheets. .

8. Earnings per share

	Three months ended March 31,	
	2017	2016
	(in thousands of dollars except for share and share data)	
Net loss attributable to common stockholders	$ (20,714)	$ (15,361)
Average shares outstanding	$ 1,719,446	$ 1,647,715
Loss per share (basic and diluted)	$ (12.05)	$ (9.32)

The diluted earnings per share calculation excludes all stock options for the three months ended March 31, 2017 and 2016 because there is a net loss for each period.

9. Related party transactions

During 2014, in conjunction with an exercise of warrants to provide a capital infusion, promissory notes totaling $2,500,000 were issued to the former owners of an acquired company, who are members of the Company' s management team. The principal is due on June 30, 2019 (the "Maturity Date"). Interest of 4% per annum is due and payable on the Maturity Date. As of March 31, 2017 and December 31, 2016, the outstanding balance of the notes, including principal and unpaid interest, was $2,775,000 and $2,750,000, respectively. Unpaid interest at March 31, 2017 and December 31, 2016 was $275,000 and $250,000, respectively.

Nine Energy Service, Inc.
Notes to financial statements
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During 2014, promissory notes totaling $9,400,000 were issued to former owners of Crest, some of whom are members of the Company' s management team. The principal is due on June 30, 2019. The interest rate is based on the prime rate, the federal funds rate or LIBOR, plus a margin to be determined in connection with Nine' s credit agreement, and is due quarterly. As of March 31, 2017 and December 31, 2016, the outstanding principal balance of the notes totaled $7,600,000 and $7,600,000, respectively. Unpaid interest, included in "Prepaid expenses and other" in the Condensed Consolidated Balance Sheets, totaled $0 and $19,000 at March 31, 2017 and December 31, 2016, respectively.

The Company entered into a shared services agreement with a related party, whose manager is a shareholder of the Company, which provides office space, personnel and certain general and administrative services to the Company. The Company paid the related party $96,000 and $52,000 for the three months ended March 31, 2017 and 2016, respectively. There was an outstanding payable to this related party of $4,000 and $8,000 as of March 31, 2017 and December 31, 2016, respectively.

The Company leases real property and improvements in Wyoming and Montana from shareholders in the Company pursuant to lease agreements entered into by the Company on November 15, 2013. Pursuant to these agreements, the Company incurred rent expense of $85,000 and $85,000 for the three months ended March 31, 2017 and 2016, respectively. There were no payables to or receivables from this related party at March 31, 2017 and December 31, 2016

The Company leases facilities and buildings in Monahans, Texas and Enid, Oklahoma, from an entity owned by one of the shareholders. The Company incurred rent expense of $121,000 and $121,000 to this entity for the three months ended March 31, 2017 and 2016, respectively. There were no payables to or receivables from this related party at March 31, 2017 and December 31, 2016.

The Company leases real property from a related party, who is a shareholder and a manager of the Company. Pursuant to this agreement, the Company incurred expense of $10,000 and $14,000 in the three months ended March 31, 2017 and 2016. At March 31, 2017 and December 31, 2016, there were no payables to or receivables from this related party.

The Company utilizes a related party, who is a shareholder and whose manager is a shareholder of the Company, to transport equipment, chemicals, and supplies. The Company incurred expense of $77,000 and $118,000 for these services during the three months ending March 31, 2017 and 2016. There was a payable of $53,000 due to this related party at March 31, 2017. There was no payable to this related party at December 31, 2016.

The Company utilizes airplanes and related services, owned by shareholders. The Company incurred expenses of $6,000 for the three months ending March 31, 2016. There was a payable of $10,000 due to this related party as of December 31, 2016. There was no activity with this related party in 2017.

The Company facilitates pass-through billings on behalf of an entity owned by one of the shareholders. The Company recognizes no revenue or expense related to this activity. During the three months ending March 31, 2016, the related entity billed the Company $477,000, and the Company rebilled respective customers the same amount. The Company collected cash for and reimbursed to the related entity $811,000. Within the Company' s trade accounts receivable and trade accounts payable, $72,000 of pass-through billings to customers remain uncollected as of December 31, 2016. During the three months ending March 31, 2017, the related entity billed the Company $34,000, and the Company billed respective customers the same amount. The Company collected

Nine Energy Service, Inc.
Notes to financial statements
March 31, 2017 and 2016–Continued

cash for and reimbursed to the related entity $97,000. Within the Company' s trade accounts receivable and trade accounts payable, $23,000 of pass-through billings to customers remain uncollected as of March 31, 2017.

The Company provides services through our Production Solutions segment to an entity owned by one of the shareholders, who is also a board member. The Company billed $136,000 and $38,000 for services provided to this entity during the three months ending March 31, 2017 and 2016, respectively. There was an outstanding receivable due of $137,000 and $100,000 as of March 31, 2017 and December 31, 2016, respectively.

The Company leases equipment from a related party, whose manager is a shareholder of the Company. Pursuant to the agreement entered into on February 1, 2017, the Company incurred expense of $43,000 in the three months ended March 31, 2017. At March 31, 2017, there was a $22,000 payable due to this related party.

Other operating leases

The Company leases office space, yard facilities and equipment in the states and Canadian provinces where the Company operates, from related parties under leases classified as operating. Lease expense was $314,000 and $284,000 for the three months ended March 31, 2017 and 2016, respectively, and the Company had $41,000 on deposit with the related parties as of March 31, 2017 and December 31, 2016.

10. Supplemental disclosures of cash flow information

	Three months ended March 31,	
	2017	2016
	(in thousands of dollars)	
Noncash investing and financing activities		
Increase (decrease) in accounts payable and accrued liabilities for additions to property and equipment	$ 577	$ (1,605)
Decrease in long term liabilities for additions to property and equipment	$ –	$ (182)
Issuance of stock warrants	$ 1,838	$ –
Issuance of common stock related to Scorpion acquisition	$ 547	
Unpaid costs related to public offering	$ 890	$ –

11. Segment information

Beginning with the first quarter of 2017, the Company realigned its segments due to the acquisition of Beckman. This change is reflected on a retrospective basis in accordance with U.S. GAAP. The Company is reporting its results of operations in the following two reportable segments: Completion Solutions and Production Solutions.

The Completion Solutions segment consists primarily of cementing, wireline and coiled tubing services, while the Production Solutions consists of rig-based well maintenance and workover services.

The Company' s reportable segments are strategic units that offer distinct products and services. They are managed separately since each business segment requires different marketing strategies. The Company evaluates the performance of its reportable segments based on gross profit. This segmentation is representative of the manner in which our Chief Operating Decision Maker views the business. We consider the Chief Operating Decision Maker to be the Chief Executive Officer.

Nine Energy Service, Inc.
Notes to financial statements
March 31, 2017 and 2016–Continued

Summary financial data by segment follows. The amounts labeled "Corporate" relate to assets not allocated to the reportable segments.

	Three months ended March 31,	
	2017	2016
	(in thousands of dollars)	
Revenues		
Completion Solutions	$ 87,279	$ 51,115
Production Solutions	18,074	14,855
	$ 105,353	$ 65,970
Gross profit(1)		
Completion Solutions	$ 11,047	$ 5,076
Production Solutions	2,918	2,267
	13,965	7,343
General and administrative expenses	12,769	8,590
Depreciation	13,561	14,185
Amortization of intangibles	2,201	2,287
Loss on sale of assets	224	859
Loss from operations	$ (14,790)	$ (18,578)

(1) Excludes depreciation and amortization, shown separately below

Depreciation and amortization		
Completion Solutions	$ 12,499	$ 12,797
Production Solutions	3,263	3,675
	$ 15,762	$ 16,472
Capital expenditures		
Completion Solutions	$ 8,291	$ 3,350
Production Solutions	1,714	280
	$ 10,005	$ 3,630

	March 31, 2017	December 31, 2016
Assets		
Completion Solutions	$449,069	$ 433,721
Production Solutions	130,420	131,046
Corporate	34,254	11,327
	$613,743	$ 576,094

Nine Energy Service, Inc.
Notes to financial statements
March 31, 2017 and 2016–Continued

Revenues by country were as follows:

	Three months ended March 31,			
	2017		2016	
	(in thousands dollars)			
Revenues				
United States	$101,158	96.0%	$62,106	94.1%
Canada	4,195	4.0%	3,864	5.9%
	$105,353	100.0%	$65,970	100.0%

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Nine Energy Service, Inc.

In our opinion, based on our audits and the report of other auditors with respect to the combined financial statements as of and for the year ended December 31, 2015, the accompanying combined balance sheets and the related combined statements of comprehensive income, of stockholders' equity and of cash flows present fairly, in all material respects, the financial position of Nine Energy Service, Inc. and its subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company' s management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the 2015 consolidated financial statements of Beckman Production Services, Inc., a wholly owned subsidiary, which reflect total assets of $321.9 million as of December 31, 2015 and total revenues of $176.4 million for the year then ended. Those 2015 statements were audited by other auditors whose report thereon has been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included for Beckman Production Services, Inc. as of and for the year ended December 31, 2015, is based solely on the report of the other auditors. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

The accompanying combined financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 7 to the financial statements, the Company has $120.6 million of debt as of December 31, 2016 that is scheduled to mature on January 1, 2018 that raises substantial doubt about its ability to continue as a going concern. Management' s plans in regards to this matter are also described in Note 7. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/PricewaterhouseCoopers LLP
Houston, Texas
March 27, 2017, except for the effects of the revision discussed in Note 2 to the combined financial statements, as to which the date is May 2, 2017 and except for the effects of the merger of entities under common control described in Note 3 to the combined financial statements, as to which the date is May 19, 2017

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Beckman Production Services, Inc.
Houston, Texas

We have audited the accompanying consolidated balance sheet of Beckman Production Services, Inc. as of December 31, 2015 and the related consolidated statement of operations, stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company' s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States) and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company' s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Beckman Production Services, Inc. at December 31, 2015, and the results of its operations and its cash flows for the year then ended**,** in conformity with accounting principles generally accepted in the United States of America.

/s/ BDO USA, LLP

Houston, Texas
March 21, 2017

Nine Energy Service, Inc.
Combined balance sheets
December 31, 2016 and 2015

	2016	2015
	(in thousands of dollars except shares)	
Assets		
Current assets		
Cash and cash equivalents	$4,074	$18,877
Accounts receivable, net	47,366	49,356
Inventories	15,169	13,875
Income taxes receivable	14,620	8,872
Prepaid expenses and other	9,485	6,431
Total current assets	90,714	97,411
Property and equipment, net	273,210	325,894
Goodwill	125,286	137,493
Intangible assets, net	76,144	85,227
Other long-term assets	364	359
Notes receivable from shareholders	10,376	12,050
Total assets	$576,094	$658,434
Liabilities and Stockholders' Equity		
Current liabilities		
Long-term debt, current portion	$17,975	$10,625
Accounts payable	18,823	18,437
Accrued expenses	12,417	13,132
Notes payable–insurance premium financing	272	–
Total current liabilities	49,487	42,194
Long-term liabilities		
Long-term debt	226,287	239,016
Deferred taxes	10,637	22,798
Other long term liabilities	1,497	1,750
Total liabilities	287,908	305,758
Commitments and contingencies (Note 10)		
Stockholders' equity		
Common stock (6,567,000 shares authorized at $.01 par value; 1,668,036 and 1,657,224 shares issued and outstanding at December 31, 2016 and 2015, respectively)	16	16
Additional paid-in capital	318,055	311,844
Accumulated other comprehensive income (loss)	(3,486)	(3,696)
Retained earnings (accumulated deficit)	(26,399)	44,512
Total stockholders' equity	288,186	352,676
Total liabilities and stockholders' equity	$576,094	$658,434

The accompanying notes are an integral part of these combined financial statements.

Nine Energy Service, Inc.
Combined statements of comprehensive income
Years ended December 31, 2016 and 2015

	2016	2015
		(in thousands of dollars, except share and per share data)
Revenues	$ 282,354	$ 478,522
Cost and expenses		
Cost of revenues (exclusive of depreciation and amortization shown separately below)	246,109	373,191
General and administrative expenses	39,387	42,862
Depreciation	55,260	58,894
Amortization of intangibles	9,083	8,650
Impairment of goodwill	12,207	35,540
Loss on sale of property and equipment	3,320	2,004
Loss from operations	(83,012)	(42,619)
Other expense		
Interest expense	14,185	9,886
Total other expense	14,185	9,886
Loss from continuing operations before income taxes	(97,197)	(52,505)
Benefit for income taxes	(26,286)	(14,323)
Loss from continuing operations, net of tax	(70,911)	(38,182)
Loss from discontinued operations, net of tax ($0 and $513)	–	(935)
Net loss	$ (70,911)	$ (39,117)
Loss per share from continuing operations–basic and diluted	$ (42.89)	$ (23.23)
Loss per share from discontinued operations–basic and diluted	$ –	$ (0.57)
Loss per share–basic and diluted	$ (42.89)	$ (23.80)
Weighted average shares outstanding	1,653,277	1,643,912
Other comprehensive income, net of tax		
Foreign currency translation adjustments, net of tax of $0 and $0	$ 210	$ (4,067)
Total other comprehensive income (loss), net of tax	210	(4,067)
Total comprehensive loss	$ (70,701)	$ (43,184)

The accompanying notes are an integral part of these combined financial statements.

Nine Energy Service, Inc.
Combined statements of stockholders' equity
Years ended December 31, 2016 and 2015

	Common stock		Additional paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings (accumulated deficit)	Total stockholders' equity
	Shares	Amounts				
	(in thousands of dollars, except shares)					
Stockholders' equity as of December 31, 2014	1,644,367	$ 16	$305,628	$ 371	$ 83,629	$ 389,644
Issuance of common stock	6,706	–	200	–	–	200
Stock-based compensation expense	3,742	–	5,266	–	–	5,266
Exercise of stock options	1,943	–	219	–	–	219
Issuance of shares for Scorpion acquisition	3,010	–	1,000	–	–	1,000
Cancellation of shares in conjunction with repayment of notes receivable	(2,544)	–	(675)	–	–	(675)
Excess tax benefit on share based compensation	–	–	206	–	–	206
Other comprehensive loss	–	–	–	(4,067)	–	(4,067)
Net loss	–	–	–	–	(39,117)	(39,117)
Stockholders' equity as of December 31, 2015	1,657,224	16	311,844	(3,696)	44,512	352,676
Issuance of common stock	10,812	–	500	–	–	500
Stock-based compensation expense	–	–	5,711	–	–	5,711
Other comprehensive income	–	–	–	210	–	210
Net loss	–	–	–	–	(70,911)	(70,911)
Stockholders' equity as of December 31, 2016	1,668,036	$ 16	$318,055	$ (3,486)	$ (26,399)	$ 288,186

The accompanying notes are an integral part of these combined financial statements.

Nine Energy Service, Inc.
Combined statements of cash flows
December 31, 2016 and 2015

	2016	2015
	(in thousands of dollars)	
Cash flows from operating activities		
Net loss	$ (70,911)	$ (39,117)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities		
Depreciation	55,260	58,894
Amortization of intangibles	9,083	8,650
Amortization of deferred financing costs	2,355	1,027
Provision for doubtful accounts	–	1,170
Deferred tax benefit	(12,159)	(15,836)
Impairment of goodwill	12,207	35,540
Provision for inventory obsolescence	287	2,772
Stock-based and deferred compensation expense	5,711	5,473
Loss on sales of assets	3,320	2,004
Loss (gain) on revaluation of contingent consideration	1,735	(293)
Changes in operating assets and liabilities, net of effects from acquisitions		
Accounts receivable	2,073	88,880
Inventories	(558)	3,524
Prepaid expenses and other current assets	(3,172)	1,259
Accounts payable and accrued expenses	(2,396)	(24,141)
Income taxes receivable/payable	(5,848)	10,495
Other assets and liabilities	(277)	66
Net cash (used in) provided by operating activities	(3,290)	140,367
Cash flows from investing activities		
Entity acquisitions, no cash acquired	–	(397)
Proceeds from sales of assets	2,918	5,241
Proceeds from property and equipment casualty losses	262	2,388
Proceeds from notes receivable payments	1,774	243
Purchases of property and equipment	(9,130)	(26,726)
Net cash used in investing activities	(4,176)	(19,251)
Cash flows from financing activities		
Borrowings on revolving credit facilities	75,136	15,641
Payments on revolving credit facilities	(61,956)	(134,351)
Payments on term loans	(19,725)	(8,500)
Proceeds from notes payable–insurance premium financing	1,127	–
Payments on notes payable–insurance premium financing	(855)	–
Payment of contingent liability on Scorpion purchase	(297)	–
Payments on capital lease obligations	–	(70)
Proceeds from share issuances	500	419
Deferred financing costs	(1,245)	(17)

Net cash used in financing activities	(7,315)	(126,878)
Net decrease in cash and cash equivalents	(14,781)	(5,762)
Impact of foreign currency exchange on cash	(22)	403
Cash and cash equivalents		
Beginning of year	18,877	24,236
End of year	$4,074	$18,877

The accompanying notes are an integral part of these combined financial statements.

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015

1. Description of business and organization

Nine Energy Service, Inc. (the "Company" or "Nine"), a Delaware corporation, is an oilfield services business that provides services integral to the completion of unconventional wells through a full range of tools and methodologies, and provides a range of production enhancement and well workover services. The Company is headquartered in Houston, Texas.

On February 28, 2017, pursuant to the terms and conditions of a combination agreement dated February 3, 2017 ("Combination"), the Company merged with Beckman Production Services, Inc. ("Beckman" or collectively known as the "Combined Company") and all of the issued and outstanding shares of Beckman common stock were converted into shares of common stock of Nine Energy Service, Inc., other than 1.6% of Beckman shares paid in cash. Prior to the Combination, SCF-VII, L.P. controlled a majority of the voting interests of Nine and Beckman since February 28, 2011 and July 31, 2012, respectively. The merger of the entities into the combined Company was accounted for using reorganization accounting (i.e., "as if" pooling of interests) for entities under common control.

The Company has $120,600,000 of debt as of December 31, 2016 that is scheduled to mature on January 1, 2018. The accompanying combined financial statements have been prepared on a basis which assumes that the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the normal course of business. The Company performed an evaluation of its ability to continue as a going concern within one year after the date that the combined financial statements are issued, as described more fully in Note 7.

2. Significant accounting policies

Basis of presentation

The accompanying combined financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Principles of combination

The combined financial statements as of December 31, 2016 and 2015, and for the years then ended, include the accounts of Nine Energy Service, Inc. and Beckman Production Services, Inc. and their wholly owned subsidiaries since the date of their respective acquisition (Note 1). The Company' s historical financial information was recast to combine the financial statements of the Company with those of Beckman as if the combination had been in effect since inception of common control. All inter-company balances and transactions have been eliminated in the Combination.

Revision of Previously Issued Financial Statements

Management identified misstatements in the previously issued 2016 and 2015 combined financial statements with regard to income tax expense (benefit), the related balance sheet accounts and other comprehensive income. The misstatements related to the assessment of realizable future tax benefits of certain deferred tax assets and valuation allowance considerations. Management has evaluated the errors and determined the

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

errors are not material to the 2016 or 2015 combined financial statements. We have revised our 2016 and 2015 combined financial statements to correct the misstatements. The effect of this revision to the 2016 and 2015 combined financial statements is as follows:

	2016			2015		
(in thousands)	As Previously Reported	Effect of Adjustment	As Revised	As Previously Reported	Effect of Adjustment	As Revised
Combined balance sheets						
Deferred taxes	$6,545	$ 4,092	$10,637	$21,444	$ 1,354	$22,798
Total liabilities	283,816	4,092	287,908	304,404	1,354	305,758
Accumulated other comprehensive loss	(2,205)	(1,281)	(3,486)	(2,342)	(1,354)	(3,696)
Retained earnings (accumulated deficit)	(23,588)	(2,811)	(26,399)	44,512	–	44,512
Total stockholders' equity	292,278	(4,092)	288,186	354,030	(1,354)	352,676
Combined statements of comprehensive income						
Benefit for income taxes	(29,097)	2,811	(26,286)	(14,323)	–	(14,323)
Net loss	(68,100)	(2,811)	(70,911)	(39,117)	–	(39,117)
Other comprehensive income	137	73	210	(2,713)	(1,354)	(4,067)
Total comprehensive income	(67,963)	(2,738)	(70,701)	(41,830)	(1,354)	(43,184)
Loss per share from continuing operations- basic and diluted	(41.19)	(1.70)	(42.89)	(23.23)	–	(23.23)
Combined statements of stockholders' equity						
Other comprehensive loss	137	73	210	(2,713)	(1,354)	(4,067)
Net loss	(68,100)	(2,811)	(70,911)	(39,117)	–	(39,117)
Combined statements of cash flows						
Net loss	(68,100)	(2,811)	(70,911)	(39,117)	–	(39,117)
Deferred tax benefit	(14,970)	2,811	(12,159)	(15,836)	–	(15,836)
Cash flows from operating activities	$(3,290)	–	$(3,290)	$140,367	–	$140,367

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting

period. Actual results could differ from those estimates. These estimates are based on management' s best knowledge of current events and actions that the Combined Company may

undertake in the future. Such estimates include but are not limited to fair value assumptions used in purchase accounting and in analyzing goodwill, other intangibles and long-lived assets for possible impairment, useful lives used in depreciation and amortization expense, stock based compensation fair value, estimated realizable value on excess and obsolete inventories, deferred taxes and income tax contingencies and losses on accounts receivable. It is at least reasonably possible that the estimates used will change within the next year

Revenue recognition

The Combined Company recognizes revenue for products and services based upon purchase orders, contracts or other persuasive evidence of an arrangement with the customer that include fixed or determinable prices and that do not include right of return or other similar provisions or other post-delivery obligations. Revenue is recognized for services when they are rendered and collectability is reasonably assured.

Completion Solutions–Completion Solutions consists primarily of cementing, wireline and coiled tubing services. Revenue is recognized when services are performed and accepted by the customer; there is persuasive evidence of an arrangement with the customer that includes fixed or determinable prices; and when collectability is reasonably assured. Revenue is recognized for products upon delivery, customer acceptance and when collectability is reasonably assured. Product sales are less than 3% of total Combined Company revenue in both 2016 and 2015.

Production Solutions–Production Solutions consists of rig-based well maintenance and workover services. Revenue is recognized when services are performed and accepted by the customer; there is persuasive evidence of an arrangement with the customer that includes fixed or determinable prices; and when collectability is reasonably assured.

Cash and cash equivalents

The Combined Company considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. These items are carried at cost, which approximates their fair value. Throughout the year, the Combined Company maintained cash balances that were in excess of their federally insured limits. The Combined Company has not experienced any losses in such accounts.

Cash flows from the Combined Company' s Canadian subsidiary are calculated based on its functional currency. As a result, amounts related to changes in assets and liabilities reported in the combined statements of cash flows will not necessarily agree to changes in the corresponding balances on the combined balance sheets.

Foreign currency

The Combined Company' s functional currency is the U.S. Dollar ("USD"). The financial position and results of operations of the Company' s Canadian subsidiary are measured using the local currency as the functional currency. Revenues and expenses of the subsidiary have been translated into USD at average exchange rates prevailing during the period. Assets and liabilities have been translated at the rates of exchange on the combined balance sheet date. The resulting translation gain and loss adjustments have been recorded as a separate component of other comprehensive income (loss) in the accompanying combined statements of comprehensive income and changes in stockholders' equity.

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

Accounts receivable

The Combined Company extends credit to customers in the normal course of business. Accounts receivable are carried at their estimated collectible amount. Trade credit is generally extended on a short-term basis; thus receivables do not bear interest, although a finance charge may be applied to amounts past due. The Combined Company maintains an allowance for doubtful accounts for estimated losses that may result from the inability of its customers to make required payments. Such allowances are based upon several factors including, but not limited to, credit approval practices, industry and customer historical experience as well as the current and projected financial condition of the specific customer. Accounts receivable outstanding longer than contractual terms are considered past due. The Combined Company writes off accounts receivable to the allowance for doubtful accounts when they become uncollectible. Any payments subsequently received on receivables previously written off are credited to bad debt expense.

There was no bad debt expense for the year ended December 31, 2016. Bad debt expense was $1,170,000 for the year ended December 31, 2015. The allowance for doubtful accounts was $435,000 and $882,000 at December 31, 2016 and 2015, respectively.

Concentration of credit risk

The majority of the Combined Company' s customers operate in the oil and gas industry. While current energy prices are important contributors to positive cash flow for the customers, expectations about future prices and price volatility are generally more important for determining future spending levels. Any prolonged increase or decrease in oil and natural gas prices affects the levels of exploration, development and production activity as well as the entire health of the oil and natural gas industry, and can therefore negatively impact spending by the Combined Company' s customers.

Revenues for the years ended December 31, 2016 and 2015 each included sales to one customer that individually represented 10% or more of total revenue. There was one customer that accounted for 13% of revenue and accounted for 6% of accounts receivable at December 31, 2016. Another customer accounted for 10% of revenue for the year ended December 31, 2015 and accounted for 7% of accounts receivable as of December 31, 2015. Both business segments provided services to these customers in 2016 and 2015.

Inventories

Inventories, classified as finished goods, are stated at the lower of cost or market. Cost is determined on an average cost basis. The Combined Company reviews its inventory balances and writes down its inventory for estimated obsolescence or excess inventory equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and market conditions. The reserves for obsolescence were $3,311,000 and $3,211,000 at December 31, 2016 and 2015, respectively.

Concentration of supplier risk

Purchases during the year ended December 31, 2016 included purchases from one supplier that individually represented more than 10% of total operating purchases. The accounts payable to this vendor totaled 11% of total accounts payable at December 31, 2016. No suppliers accounted for more than 10% of operating purchases during the year ended December 31, 2015.

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

Property and equipment

Property and equipment are recorded at cost, less applicable depreciation. Equipment held under capital leases is stated at the present value future minimum lease payments. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Equipment held under capital leases is amortized over the shorter of the lease term or the estimated useful life of the asset. Maintenance and repairs are charged to operating expense as incurred; significant renewals and betterments are capitalized.

Long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. For assets that are to be held and used, impairment is recognized when the estimated undiscounted cash flows associated with the asset or group of assets are less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows or internal and external appraisals, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value. The costs of assets that are sold or retired and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income.

Goodwill and intangible assets

For goodwill and indefinite lived intangibles, an assessment for impairment is performed annually or when there is an indication an impairment may have occurred. The Combined Company completes its annual impairment test for goodwill using an assessment date in the fourth quarter of each fiscal year for each of the Combined Company' s seven reporting units. Goodwill is reviewed for impairment by comparing the carrying value of the reporting unit' s net assets (including allocated goodwill) to the fair value of the reporting unit. The fair value of the reporting unit is determined using a discounted cash flow approach. Determining the fair value of a reporting unit requires the use of estimates and assumptions. Such estimates and assumptions include revenue growth rates, operating margins, weighted average costs of capital, a terminal growth rate, and future market conditions, among others. The Combined Company believes that the estimates and assumptions used in impairment assessments are reasonable. If the reporting unit' s carrying value is greater than its fair value, a second step is performed whereby the implied fair value of goodwill is estimated by allocating the fair value of the reporting unit in a hypothetical purchase price allocation analysis. The Combined Company recognizes a goodwill impairment charge for the amount by which the carrying value of goodwill exceeds its fair value.

During 2015, several factors contributed to a reduction in projections of the Combined Company' s cash flow: 1) the Organization of Petroleum Exporting Countries ("OPEC") confirmed that its members would not reduce production even in the face of low commodity prices and excess global oil supply; 2) a consensus expectation developed that oil prices would stay lower for longer than previously expected; 3) exploration and production companies significantly decreased their budgets as the demand for oil and gas was lower and production was significantly less economical and 4) macroeconomic concerns developed regarding a slowdown in the global economy. In 2015, the Combined Company performed its annual impairment test and concluded that an impairment was indicated at two reporting units and recognized impairment losses of $35,540,000 for the year ended December 31, 2015, as the carrying value of the reporting units exceeded their fair value (Note 5).

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

The 2016 analysis indicated further impairment at one of the reporting units on which impairment was recognized during 2015, due to continued deterioration of market conditions. The Combined Company recognized an impairment loss of $12,207,000, as the carrying value of the reporting unit again exceeded its fair value (Note 5).

Intangible assets with finite lives, including customer relationships, technology, and non-compete agreements are amortized on a straight-line basis over the life of the intangible assets, for three to fifteen years. These assets are tested for impairment whenever events or changes in circumstances indicated that their carrying amount may not be recoverable. A triggering event occurred for a reporting unit' s asset grouping due to the loss of a customer that was significant to that reporting unit, although insignificant to the Combined Company and to both business segments. Accordingly, an impairment test was completed which determined that, as of December 31, 2016, the fair value exceeded its carrying value. No impairments to intangible assets were recorded in 2016 or 2015.

Share-based compensation

The Combined Company measures employee share-based compensation awards at fair value on the date they are granted to employees and recognizes compensation cost in its financial statements over the requisite service period. The Combined Company has stock-based compensation plans for certain of its employees. Compensation expense is recorded for restricted stock over the applicable vesting period based on the fair value of the stock on the date of grant. Options are issued with an exercise price equal to the fair value of the stock on the date of grant. Compensation expense is recorded for the fair value of the stock options, and is recognized over the period of the underlying security' s vesting schedule. Consideration paid on the exercise of stock options is credited to share capital and additional paid-in capital.

Fair value of the share-based compensation is measured by use of the Black-Scholes pricing model. The following discusses the assumptions used related to the Black-Scholes pricing model.

Expected life

The expected term of stock options represents the period the stock options are expected to remain outstanding and is based on the simplified method, which is the weighted average vesting term plus the original contractual term, divided by two.

Expected volatility

Expected volatility measures the amount that a stock price has fluctuated or is expected to fluctuate during a period. Since the Combined Company' s stock is not publicly traded, the Combined Company determines volatility based on an analysis of the PHLX Oil Service Index that tracks publicly traded oilfield service stocks.

Dividend yield

At the time of the issuance of the options, the Combined Company did not plan to pay cash dividends in the foreseeable future. Therefore, a zero expected dividend yield was used in the valuation model.

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

Risk-free interest rate

The risk-free interest rate is based on U.S. Treasury zero-coupon issues with remaining terms similar to the expected term on the options.

Forfeitures

The Combined Company estimates forfeitures at the time of grant, and revises those estimates in subsequent periods if actual forfeitures differ from those estimates. The Combined Company uses historical data to estimate pre-vesting option forfeitures and records stock-based compensation expense only for those awards that are expected to vest. If the Combined Company' s actual forfeiture rate is materially different from its estimate, the stock-based compensation expense could be different from what the Combined Company has recorded in the current period.

Fair value of common stock

The value of the Combined Company' s stock at the time of each option grant used to establish the strike price is estimated by management in accordance with an internal valuation model, and approved by the Combined Company' s Board of Directors. The valuation model is based upon an average of cash flow and book value multiples of comparable companies. The comparable companies selected reflect the market' s view on key sector, geographic, and product type exposure that are similar to those that impact the Combined Company' s business. The value is further subject to judgmental factors such as prevailing market conditions, changes in the stock prices of other oilfield service companies and the overall outlook for the Combined Company and its products in general.

Income taxes

The Combined Company follows the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based upon temporary differences between the carrying amounts and tax bases of the Combined Company' s assets and liabilities at the balance sheet date, and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in the tax rates is recognized in income in the period in which the change occurs. The Combined Company records a valuation reserve in each reporting period when management believes that it is more likely than not that any deferred tax asset created will not be realized.

The Combined Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. If a tax position meets the ‘‘more likely than not’’ recognition criteria, the tax position is measured at the largest amount of benefit greater than 50% likely of being realized upon ultimate settlement.

Deferred financing costs

Deferred financing costs are amortized over the life of the related debt using the effective interest method. The Combined Company expensed approximately $2,400,000 and $1,000,000 of deferred financing costs during

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

the years ended December 31, 2016 and 2015, respectively, which amounts are included in interest expense in the statements of comprehensive income. The 2016 expense included the write-off of approximately $1,000,000 of deferred financing costs that were incurred upon entering into credit facilities in 2014. The amount written off represents the portion of the deferred financing costs related to the reduction in the amount available in the revolving credit facilities during 2016 (Note 7).

Deferred financing costs of $1,626,000 and $2,737,000 at December 31, 2016 and 2015, respectively, are reported as a reduction of long-term debt (Note 7).

Fair value of financial instruments

The carrying amounts for financial instruments classified as current assets and current liabilities approximate fair value, due to the short maturity of such instruments. The book values of other financial instruments, such as the Combined Company' s debt under its Credit Facilities (Note 7), approximates fair value because interest rates charged are similar to other financial instruments with similar terms and maturities and the rates vary in accordance with a market index.

For the financial assets and liabilities disclosed at fair value, fair value is determined as the exit price, or the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The established fair value hierarchy divides fair value measurement into three levels:

Level 1–inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date;

Level 2–inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly; and

Level 3–inputs are unobservable for the asset or liability, which reflect the best judgment of management.

The financial assets and liabilities that are disclosed at fair value are categorized in one of the above three levels based on the lowest level input that is significant to the fair value measurement in its entirety. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment.

Earnings per share

Basic income per share is calculated by dividing net income by the weighted-average number of common shares outstanding during the period. The diluted income per share computation is calculated by dividing net income by the weighted-average number of common shares outstanding during the period, taking into effect, if any, of shares that would be issuable upon the exercise of outstanding stock options, reduced by the number of shares purchased by the Combined Company at cost, when such amounts are dilutive to the earnings per share calculation. There is no dilutive effect for 2016 or 2015 since the company is in a net loss position.

Recently issued accounting pronouncements

In May 2014, the Financial Accounting Standards Board (‘ ‘FASB’ ’) issued Accounting Standards Update (‘ ‘ASU’ ’) No. 2014-09, *Revenue from Contracts with Customers*, which supersedes the current revenue recognition

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guidance. The ASU is based on the principle that revenue is recognized to depict the transfer of goods and services to customers in the amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and asset recognized from costs incurred to obtain or fulfill a contract. The new standard will be effective for the Company for the fiscal years beginning after December 31, 2017 using one of two retrospective application methods. The Company is currently evaluating the impacts of adoption of this guidance.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements–Going Concern*. The new standard requires management to evaluate whether there are conditions and events that raise substantial doubt about an entity' s ability to continue as a going concern for both annual and interim reporting periods. Management performed an evaluation of the Company' s ability to fund operations and to continue as a going concern according to ASC Topic 205-40, Presentation of Financial Statements–Going Concern. Management has performed their own analysis which is included within Note 7.

In July 2015, the FASB issued ASU No. 2015-11, *Simplifying the Measurement of Inventory*, which requires companies to measure inventory at the lower of cost or net realizable value rather than at the lower of cost or market. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The new guidance will be effective for the Company for the fiscal years beginning after December 15, 2016. The Company is currently evaluating the impacts of the adoption of this guidance.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Upon adoption of the new guidance, lessees are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The new guidance will be effective for the Company for fiscal years beginning after December 15, 2018. The Company is currently evaluating the impacts of adoption of this guidance.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, in an effort to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The amendments in this standard provide a screen to determine when an integrated set of assets and activities is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the integrated set of assets and activities is not a business. The new guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is allowed for transactions for which the acquisition date occurs before the issuance date or effective date of the amendments, only when the transaction has not been reported in financial statements that have been issued or made available for issuance and for transactions in which a subsidiary is deconsolidated or a group of assets is derecognized before the issuance date or effective date of the amendments. Entities will be required to apply the guidance prospectively when adopted. Management is evaluating the impact this new pronouncement will have on the combined financial statements.

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In January 2017, the FASB issued ASU 2017-04, *Intangibles–Goodwill and Other* which simplifies the accounting for goodwill impairment by eliminating Step 2 of the current goodwill impairment test. In computing the implied fair value of goodwill under Step 2, an entity had to perform procedures to determine the fair value at the impairment testing date of its assets and liabilities (including unrecognized assets and liabilities) following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. Instead, under the new standard, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit' s fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. The new guidance should be adopted for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. This standard will be implemented prospectively for all future goodwill impairment tests and will simplify such evaluations.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230)–Classification of Certain Cash Receipts and Cash Payment*. This new guidance addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice, including: debt prepayment or debt extinguishment costs, settlement of zero-coupon debt instruments or other debt instruments, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies, distributions received from equity method investees, beneficial interests in securitization transactions, and separately identifiable cash flows and application of the predominance principle. ASU 2016-15 is effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The Company is evaluating the financial statement implications of adopting ASU 2016-15.

In March 2016, the FASB issued ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting*. This new guidance includes provisions intended to simplify how share-based payments are accounted for and presented in the financial statements, including: a) all excess tax benefits and tax deficiencies should be recognized as income tax expense or benefit in the income statement; b) excess tax benefits should be classified along with other income tax cash flows as an operating activity; c) an entity can make an entity-wide accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures when they occur; d) the threshold to qualify for equity classification permits withholding up to the maximum statutory tax rates in the applicable jurisdictions; e) cash paid by an employer should be classified as a financing activity when shares are directly withheld for tax withholding purposes. ASU 2016-09 is effective for public business entities for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Company has early adopted this standard for the year ended December 31, 2016 and did not have a material impact.

Subsequent events

The Combined Company has evaluated events occurring after the balance sheet date through March 24, 2017, which is the date these financial statements were available to be issued. Additionally, the Company evaluated transactions and other events that occurred through May 2, 2017 for purposes of recognition of subsequent

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events and disclosure of unrecognized subsequent events and determined that there are no events that require disclosure.

On February 10, 2017, Beckman amended its credit facility (Note 7).

In connection with the Combination in February 2017, the Combined Company completed the following offering to raise $40 million of equity proceeds from the shareholders of the Combined Company. The offering is referenced in Note 3 and described in further detail below:

$5 million of shares of Nine common stock to pre-Combination holders of Nine common stock, the proceeds of which were retained by the Combined Company to ensure compliance with the financial covenants under the Existing Nine Credit Facility;

$15 million of shares of common stock of Beckman to the holders of Beckman common stock, the proceeds of which were used to pay outstanding indebtedness under the Existing Beckman Credit Facility; and

$20 million of shares of Combined Company common stock to pre-Combination holders of Nine common stock and holders of Beckman common stock, the proceeds of which were used (i) to finance the purchase of non-accredited investors' shares in the Combination and pay fees and expenses related to the Combination and (ii) for general corporate purposes, including ensuring compliance with the financial covenants under the Existing Nine Credit Facility.

For the quarter ended March 31, 2017, Nine was in breach of the minimum EBITDA covenant and the fixed charge coverage ratio related to the amended credit facility described in Note 7. However, Nine has cured the breaches by using a portion of the available proceeds raised in a stock subscription offer following the combination of Nine with Beckman, as described above.

3. Acquisitions and combinations

Beckman combination

On February 28, 2017, pursuant to the terms and conditions of a combination agreement dated February 3, 2017, the Company merged with Beckman and all of the issued and outstanding shares of Beckman common stock were converted into shares of common stock of Nine Energy Service, Inc., other than 1.6% of Beckman shares paid in cash. Beckman shares were converted at a ratio of 0.567154 Nine shares per Beckman share. Prior to the Combination, SCF-VII, L.P. had controlled a majority of the voting interests of Nine and Beckman since February 28, 2011 and July 31, 2012, respectively. The merger of the entities into the Combined Company was accounted for using reorganization accounting (i.e., "as if" pooling of interest) for entities under common control.

In conjunction with the Combination, other events occurred, including:

The conversion of certain Beckman shares into cash at the price of $141.94 per Beckman share. These shares were owned by non-accredited shareholders of Beckman at the time of the Combination;

Payment of cash for a certain number of Beckman shares that converted into fractional Nine shares at the price of $250.27 per Nine share;

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The conversion of Beckman options to purchase Beckman common stock into options to purchase Nine shares;

The conversion of Beckman restricted shares into Nine restricted shares;

The conversion of Beckman warrants to purchase Beckman common stock in warrants to purchase Nine shares;

The issuance of options to purchase Nine common stock;

The issuance, on a pro-rata basis, to the Combined Company' s shareholders, of Nine common stock based on a subscription amount equal to the number of common shares issued at a price of $250.27. The subscription was offered to all shareholders on record at the time of the Combination. Any unsubscribed shares were reallocated among the shareholders; and

The issuance, to the Combined Company' s shareholders, of Nine warrants equal to one half of the amount of shares issued related to the subscription described above.

Scorpion acquisition

On September 1, 2015, the Company entered into an Asset Purchase Agreement (the "Scorpion Purchase Agreement") pursuant to which it acquired certain of the assets and personal property of Pat Greenlee Builders, LLC ("Scorpion") for consideration consisting of: (1) $265,000 in cash as consideration for the transfer of certain personal property including, but not limited to, certain equipment and inventory, (2) 3,010 shares of common stock in the Company valued at $332.20 per share, (3) additional shares of Company common stock ranging from 3,010 shares to 6,020 shares, contingent upon the quantity of Scorpion Composite Plugs™ sold during 2016 and (4) annual cash consideration equal to (i) 20% of the gross profit realized on the sale of Scorpion Composite Plugs™ during each of the first 3 years post-close and (ii) 21% of the gross profit realized on the sale of Scorpion flowback plugs during each of the first 7 years post-close. The purchase price was allocated to the assets acquired and liabilities assumed based upon their estimated fair values at the purchase date. The purchase price allocation was based upon valuations compiled by independent valuation specialists as well as estimates and assumptions made by management. The excess of the purchase price over the net tangible and identifiable intangible assets was recorded as goodwill, the amortization of which is deductible for income tax purposes. The goodwill is primarily attributable to the assembled workforce. The acquired intangible asset related to technology has an estimated useful life of 6 years. The Company incurred acquisition related fees and expenses of $207,000 during the year ended December 31, 2015 which were recognized under the caption "General and Administrative Expenses" on the Combined Statements of Comprehensive Income.

Scorpion revenue was $7,195,000 and $1,626,000 in the years ended December 31, 2016 and 2015, respectively. Earnings are not disclosed as they are reported within another reporting unit.

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A summary of the allocation of the purchase price for Scorpion is as follows:

	(in thousands of dollars)
Current assets	$ 304
Fixed assets	29
Goodwill	1,143
Other intangible asset–developed technology	1,870
Accrued liabilities	(39)
Net assets acquired	$ 3,307

4. Property and equipment

The following is a summary of property and equipment as of December 31, 2016 and 2015:

	Estimated useful lives	2016	2015
		(in thousands of dollars)	
Operating equipment	1 to 12 years	$370,153	$371,720
Autos and trucks	1 to 7 years	33,892	35,329
Land	indefinite	1,777	1,777
Buildings	7 to 39 years	14,901	15,044
Furniture, fixtures and equipment	2 to 12 years	2,913	2,895
Shop equipment	3 to 15 years	7,535	7,402
Leasehold improvements	3 to 10 years	936	923
		432,107	435,090
Less: Accumulated depreciation		(158,897)	(109,196)
		$273,210	$325,894

Depreciation expense was $55,260,000 and $58,894,000 for the years ended December 31, 2016 and 2015, respectively. Depreciation expense related to cost of revenues but reported separately as part of depreciation expense, was $54,344,000 and $58,042,000 for the years ended December 31, 2016 and 2015, respectively.

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5. Goodwill and intangible assets

The changes in the net carrying amount of the components of goodwill and intangible assets for the years ended December 31, 2016 and 2015 were as follows:

	Goodwill	Intangible assets
	(in thousands of dollars)	
Balance as of December 31, 2014	$171,890	$ 92,055
Acquired during 2015	1,143	1,874
Amortization expense	–	(8,650)
Impact on non U.S. currency translation	–	(52)
Impairment	(35,540)	–
Balances as of December 31, 2015	137,493	85,227
Amortization expense	–	(9,083)
Impairment	(12,207)	–
Balance as of December 31, 2016	$125,286	$ 76,144

The Combined Company performs its annual impairment tests of goodwill as of December 31. During 2016 the Combined Company recognized approximately $12,207,000 of goodwill impairment relating to one of the Combined Company' s reporting units. During 2015 the Combined Company recognized goodwill impairment losses of approximately $35,540,000 relating to two of the Combined Company' s reporting units, (Note 2). The impairment in both years resulted from an assessment of discounted estimated cash flows which were negatively impacted by the economic environment at that time.

Amortization expense of $9,083,000 and $8,650,000 for the years ended December 31, 2016 and 2015, respectively, is related to cost of revenues, but reported separately.

Goodwill by segment for the years ended December 31, 2016 and 2015 was as follows:

(in thousands of dollars)	Completion Solutions		Production Solutions		Total	
	2016	2015	2016	2015	2016	2015
Balances as of January 1	$124,507	$158,904	$12,986	$12,986	$137,493	$171,890
Acquisitions	–	1,143	–	–	–	1,143
Impairment	(12,207)	(35,540)	–	–	(12,207)	(35,540)
Balances as of December 31	$112,300	$124,507	$12,986	$12,986	$125,286	$137,493

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Intangible assets arising from business acquisitions consisted of the following:

	Amortization period	December 31, 2015 Gross	Accumulated amortization	Net
		(in thousands of dollars)		
Customer relationships	8 to 15 years	$76,040	$ (16,984)	$59,056
Noncompete agreements	3 to 5 years	4,966	(2,627)	2,339
Technology	6 years	1,870	(104)	1,766
Trademarks	Indefinite	22,020	–	22,020
Other intangible assets	4 years	550	(504)	46
		$105,446	$ (20,219)	$85,227

	Amortization period	December 31, 2016 Gross	Accumulated amortization	Net
		(in thousands of dollars)		
Customer relationships	8 to 15 years	$76,040	$ (24,896)	$51,144
Noncompete agreements	3 to 5 years	4,966	(3,452)	1,514
Technology	6 years	1,870	(415)	1,455
Trademarks	Indefinite	22,020	–	22,020
Other intangible assets	4 years	550	(539)	11
		$105,446	$ (29,302)	$76,144

The weighted average remaining useful life of the intangible assets as of December 31, 2016 was 7.3 years. Future estimated amortization expense is as follows:

(in thousands of dollars)	
Year Ending December 31,	
2017	$8,807
2018	8,632
2019	8,117
2020	7,805
2021	6,452
Thereafter	14,312
	$54,125

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6. Accrued expenses

Accrued expenses consisted of the following as of December 31, 2016 and 2015:

	2016	2015
	(in thousands of dollars)	
Accrued compensation and benefits	$ 4,922	$ 4,951
Sales tax payable	820	4,051
Accrued expenses	4,031	2,415
Accrued property tax	764	1,122
Accrued interest	96	290
Scorpion contingent liability	1,784	303
	$ 12,417	$ 13,132

7. Long-term debt

Long-term debt consists of the following as of December 31, 2016 and 2015:

	2016	2015
	(in thousands of dollars)	
Nine US revolving credit facility	$ 55,500	$ 43,000
Nine US term loan	56,150	74,375
Nine Canada revolving credit facility	8,938	6,503
Beckman revolving credit facility	114,300	128,500
Beckman term loan	11,000	–
	245,888	252,378
Less Current portion	(17,975)	(10,625)
Long-term debt	227,913	241,753
Less deferred financing costs	(1,626)	(2,737)
	$ 226,287	$ 239,016

Nine credit facilities

In conjunction with the Crest Pumping Technologies (“Crest”) acquisition in 2014, Nine entered into a $300 million credit facility arrangement with several major financial institutions, secured by substantially all of Nine’ s assets. Under the credit facility arrangement, $270 million could be borrowed in the U.S., consisting of an $85 million 5-year Term Loan and a $185 million Revolving Credit Facility, and $30 million could be borrowed in Canada under a Revolving Credit Facility. The maturity date was June 30, 2019. Interest rates were based on prime rate, the federal funds rate or the London Interbank Offered Rate (LIBOR), plus a margin determined by the funded debt to Earnings before Interest, Taxes, Depreciation and Amortization (“EBITDA”) ratio. There was also a standby fee of 0.375% to 0.5%. Interest rates ranged from 2.2% to 3.4% during 2015 and were approximately 2.7% in 2016 through May 13, 2016 when Nine entered into an amendment to the credit facility.

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The debt covenants required that EBITDA be no higher than 3.5 to 1 during the period from inception of the loan through December 31, 2014, 3.25 to 1 from January through June 2015 and 3 to 1 thereafter.

On May 13, 2016, Nine entered into an amendment to the credit facility (“Amended Credit Facility”). The Amended Credit Facility reduced the borrowing capacity of the Revolving Credit Facility to $75 million in the U.S. and $13 million in Canada, with a new maturity date of January 1, 2018 and increased interest rates and standby fees. The amendment waives all previous covenants through 2016, establishes minimum 12-month EBITDA targets for June 30, 2016 through June 30, 2017 and limits the amount of capital expenditures in 2016 and 2017. The amendment establishes a debt to EBITDA ratio of 4.5 starting subsequent to June 30, 2017, and EBITDA to fixed charge ratios of 1.00 for March 31, 2017 and June 30, 2017 and a ratio of 1.25 for September 30, 2017 and thereafter. (Fixed charges include interest, term loan payments, capital expenditures and income tax payments.) The amendment also requires that all future income tax refunds resulting from net operating losses be used to prepay term loan advances in reverse order of maturity. Interest rates ranged from 4.9% to 7.0% from the inception of the amendment in May 2016 through December 31, 2016.

Given current market conditions and Nine’ s performance in 2016, it is Nine’ s belief that it will breach certain financial covenants at March 31, 2017 and that it may breach the fixed charge coverage ratio at June 30, 2017, depending on Nine’ s level of capital expenditures for the second quarter. Should the need arise, Nine will exercise its right to equity cure under the Existing Nine Credit Facility and will access a certain amount of existing proceeds that have previously been raised from Nine’ s existing shareholders. Upon delivery of its March 31, 2017 and June 30, 2017 compliance certificates, which are due within 45 days after each period, Nine will have 10 business days to provide the necessary equity proceeds. The equity proceeds will be in the amount necessary to satisfy any and all breaches of financial covenants. After giving effect to the equity cure, Nine expects to be in compliance of its amended credit agreement for March 31, 2017 and June 30, 2017.

Beckman credit facilities

On May 2, 2014, Beckman entered into a new senior secured credit agreement with several major financial institutions. The senior secured credit financing consisted of a revolving credit facility in an aggregate amount of $170,000,000 with an accordion feature of up to $50,000,000 in the aggregate. The credit agreement was secured by first priority perfected security interest in all equity interests of domestic subsidiaries, 65% of the voting equity of directly owned foreign subsidiaries, and substantially all of the tangible and intangible assets of Beckman. Interest only was due monthly and calculated at 2.50 percent above the London Interbank Offered Rate (LIBOR) or 1.50 percent above the Alternate Base Rate. The credit agreement was to mature on May 2, 2019. As a requirement of the credit agreement, on May 2, 2014 Beckman paid the outstanding balance under a 2012 credit agreement of $31,500,000 revolving credit and the term loan of $28,125,000.

The credit agreement contained certain financial covenants which, among other things, limited Beckman’ s spending for capital expenditures and required that certain financial ratios be maintained. During 2014, the credit agreement was amended three times, primarily to increase the aggregate amount of the credit facility.

On January 12, 2016, Beckman entered into Amendment No. 4 to the 2014 Credit Facility. The amendment reduced the total aggregate commitments of the lenders from $235,000,000 to $145,000,000, limited borrowing availability subject to a new borrowing base, and amended certain covenant compliance and reporting requirements. Effective with the amendment date, $12,500,000 of the outstanding revolver was

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converted to a term advance. Repayment of $1,500,000 was required in 2016, $3,100,000 is required in 2017 and the remainder matures in June 2018.

The amended credit agreement contained certain financial covenants which, among other things, limited spending on capital expenditures and required that certain financial ratios be maintained. Beckman was required to provide a monthly borrowing base certificate which calculates the available borrowing base and reports compliance commencing January 2016. Beckman was to provide a cash availability report each week commencing in January 2016 whereby cash on hand at the beginning of the week could not exceed $3.0 million. The leverage ratio was waived through the quarter ending March 31, 2017 and could not be more than 3.50 to 1.00 commencing with the quarter ending June 30, 2017. The fixed charge coverage as of the last day of each quarter, commencing with the quarter ending March 31, 2016, was to be less than 1.15 to 1.00 for each fiscal quarter ending on or prior to March 31, 2017 and 1.25 to 1.00 for each fiscal quarter ending after March 31, 2017. Capital expenditures in the fiscal year ended December 31, 2016, were not to exceed $15 million, and in each year ending after December 31, 2016, were not to exceed 75% of EBITDA for the immediately preceding year.

As of December 31, 2016 and 2015, $114,300,000 and $128,500,000 were outstanding under the revolver, respectively, and a letter of credit commitment in the amount of $850,000 and $950,000, respectively. As of December 31, 2016, $11,000,000 of the term loan was outstanding. As of December 31, 2016 and 2015, Beckman had $5,660,000 and $105,000,000 available, respectively under the revolver.

Beckman was in compliance with all covenants during 2016 and 2015. Beckman' s ability to comply with covenants in the future could be affected by the levels of cash flows from operations and events or circumstances beyond Beckman' s control. If market or other economic conditions deteriorate, the risk of noncompliance may increase.

On February 10, 2017, Beckman entered into Amendment No. 5 to the 2014 Credit Facility. The amendment reduces the total aggregate commitments of the lenders from $145,000,000 to $127,300,000, limits borrowing availability subject to a new borrowing base, and amends certain covenant compliance and reporting requirements. As a requirement of this amendment, immediately prior to the amendment date, Beckman received $15,000,000 of equity proceeds from certain of its shareholders. Effective with the amendment date, these proceeds were used to prepay the outstanding revolver $10,000,000 and the term advance $5,000,000, of which $3,875,000 was applied as prepayment of the scheduled amortization payments that were due March 31, 2017 through March 31, 2018 and $106,300,000 of the outstanding revolver was converted to a second term advance. The amendment provides for a $15,000,000 revolver, of which $2,500,000 was drawn on the date of the amendment. Required repayments of the original term advance are $1,500,000 in 2017, $750,000 by March 31, 2018 and the remainder in June 2018.

The amended credit agreement contains certain financial covenants which, among other things, limit spending on capital expenditures and require that certain financial ratios be maintained. Certain of the requirements are:

a. Beckman must provide a monthly borrowing base certificate which calculates the available borrowing base and reports compliance commencing February 2017;

b. Beckman must provide a cash availability report each month commencing in February 2017 whereby cash on hand on the last business day of the month cannot exceed $6,000,000;

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c. The leverage ratio is waived through the quarter ending September 30, 2017 and cannot be more than 3.50 to 1.00 commencing with the quarter ending December 31, 2017;

d. The interest coverage ratio remains waived;

e. The fixed charge coverage as of the last day of each quarter, commencing with the quarter ending March 31, 2017, must be a) less than 1.15 to 1.00 for each fiscal quarter ending on or prior to June 30, 2017 and b) less than 1.25 to 1.00 for each fiscal quarter ending after June 30, 2017;

f. Capital expenditures in the fiscal year ending December 31, 2017 must not exceed $20,000,000, and in each year ending after December 31, 2017 must not exceed 75% of EBITDA for the immediately preceding year

Nine and Beckman combined

Future principal payments on long-term debt for each of years ending December 31 are as follows:

	(in thousands of dollars)
2017	$ 17,975
2018	227,913
	$245,888

In accordance with ASC 205-4, *Going Concern,* the Combined Company evaluated whether there are conditions and events that raise substantial doubt about the Company' s ability to continue as a going concern for a period of one year after the date that the combined financial statements are issued. The Combined Company has $120.6 million of debt outstanding, under the revolving credit facility and term loan discussed above, as of December 31, 2016 that is scheduled to mature on January 1, 2018, and the Combined Company currently does not expect to have sufficient liquidity and capital resources to repay the debt outstanding in full on its maturity date. This condition raises substantial doubt about the Combined Company' s ability to continue as a going concern for a period of one year after the date that the combined financial statements are issued.

Delivery of financial statements including a going concern qualification would result in an event of default under the Existing Nine Credit Facility absent an amendment or waiver. On March 23, 2017, the Combined Company received the requisite waiver from the lenders under the Existing Nine Credit Facility with respect to this potential event of default.

The Combined Company is in the process of pursing an initial public offering of its equity in which the Combined Company plans to repay the Nine Revolving Credit Facility and Term Loan prior to its maturity with the proceeds of the offering. The Combined Company can provide no assurances regarding the successful completion of the offering.

In the event the Combined Company is unable to successfully complete the offering, the Combined Company will need to seek additional sources of financing such as raising additional equity, entering into a new debt agreement, or restructuring existing debt and/or cut costs. The Combined Company can provide no assurance regarding its ability to obtain additional financing.

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In February 2017, the Combined Company raised an aggregate $40 million of equity proceeds from the shareholders of the Combined Company.

8. Defined contribution plans

Nine and Beckman both sponsor defined contribution plans under Section 401(k) of the Internal Revenue Code for all qualified employees.

Under Nine' s plan, employee contributions are matched by Nine at 100% of the first 3% and 50% of the remaining up to 5% of compensation that a participant contributes to the Plan. Nine' s contributions were $1,300,000 in 2015. Contributions were suspended during a portion of 2015 and no contributions were made in 2016.

Under Beckman' s plan, employee contributions are matched by Beckman at 50% of the first 5% of compensation that a participant contributes to the Plan. During 2015, Beckman contributed $402,000 to the Plan. Beckman made no contributions during 2016, but incurred a liability of $418,000 related to employer contribution to be funded in 2017.

9. Stock based compensation

Nine

Stock options

Information about stock option activity during the years ended December 31, 2016 and 2015 is as follows:

2015 Activity	Number of shares in underlying options	Weighted average exercise price	Remaining weighted avg contractual life in years	Intrinsic value (in thousands)
Beginning balance	63,382	$ 217.15	7.2	$ 2,983
Granted	41,268	284.87	9.7	–
Exercised	(1,943)	91.07	–	–
Forfeited	(27,355)	207.73	7.2	3,998
Total outstanding	75,352	$ 260.71	8.6	$ 1,590
Options exercisable	13,127	$ 240.98	7.6	$ 416

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

2016 Activity	Number of shares in underlying options	Weighted average exercise price	Remaining weighted avg contractual life in years	Intrinsic value (in thousands)
Beginning balance	75,352	$ 260.71	7.6	$ 502
Granted	10,093	182.21	9.7	–
Exercised	–	–	–	–
Forfeited	(3,626)	262.91	7.8	14
Total outstanding	81,819	$ 250.93	7.9	$ 502
Options exercisable	21,058	$ 317.17	8.2	$ –

The intrinsic value at December 31, 2016 and 2015 is the amount by which the fair value of the underlying share exceeds the exercise price of an option as of December 31, 2016 and 2015, respectively. The assumptions used in the Black-Scholes pricing model to estimate the fair value of the options granted in 2016 and 2015 are as follows:

	2016	2015
Weighted average fair value	$83.81	$138.16
Assumptions		
Expected life (in years)	6.0	6.0
Volatility	47.0%	49.6%
Dividend yield	0.0%	0.0%
Risk free interest rate	1.46%	1.86%

Compensation expense recorded was approximately $2,744,000 and $1,943,000 for the years ended December 31, 2016 and 2015, respectively. As of December 31, 2016, Nine expects to record compensation expense of approximately $4,000,000 over the remaining options term of approximately 1.4 years. Future stock option grants will result in additional compensation expense.

Restricted stock

Information about restricted stock activity during the years ended December 31, 2016 and 2015 is as follows:

	2016	2015
Nonvested at the beginning of the year	18,201	5,632
Granted	3,010	25,005
Vested	(4,866)	(1,566)
Cancelled	–	(10,870)
Nonvested at the end of the year	16,345	18,201

The weighted-average grant date fair value of the restricted stock was $181.62 and $304.99 during the years ended December 31, 2016 and December 31, 2015, respectively. The total amount of compensation expense

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

related to the restricted stock awards recorded was approximately $1,734,000 and $1,086,000 for the years ended December 31, 2016 and December 31, 2015, respectively. As of December 31, 2016, 13,003 restricted shares were unvested, with a weighted average vesting period of 1.8 years. As of December 31, 2015, 26,777 restricted shares were unvested, with an average vesting period of 2.9 years.

Beckman

Stock options

Information about stock option activity during the years ended December 31, 2016 and 2015 follows:

2015 Activity	Number of shares in underlying options	Weighted average exercise Price	Remaining weighted avg contractual life in years	Intrinsic value (in thousands)
Beginning balance	22,579	$ 118.00	7.4	$ –
Granted	833	150.00	9.4	–
Exercised	(2,294)	100.00	6.6	–
Forfeited	(4,883)	106.00	7.0	–
Total outstanding	16,235	$ 125.00	7.8	$ –
Options exercisable	7,992	$ 118.04	7.4	$ –

2016 Activity	Number of shares in underlying options	Weighted average exercise price	Remaining weighted avg contractual life in years	Intrinsic value (in thousands)
Beginning balance	16,235	$ 125.00	6.8	$ –
Granted	1,078	86.00	9.3	6
Exercised	–	–	–	–
Forfeited	–	–	–	–
Total outstanding	17,313	$ 123.02	6.9	$ –
Options exercisable	12,051	$ 120.54	6.5	$ –

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

The intrinsic value at December 31, 2016 and 2015 is the amount by which the fair value of the underlying share exceeds the exercise price of an option as of December 31, 2016 and 2015, respectively. The assumptions used in the Black-Scholes pricing model to estimate the fair value of the options granted in 2016 and 2015 are as follows:

	2016	2015
Weighted average fair value	$86.18	$150.00
Assumptions		
Expected life (in years)	7.0	7.0
Volatility	98.6%	30.0%
Dividend yield	0.0%	0.0%
Risk free interest rate	2.00%	1.00%

Compensation expense recorded was approximately $234,000 and $481,000 for the years ended December 31, 2016 and 2015, respectively. As of December 31, 2016, Beckman expects to record compensation expense of approximately $241,000 over the remaining options term of approximately 3.4 years.

Restricted stock

Information about restricted stock activity during the years ended December 31, 2016 and 2015 is as follows:

	2016	2015
Nonvested at the beginning of the year	17,576	23,512
Granted	9,092	–
Vested	(5,631)	(5,707)
Cancelled	(812)	(229)
Nonvested at the end of the year	20,225	17,576

The weighted-average grant date fair value of the restricted stock was $77 during the year ended December 31, 2016. No restricted stock was granted in 2015. Compensation expense related to the restricted stock awards was approximately $998,000 and $882,000 for the years ended December 31, 2016 and 2015, respectively. As of December 31, 2016 there were 20,225 unvested shares with a weighted average vesting period of 2.2 years. At December 31, 2015, 17,576 shares were unvested, with a weighted average vesting period of 2.3 years.

Other Share based compensation

During 2015, 4,000 shares were issued to a Beckman officer for services provided, at the market value of $150 per share, and $600,000 of compensation expense was recognized.

During 2015, certain Beckman officers and one member of Beckman’ s board of directors were issued 2,598 common shares in lieu of cash compensation. Of these shares, 1,763 were issued at $100 per share and 835 were issued at $117 per share, and $274,000 of compensation expense was recognized.

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

10. Commitments and contingencies

Litigation

The Combined Company has claims, lawsuits and administrative proceedings that are pending or threatened, all arising in the ordinary course of business, with respect to commercial and employee matters. Although no assurance can be given with respect to the outcome of the other pending or threatened claims and the effect such outcomes may have, the Combined Company believes any ultimate liability resulting from the outcome of such claims, lawsuits or administrative proceedings, to the extent not otherwise provided for or covered by insurance, will not have a material adverse effect on the Combined Company' s business, operating results, financial position or cash flows.

Leases

The Combined Company leases equipment, vehicles, office space, yard facilities and employee housing in the United States and in Canada where the Combined Company operates, under leases classified as operating. The original lease terms require monthly rental payments and expire from 2017 through 2029. Other leases for various equipment and facilities are on a month-to-month basis or have expired during 2016. Total rent expense for all operating leases was approximately $6,300,000 and $8,800,000 for the years ended December 31, 2016 and 2015, respectively.

The following schedule shows the future total minimum lease payments under these non-cancelable leases as of December 31, 2016:

	(in thousands of dollars)
Year ending December 31,	
2017	$ 5,538
2018	4,195
2019	3,452
2020	2,572
2021	2,249
Thereafter	12,544
	$ 30,550

Self-insurance

The Combined Company uses a combination of third party insurance and self-insurance for health insurance clams. The self-insured liability represents an estimate of the undiscounted ultimate cost of uninsured claims incurred as of the balance sheet date. The estimate is based on an analysis of trailing months of incurred medical claims to project the amount of incurred but not reported claims liability. The estimated liability for self-insured medical claims was $718,000 and $1,161,000 at December 31, 2016 and 2015, respectively, and is included under the caption ‘‘Accrued liabilities’’ on the Combined Balance Sheets.

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

Although the Combined Company does not expect the amounts ultimately paid to differ significantly from the estimates, the self-insurance liability could be affected if future claims experience differs significantly from historical trends and actuarial assumptions.

Scorpion contingent liability

In connection with the acquisition of Scorpion, discussed earlier in Note 3, the Company recorded a liability for contingent consideration to be paid in shares of Company common stock and in cash, contingent upon quantities of Scorpion Composite PlugsTM sold during 2016 and gross margin related to the product sales for three years following the acquisition. The shares of common stock underlying the contingent liability were valued at $332.20 at the acquisition date and revalued to $234.97 at December 31, 2015, resulting in a gain of $293,000. A cash payment of $297,000 was made during 2016 based on the gross margin on sales of Scorpion plugs during the first year following the acquisition. The forecasted quantities of plug sales and the related gross margin increased significantly at December 31, 2016 and the shares underlying the contingent liability were revalued at $181.62, resulting in a revaluation loss of $1,735,000. The 2016 loss and the 2015 gain are included in "General and administrative expenses" in the Combined Statements of Comprehensive Income. The following is a reconciliation of the beginning and ending amounts of contingent consideration obligation (level 3) related to the Scorpion acquisition:

	2016	2015
	(in thousands of dollars)	
Balance at beginning of year	$ 1,749	$ –
Initial valuation	–	2,042
Payment	(297)	–
Revaluation	1,735	(293)
Balance at end of the year	$ 3,187	$ 1,749

Contingent liabilities related to the Scorpion acquisition include $1,784,000 and $303,000 reported in "Accrued expenses" at December 2016 and 2015, respectively, and $1,403,000 and $1,446,000 reported in "Other long term liabilities" at December 2016 and 2015, respectively, in the Combined Balance Sheets.

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

11. Taxes

The components of the provision (benefit) for income taxes for the years ended December 31, 2016 and 2015 were as follows:

	2016	2015
	(in thousands of dollars)	
Current		
US Federal	$ (14,295)	$ 21
US State	168	1,524
Canada	–	(32)
Total current provision (benefit)	(14,127)	1,513
Deferred		
US Federal	(14,206)	(14,924)
US State	2,047	(924)
Canada	–	12
Total deferred benefit	(12,159)	(15,836)
Total benefit for income taxes	$ (26,286)	$ (14,323)

The provision (benefit) for income taxes for the years ended December 31, 2016 and 2015 differed from the provision (benefit) calculated using the applicable statutory federal income tax rate as follows:

	2016	2015
	(in thousands of dollars)	
Tax benefit at statutory rate	$ (33,689)	$ (18,240)
Foreign rate differential	367	602
State income taxes, net of federal benefit	766	151
Nondeductible expenses	1,660	595
Loss of tax benefits due to carryback	998	–
Valuation allowance	2,804	2,226
Adoption of ASU 2016-09	141	–
Other	667	343
	$ (26,286)	$ (14,323)

The Combined Company' s effective rate differs from the statutory rate primarily due to nondeductible expenses consisting of meals and entertainment, the effect of state taxes, the valuation allowance related to the Canada jurisdiction and the loss of prior year Section 199 benefits due to a carryback of net operating losses.

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

The tax effects of the cumulative temporary differences resulting in the net deferred tax asset (liabilities) at December 31, 2016 and 2015 were as follows:

	2016	2015
	(in thousands of dollars)	
Deferred income tax assets:		
Inventories	$ 792	$ 918
Goodwill and intangible assets	6,761	5,739
Deferred tax benefit from net losses	37,453	24,036
Stock based compensation	2,418	1,266
Tax credit carryforwards	1,091	–
Accrued expenses	691	1,791
Total deferred income tax assets	49,206	33,750
Less: Valuation allowance	(4,277)	(2,054)
Net deferred income tax assets	44,929	31,696
Deferred income tax liabilities:		
Property and equipment	(55,398)	(54,339)
Prepaid expenses and other	(168)	(155)
Total deferred income tax liabilities	(55,566)	(54,494)
Net deferred income tax liability	$ (10,637)	$ (22,798)

As of December 31, 2016, the Combined Company had federal and state net operating loss carryforwards of approximately $138.6 million. The federal net operating loss can be used for a 20-year period and, if unused, will begin to expire in 2033. The state net operating losses can be used from 7 to 20 years and vary by state. A small portion of state net operating losses begin to expire in 2020. The Combined Company has domestic credit carryforwards of approximately $1.02 million of AMT credit and $72k of General Business credit.

We evaluate our deferred tax assets on a quarterly basis to determine whether a valuation allowance is required. We assess whether a valuation allowance should be established based on our determination of whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible and prior to the expiration of our NOL and tax credit carryforwards. We consider the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Due to recent operating results and goodwill impairments recorded during 2016 and 2015, we are in a three-year cumulative loss position for the year ending December 31, 2016. According to ASC topic No. 740, Income Taxes, cumulative losses in recent years represent significant negative evidence in considering whether deferred tax assets are realizable. Therefore, during 2016 we recorded a valuation allowance of $1.6M against our deferred tax assets. We have excluded the deferred tax liabilities related to certain indefinite lived intangibles when calculating the amount of valuation allowance needed as these liabilities cannot be considered as a source of income when determining the realizability of the net deferred tax assets. The valuation allowance was recorded as a reduction to our income tax benefit in our combined statements of comprehensive income.

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

The Combined Company is subject to U.S. federal income tax as well as income tax in multiple state jurisdictions. The earliest period the Combined Company is subject to examination of Federal income tax returns by the Internal Revenue Service is 2013. The state income tax returns and other state tax filings of the Combined Company are subject to examination by the state taxing authorities for various periods, generally up to four years after they are filed.

The Combined Company does not have any unrecognized tax benefits recorded as of December 31, 2016 or 2015. The Combined Company does not anticipate the total amount of unrecognized tax benefits will significantly change by December 31, 2017. The Combined Company recognizes interest and/or penalties related to income tax matters in income tax expense.

12. Earnings per share

The diluted earnings per share calculation excludes all stock options and unvested restricted stock for 2015 and 2016 because there is a net loss for each period as their inclusion would be anti-dilutive.

	2016	2015
	(in thousands of dollars except for share and per share data)	
Net income (loss) attributable to common stockholders	$ (70,911)	$ (39,117)
Average shares outstanding	1,653,277	1,643,912
Loss per share (basic and diluted)	$ (42.89)	$ (23.80)

13. Related party transactions

During 2014, in conjunction with an exercise of warrants to provide a capital infusion, promissory notes totaling $2,500,000 were issued to the former owners of an acquired company, who are members of the Company’ s management team. The principal is due on June 30, 2019 (the “Maturity Date”). Interest of 4% per annum is due and payable on the Maturity Date. As of December 31, 2016 and 2015, the outstanding balance of the notes, including principal and unpaid interest, was $2,750,000 and $2,650,000, respectively. Unpaid interest at December 31, 2016 and 2015 was $250,000 and $150,000, respectively.

During 2014, promissory notes totaling $9,400,000 were issued to former owners of Crest, some of whom are members of the Company’ s management team. The principal is due on June 30, 2019. The interest rate is based on the prime rate, the federal funds rate or LIBOR, plus a margin to be determined in connection with Nine’ s credit agreement, and is due quarterly. One of the former owners paid $1,774,000 during 2016 to pay his promissory note in full. As of December 31, 2016 and 2015, the outstanding principal balance of the notes totaled $7,600,000 and $9,400,000, respectively. Unpaid interest, included in “Prepaid expenses and other” in the Combined Balance Sheets, totaled $19,000 and $0 at December 31, 2016 and 2015, respectively.

As part of the Tripoint acquisition on October 3, 2011, promissory notes totaling $1,090,000 were issued to former owners of Tripoint who were members of management. The principal was due on September 15, 2015. Interest of 4% was due quarterly, but could be deferred and added to the outstanding principal balance at the election of the Company. In 2015, the outstanding balance of the notes, $918,000, including accrued interest, was repaid in full using a combination of $243,000 of cash and common stock redemption valued at $675,000.

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Notes to financial statements
December 31, 2016 and 2015–Continued

The value attributed to common stock, as agreed between the Company and the former owners of Tripoint, was $265.76 per share, resulting in the cancellation of 2,544 shares.

Beckman entered into a shared services agreement with a related party, whose manager was a member of Beckman' s Board of Directors, which provides office space, personnel and certain general and administrative services to Beckman. Beckman paid the related party $215,000 and $207,000 for the years ended December 31, 2016 and 2015, respectively. There was an outstanding payable to this related party of approximately $8,000 as of December 31, 2016.

Beckman leases real property and improvements (including the building and improvements thereon) in Wyoming and Montana from shareholders in Beckman pursuant to lease agreements entered into by Beckman on November 15, 2013. Pursuant to these agreements Beckman incurred rent expense of $339,000 and $277,000 for the years ended December 31, 2016 and 2015, respectively. At December 31, 2016, there were no payables to or receivables from this related party.

Beckman leases facilities and buildings in Monahans, Texas and Enid, Oklahoma, from an entity owned by one of the shareholders. Beckman incurred rent expense of $622,000 and $486,000 to this entity during 2016 and 2015, respectively. There were no payables to or receivables from this related party at December 31, 2016 and 2015.

Beckman leases real property from a related party, who is a shareholder and a manager of the Company. Pursuant to this agreement Beckman incurred expense of $27,000 and $64,000 in the years ended December 31, 2016 and 2015. At December 31, 2016, there were no payables to or receivables from this related party.

Beckman utilizes a related party, who is a shareholder and whose manager was a member of the Board and a manager of Beckman, to transport equipment, chemicals, and supplies. Beckman incurred expense of $690,000 and $719,000 for these services during 2016 and 2015, respectively. There was no payable to this related party at December 31, 2016 and at December 31, 2015 there was a payable of $92,000 due to this related party.

Beckman utilizes airplanes and related services, owned by a company that is a shareholder of Beckman. Beckman incurred expenses of $173,000 and $68,000 for these services during 2016 and 2015, respectively. There was a payable of $10,000 due to this related party as of December 31, 2016.

In 2015, Beckman sold $1,228,000 of equipment to an entity owned by one of the shareholders who was also is a member of the Board. Beckman facilitates pass-through billings on behalf of an entity owned by one of the shareholders who was also a member of the Board. Beckman recognizes no revenue or expense related to this activity. During 2015, the related entity billed Beckman $2,182,000. Beckman rebilled respective customers of this related entity $2,182,000, and Beckman collected cash for and reimbursed to the related entity approximately $2,146,000. Within Beckman' s trade accounts receivable and trade accounts payable, $36,000 of pass-through billings to customers remain uncollected as of December 31, 2015. During 2016, the related entity billed Beckman $765,000, and Beckman billed respective customers the same amount. Beckman collected cash for and reimbursed to the related entity $1,081,000. Within Beckman' s trade accounts receivable and trade accounts payable, $72,000 of pass through billings to customers remain uncollected as of December 31, 2016.

Beckman provides services to an entity owned by one of the shareholders, who is also a board member. Beckman billed approximately $365,000 and $463,000 for services provided to this entity during 2016 and

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

2015, respectively. There was an outstanding receivable due of $100,000 and $30,000 as of December 31, 2016 and 2015, respectively.

The Combined Company leases other office space, yard facilities and equipment in the United States and Canadian provinces where the Combined Company operates, with related parties under leases classified as operating. Lease expense was $1,219,000 and $1,396,000 for the years ended December 31, 2016 and 2015, respectively, and the Combined Company had $41,000 on deposit with the related parties as of December 31, 2016 and 2015.

14. Discontinued operations

The Company' s Tripoint subsidiary, acquired in October of 2011, was focused primarily on conventional completions, and did not fit with the future strategy of the Company. During 2014 the Company created a plan to fully dispose of the subsidiary. Tripoint operations ceased in the fourth quarter of 2014 and substantially all of its employees were released. Assets held for sale at December 31, 2014 were written down to net realizable value and were fully disposed of during the first quarter of 2015. The pretax loss for the year ended December 31, 2015 reflects expenses related to the disposal of the business. There were no expenses during 2016 and no remaining assets or liabilities as of December 31, 2015.

Summarized results of the Company' s discontinued operations for the year ended December 31, 2015 are as follows:

	2015 (in thousands of dollars)
Income Statement	
Revenue	$ –
Expenses	1,494
Loss (gain) on disposal	(46)
Pretax loss	(1,448)
Income tax benefit	513
Net loss	$ (935)

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

15. Supplemental disclosures of cash flow information

	Year ended December 31, 2016	Year ended December 31, 2015
	(in thousands of dollars)	
Supplemental disclosures		
Cash paid for interest	$ (12,442)	$ (8,957)
Cash refunds for income taxes, net	8,716	9,140
Noncash investing and financing activities		
Decrease in accounts payable and accrued liabilities for additions to property and equipment	$ (497)	$ (4,245)
Increase (decrease) in long term liabilities for additions to property and equipment	(182)	182
Issuance of common stock in acquisitions	–	1,000
Contingent consideration for Scorpion acquisition	–	2,042
Cancellation of shares in conjunction with repayment of notes receivable	–	(675)

16. Segment information

Beginning with the first quarter of 2017, the Combined Company realigned its segments due to the acquisition of Beckman. This change is reflected on a retrospective basis in accordance with GAAP. The Company is reporting its results of operations in the following two reportable segments: Completion Solutions and Production Solutions.

The Completion Solutions segment consists primarily of cementing, completion tools, wireline and coiled tubing services, while the Production Solutions consists of rig-based well maintenance and workover services.

The Combined Company' s reportable segments are strategic units that offer distinct products and services. They are managed separately since each business segment requires different marketing strategies. Operating segments have not been aggregated as part of a reportable segment. The Company evaluates the performance of its reportable segments based on gross profit. This segmentation is representative of the manner in which our Chief Operating Decision Maker and our Board of Directors view the business. We consider the Chief Operating Decision Maker to be the Chief Executive Officer.

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

Summary financial data by segment follows. The amounts labeled "Corporate" relate to assets not allocated to the reportable segments.

	2016	2015
	(in thousands of dollars)	
Revenues		
Completion Solutions	$221,468	$380,174
Production Solutions	60,886	98,348
	$282,354	$478,522
Gross profit[1]		
Completion Solutions	$27,032	$84,205
Production Solutions	9,213	21,126
	36,245	105,331
General and administrative expenses	39,387	42,862
Depreciation	55,260	58,894
Impairment of goodwill	12,207	35,540
Amortization of intangibles	9,083	8,650
Loss on sale of assets	3,320	2,004
Loss from operations	$(83,012)	$(42,619)
Capital expenditures		
Completion Solutions	$7,358	$24,636
Production Solutions	1,772	2,090
	$9,130	$26,726
Assets		
Completion Solutions	$444,618	$506,021
Production Solutions	131,476	152,413
	$576,094	$658,434

(1) Excludes depreciation and amortization, shown separately below.

Revenues by country were as follows:

	Year ended December 31,			
	2016		2015	
	(in thousands of dollars)			
Revenues				
United States	$269,893	95.6%	$460,232	96.2%
Canada	12,461	4.4%	18,290	3.8%
	$282,354	100.0%	$478,522	100.0%

Nine Energy Service, Inc.
Notes to financial statements
December 31, 2016 and 2015–Continued

Long-lived assets by country were as follows:

	2016	2015
	(in thousands of dollars)	
Long-lived assets:		
United States	$479,691	$550,847
Canada	5,689	10,176
	$485,380	$561,023

shares

Common stock

Prospectus

J.P. Morgan
Goldman Sachs & Co. LLC
Wells Fargo Securities

BofA Merrill Lynch
Credit Suisse

Raymond James
Simmons & Company International
Tudor, Pickering, Holt & Co.
HSBC
Scotia Howard Weil
UBS Investment Bank

, 2017

You should rely only on the information contained in this prospectus and any free writing prospectus prepared by or on behalf of us or to which we have referred you. Neither we nor the selling stockholders have authorized anyone to provide you with information different from that contained in this prospectus and any free writing prospectus. We and the selling stockholders are offering to sell shares of common stock and seeking offers to buy shares of common stock only in

jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the common stock.

No action is being taken in any jurisdiction outside the United States to permit a public offering of the common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus applicable to that jurisdiction.

Until , 2017, all dealers that buy, sell or trade our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Part II

Information not required in prospectus

Item 13. Other expenses of issuance and distribution

The following table sets forth an itemized statement of the amounts of all expenses (excluding underwriting discounts and commissions) payable by us and the selling stockholders in connection with the registration of the common stock offered hereby. With the exception of the SEC Registration Fee, FINRA Filing Fee and New York Stock Exchange listing fee), the amounts set forth below are estimates.

SEC Registration Fee	$11,590
FINRA Filing Fee	$15,500
New York Stock Exchange listing fee	$*
Accountants' fees and expenses	$*
Legal fees and expenses	$*
Printing and engraving expenses	$*
Transfer agent and registrar fees	$*
Miscellaneous	$*
Total	$*

* To be provided by amendment

Item 14. Indemnification of directors and officers

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with specified actions, suits and proceedings whether civil, criminal, administrative, or investigative, other than a derivative action by or in the right of the corporation, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification extends only to expenses, including attorneys' fees, incurred in connection with the defense or settlement of such action and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation' s certificate of incorporation, bylaws, disinterested director vote, stockholder vote, agreement or otherwise.

Our charter provides that a director will not be liable to the Company or its stockholders for monetary damages to the fullest extent permitted by the DGCL. Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. In addition, if the DGCL is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Company, will be limited to the fullest extent permitted by the amended DGCL. Our charter and bylaws provide that the Company will indemnify, and advance expenses to, any officer or director to the fullest extent authorized by the DGCL.

We have obtained directors' and officers' insurance to cover our directors, officers and some of our employees for certain liabilities. In addition, we intend to enter into indemnification agreements with our current and future directors and officers containing provisions that are in some respects broader than the specific indemnification provisions contained in the DGCL. The indemnification agreements will require us, among other

things, to indemnify our directors and officers against certain liabilities that may arise by reason of their status or service as directors or officers and to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified.

The Underwriting Agreement (Exhibit 1.1 hereto) provides for indemnification by the underwriters of the registrant and its executive officers and directors, and by the registrant of the underwriters, for certain liabilities, including liabilities arising under the Securities Act.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 15. Recent sales of unregistered securities.

During the past three years, we have issued unregistered securities to a limited number of persons, as described below. None of these transactions involved any underwriters, underwriting discounts or commissions or any public offering, and we believe that each of these transactions was exempt from the registration requirements pursuant to Section 4(a)(2) of the Securities Act, Regulation D or Regulation S promulgated thereunder or Rule 701 of the Securities Act. The recipients of these securities represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were affixed to the share certificates and instruments issued in these transactions.

The following table sets forth information on the restricted stock awards issued by us and common stock issued pursuant to the exercise of stock options in the three years preceding the filing of this registration statement.

Person or class of person	Date of issuance/ option exercise	Total shares of restricted stock	Common stock issued pursuant to options/ warrants exercises	Total consideration
SCF-VII, L.P.	June 30, 2014		59,884	$ 11,000,091.96
Nine Executive Officer	June 30, 2014		27,218	$ 4,999,674.42
Former Nine Employee	March 8, 2015		200	$ 25,236.00
Former Nine Employee	April 20, 2015		167	$ 31,982.17
Former Nine Employee	August 11, 2015		326	$ 59,882.94
Former Nine Employee	August 12, 2015		1,250	$ 59,837.50
Nine Executive Officer	July 15, 2015	1,505		*
Nine Executive Officer	July 15, 2015	2,500		*
Nine Executive Officer/ Employee	July 15, 2015	7,500		*
Nine Employee	December 15, 2015	3,500		*
Nine Employee	December 16, 2016	3,100		*
Nine Employee	March 20, 2017	200		*
Nine Employee	March 20, 2017	599		*
Nine Employee	March 20, 2017	200		*
Nine Director	March 20, 2017	400		*
Nine Employee	March 20, 2017	200		*
Nine Employee	March 20, 2017	300		*
Nine Employee	March 20, 2017	600		*
Nine Employee	March 20, 2017	200		*

Person or class of person	Date of issuance/ option exercise	Total shares of restricted stock	Common stock issued pursuant to options/ warrants exercises	Total consideration
Nine Employee	March 20, 2017	400		*
Nine Employee	March 20, 2017	799		*
Nine Employee	March 20, 2017	300		*
Nine Employee	March 20, 2017	200		*
Nine Employee	March 20, 2017	1,199		*
Nine Executive Officer	March 20, 2017	699		*
Nine Executive Officer	March 20, 2017	999		*
Former Nine Employee	March 20, 2017	300		*
Nine Employee	March 20, 2017	100		*
Nine Employee	March 20, 2017	300		*
Nine Employee	March 20, 2017	200		*
Nine Employee	March 20, 2017	200		*
Nine Employee	March 20, 2017	799		*
Nine Employee	March 20, 2017	300		*
Nine Employee	March 20, 2017	799		*
Nine Employee	March 20, 2017	200		*
Nine Director	March 20, 2017	400		*
Nine Employee	March 20, 2017	200		*
Nine Executive Officer	March 20, 2017	10,000		*
Nine Employee	March 20, 2017	200		*
Nine Employee	March 20, 2017	400		*
Nine Employee	March 20, 2017	400		*
Nine Director	March 20, 2017	1,199		*
Nine Employee	March 20, 2017	300		*
Nine Executive Officer	March 20, 2017	2,797		*
Nine Employee	March 20, 2017	300		*
Nine Employee	March 20, 2017	320		*
Nine Employee	March 20, 2017	600		*
Nine Employee	March 20, 2017	320		*
Nine Director	March 20, 2017	400		*
Nine Employee	March 20, 2017	400		*
Nine Executive Officer	March 31, 2017	9,000		*

* No cash consideration was paid to us by any recipient of any restricted stock award.

The following table sets forth information on the stock options issued by us in the three years preceding the filing of this registration statement.

Date of issuance	Number of options granted	Grant date exercise price ($/ sh)
June 5, 2014	1,362	$ 366.88
June 13, 2014	200	$ 396.95
June 30, 2014	5,277	$ 396.95

August 11, 2014	100	$ 396.95
October 1, 2014	91	$ 548.30
July 15, 2015	20,880	$ 332.20

Date of issuance	Number of options granted	Grant date exercise price ($/sh)
December 15, 2015	20,087	$ 234.97
April 1, 2016	112	$ 223.13
July 8, 2016	2,752	$ 181.62
October 7, 2016	2,752	$ 181.62
December 16, 2016	3,375	$ 181.62
January 17, 2017	1,650	$ 181.62
March 20, 2017	32,469	$ 250.27
March 21, 2017	12,625	$ 250.27
March 31, 2017	12,000	$ 250.27

No cash consideration was paid to us by any recipient of any of the foregoing options for the grant of such options. All of the stock options described above issued prior to the completion of the Combination were granted under the Stock Plan, to the officers, employees and consultants of the Company.

On April 30, 2014, we issued 7,500 shares of common stock to the former members of Dak-Tana Wireline, LLC as consideration for the Dak-Tana Wireline Acquisition.

Pursuant to a Subscription Agreement dated June 5, 2014, a former Nine Employee subscribed to purchase 545 shares of our common stock in exchange for a cash payment of $199,949.60.

Pursuant to a Subscription Agreement dated June 6, 2014, a Nine Employee subscribed to purchase 272 shares of our common stock in exchange for a cash payment of $99,791.36.

On June 30, 2014, we issued 105,000 shares of common stock to the former members of Crest Pumping Technologies, LLC as consideration for the Crest Pumping Technologies Acquisition.

Pursuant to a Subscription Agreement dated November 17, 2014, a Nine Employee subscribed to purchase 408 shares of our common stock in exchange for a cash payment of $149,687.04.

Pursuant to a Subscription Agreement dated July 15, 2015, Ms. Fox subscribed to purchase 602 shares of our common stock in exchange for a cash payment of $199,984.40.

On September 1, 2015, we issued 3,010 shares of common stock to the former members of Pat Greenlee Builders, LLC as consideration for the G8 Oil Tool Acquisition.

Pursuant to a Subscription Agreement dated October 6, 2016, a Nine Employee subscribed to purchase 1,376 shares of our common stock in exchange for a cash payment of $249,909.12.

Pursuant to a Subscription Agreement dated October 7, 2016, a Nine Employee subscribed to purchase 1,376 shares of our common stock in exchange for a cash payment of $249,909.12.

Pursuant to a Subscription Agreement dated January 17, 2017, a Nine Employee subscribed to purchase 550 shares of our common stock in exchange for a cash payment of $99,891.00.

Pursuant to a Subscription Agreement dated January 17, 2017, a Nine Employee subscribed to purchase 550 shares of our common stock in exchange for a cash payment of $99,891.00.

Pursuant to a Subscription Agreement dated January 17, 2017, a Nine Employee subscribed to purchase 550 shares of our common stock in exchange for a cash payment of $99,891.00.

On January 31, 2017, we issued 3,010 shares of common stock to the former members of Pat Greenlee Builders, LLC as deferred consideration for the G8 Oil Tool Acquisition.

On February 28, 2017, we completed the Combination, through which Nine Energy Service, Inc. and Beckman Production Services, Inc. were combined. In the Combination, Nine Energy Service, Inc. was the surviving entity,

all of the outstanding shares held by each of the former Beckman Production Services, Inc. shareholders in Beckman Production Services, Inc. were acquired in exchange for 669,270 of our shares.

In connection with the Combination and pursuant to subscription agreements dated March 10, 2017, we offered each of our stockholders (our existing stockholders and the Beckman stockholders) who were accredited investors or non-U.S. persons (as such term is defined in Regulation S under the Securities Act) the opportunity to purchase shares of our common stock worth $20 million in the aggregate, up to their pro-rata ownership of the Company in the Combined Nine Subscription Offer). If each eligible purchaser did not purchase its respective pro rata portion of such approximately $20 million of shares of our common stock, the eligible purchasers that elected to participate in the Combined Nine Subscription Offer were entitled, but not obligated, to purchase the remaining number of shares of our common stock worth $20 million in the aggregate. In connection with Combined Nine Subscription Offer, 55 stockholders, including some of our executive officers and directors, subscribed to purchase 79,914 shares of our common stock in exchange for aggregate cash payments of approximately $20 million. In connection with the Combined Nine Subscription Offer, we issued to those stockholders who purchased shares of our common stock a warrant to purchase additional shares of our common stock on the basis of one warrant share for every two shares purchased in the Combined Nine Subscription Offer, resulting in warrants issued to purchase an aggregate of 39,945 shares of our common stock. The warrants were exercisable upon their issuance and will remain exercisable until the expiration date which is the earlier of the third anniversary of the effective date of the Combined Nine Subscription Offer or upon consummation of an initial public offering, among other things. The initial exercise price of the warrants was $250.27 per share. The proceeds from the Combined Nine Subscription Offer were used to (i) to finance the purchase of non-accredited investors' shares in the Combination and pay fees and expenses related to the Combination and (ii) for general corporate purposes, including ensuring compliance with our financial covenants under the Existing Nine Credit Facility. For more information about these warrants, please see "Description of capital stock–Warrants" (in the prospectus included in this registration statement).

In addition to the Combined Nine Subscription Offer, though not in connection with the Combination, pursuant to subscription agreements dated March 10, 2017, we offered each of our existing stockholders pre-Combination who were accredited investors or non-U.S. persons (as such term is defined in Regulation S under the Securities Act) the opportunity to purchase shares of our common stock worth $5 million in the aggregate, up to their pro-rata ownership of the Company (the "Nine Subscription Offer"). If each eligible purchaser did not purchase its respective pro rata portion of such approximately $5 million of shares of our common stock, the eligible purchasers that elected to participate in the Nine Subscription Offer were entitled, but not obligated, to purchase the remaining number of shares of our common stock worth $5 million in the aggregate. In connection with Nine Subscription Offer, 41 stockholders, including some of our executive officers and directors, subscribed to purchase 19,978 shares of our common stock in exchange for aggregate cash payments of approximately $5 million. In connection with the Nine Subscription Offer, we issued to those stockholders who purchased shares of our common stock a warrant to purchase additional shares of our common stock on the basis of one warrant share for every two shares purchased in the Nine Subscription Offer, resulting in warrants issued to purchase an aggregate of 9,980 shares of our common stock. The warrants were exercisable upon their issuance and will remain exercisable until the expiration date which is the earlier of the third anniversary of the effective date of the Nine Subscription Offer or upon consummation of an initial public offering, among other things. The initial exercise price of the warrants was $250.27 per share. The proceeds from the Nine Subscription Offer were retained by us to ensure compliance with our financial covenants under the Existing Nine Credit Facility.

In addition to the Combined Nine Subscription Offer and the Nine Subscription Offer, though not in connection with the Combination, pursuant to subscription agreements dated February 10, 2017, Beckman offered each of its stockholders pre-Combination who were accredited investors or non-U.S. persons (as such term is defined in Regulation S under the Securities Act) the opportunity to purchase shares of its common stock worth $15 million

in the aggregate, up to their pro-rata ownership of Beckman (the "Beckman Subscription Offer" and with the Combined Nine Subscription Offer and the Nine Subscription Offer, the "Subscription Offers"). If each eligible purchaser did not purchase its respective pro rata portion of such approximately $15 million of shares of its common stock, the eligible purchasers that elected to participate in the Beckman Subscription Offer were entitled, but not obligated, to purchase the remaining number of shares of its common stock worth $15 million in the aggregate. In connection with Beckman Subscription Offer, 15 stockholders, including some of our executive officers and directors, subscribed to purchase 105,680 shares of Beckman common stock in exchange for aggregate cash payments of approximately $15 million (59,937 shares of our common stock after giving effect to the application of the exchange ratio used with respect to the Combination to convert the shares of Beckman common stock into shares of our common stock). In connection with the Beckman Subscription Offer, Beckman issued to those stockholders who purchased shares of its common stock a warrant to purchase additional shares of its common stock on the basis of one warrant share for every two shares purchased in the Beckman Subscription Offer, resulting in warrants issued to purchase an aggregate of 29,959 shares of our common stock based on the exchange ratio used with respect to the combination. Beckman shares of common stock issued in the Beckman Subscription Offer and warrants purchased in the Beckman Subscription Offer converted into shares and warrants of our common stock based on the exchange ratio used with respect to the Combination. The proceeds from the Beckman Subscription Offer were used to pay outstanding indebtedness under the Existing Beckman Credit Facility.

Pursuant to a Subscription Agreement dated March 31, 2017, Mr. Aron subscribed to purchase 4,000 shares of our common stock in exchange for a cash payment of $1,001,080.00.

Item 16. Exhibits and financial statement schedules

(a) Exhibits

Exhibit number	Description
1.1*	Form of Underwriting Agreement
2.1***†	Combination Agreement, dated as of February 3, 2017, by and among Nine Energy Service, Inc., Beckman Production Services, Inc. and Beckman Merger Sub, Inc.
3.1*	Form of Third Amended and Restated Certificate of Incorporation of Nine Energy Service, Inc.
3.2*	Form of Fourth Amended and Restated Bylaws of Nine Energy Service, Inc.
4.1*	Form of Common Stock Certificate
4.2*	Second Amended and Restated Stockholders Agreement, dated as of February 28, 2017, by and among Nine Energy Service, Inc. and the parties thereto
5.1**	Form of Opinion of Vinson & Elkins L.L.P.
10.1***	Amended and Restated Credit Agreement, dated as of June 30, 2014, by and among Nine Energy Service, Inc., Nine Energy Canada Inc., HSBC Bank USA, N.A., HSBC Bank Canada and certain other financial institutions listed therein
10.2***	First Amendment to Amended and Restated Credit Agreement and US Pledge and Security Agreement, dated as of May 13, 2016, by and among Nine Energy Service, Inc., Nine Energy Canada Inc., HSBC Bank USA, N.A., HSBC Bank Canada and certain other financial institutions and guarantors listed therein
10.3***	Credit Agreement, dated as of May 2, 2014, by and among Beckman Production Services, Inc., Wells Fargo Bank, National Association and certain other financial institutions listed therein

Exhibit number	Description
10.4***	Agreement and Amendment No. 1 to Credit Agreement, dated as of August 26, 2014, by and among Beckman Production Services, Inc., Wells Fargo Bank, National Association and certain other financial institutions and guarantors listed therein
10.5***	Master Assignment, Agreement and Amendment No. 2 to Credit Agreement, dated as of October 16, 2014, by and among Beckman Production Services, Inc., Wells Fargo Bank, National Association and certain other financial institutions and guarantors listed therein
10.6***	Agreement and Amendment No. 3 to Credit Agreement, dated as of November 21, 2014, by and among Beckman Production Services, Inc., Wells Fargo Bank, National Association and certain other financial institutions and guarantors listed therein
10.7***	Agreement and Amendment No. 4 to Credit Agreement, dated as of January 12, 2016, by and among Beckman Production Services, Inc., Wells Fargo Bank, National Association and certain other financial institutions and guarantors listed therein
10.8***	Agreement and Amendment No. 5 to Credit Agreement, dated as of February 10, 2017, by and among Beckman Production Services, Inc., Wells Fargo Bank, National Association and certain other financial institutions and guarantors listed therein
10.9*	Form of Indemnification Agreement between Nine Energy Service, Inc. and its directors and certain officers
10.10**	Nine Energy Service, Inc. 2011 Stock Incentive Plan, as amended and restated effective February 28, 2017
10.11**	Form of Nine Energy Service, Inc. Restricted Stock Agreement for Executives
10.12**	Form of Nine Energy Service, Inc. Nonstatutory Stock Option Agreement for Executives
10.13**	Form of Nine Energy Service, Inc. Restricted Stock Agreement for Directors
10.14**	Form of Nine Energy Service, Inc. Nonstatutory Stock Option Agreement for Directors
10.15***	Employment Agreement between Ann Fox and Nine Energy Service, LLC, dated as of July 6, 2015
10.16***	Employment Agreement between David Crombie and Crest Pumping Technologies, LLC, dated as of June 30, 2014
10.17***	Employment Agreement between Douglas S. Aron and Nine Energy Service, Inc., dated as of March 31, 2017
10.18***	Employment Agreement between Edward Bruce Morgan, Nine Energy Service, Inc. and Nine Energy Service, LLC, dated as of April 6, 2017
10.19***	Employment Agreement between Theodore R. Moore, Nine Energy Service, Inc. and Nine Energy Service, LLC, dated as of March 12, 2017
21.1*	List of Subsidiaries
23.1***	Consent of PricewaterhouseCoopers LLP
23.2***	Consent of BDO USA, LLP
23.3*	Consent of Vinson & Elkins L.L.P. (contained in Exhibit 5.1)
24.1**	Powers of Attorney (included on the signature page of this Registration Statement)

* To be filed by amendment.

** Previously filed.

*** Filed herewith.

† The schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K and will be provided to the Securities and Exchange Commission upon request.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Signatures

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on May 19, 2017.

NINE ENERGY SERVICE, INC.

By: ***/s/ Ann G. Fox***
Ann G. Fox
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities and the dates indicated.

Signature	Title	Date
/s/ Ann G. Fox ***Ann G. Fox***	***President and Chief Executive Officer and Director (Principal Executive Officer)***	***May 19, 2017***
* ***Douglas S. Aron***	***Executive Vice President and Chief Financial Officer (Principal Financial Officer)***	***May 19, 2017***
* ***Richard S. Woolston***	***Chief Accounting Officer (Principal Accounting Officer)***	***May 19, 2017***
* ***Ernie L. Danner***	***Chairman of the Board***	***May 19, 2017***
* ***David C. Baldwin***	***Director***	***May 19, 2017***
* ***Mark E. Baldwin***	***Director***	***May 19, 2017***
* ***Curtis F. Harrell***	***Director***	***May 19, 2017***
* ***Gary L. Thomas***	***Director***	***May 19, 2017***
* ***Andrew L. Waite***	***Director***	***May 19, 2017***

* /s/Theodore R. Moore
Theodore R. Moore
Attorney-in-fact

Index to exhibits

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* To be filed by amendment.

** Previously filed.

*** Filed herewith.

† The schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K and will be provided to the Securities and Exchange Commission upon request.

Exhibit 2.1

Execution Version

COMBINATION AGREEMENT

By and Among

BECKMAN PRODUCTION SERVICES, INC.,

BECKMAN MERGER SUB, INC., AND

NINE ENERGY SERVICE, INC.

Dated as of February 3, 2017

TABLE OF CONTENTS

EXHIBITS

COMBINATION AGREEMENT

This Combination Agreement, dated as of February 3, 2017 (this "**Agreement**"), is by and among Beckman Production Services, Inc., a Delaware corporation ("**Beckman**"), Beckman Merger Sub, Inc., a Delaware corporation ("**Beckman Merger Sub**"), and Nine Energy Service, Inc., a Delaware corporation ("**Nine**").

W I T N E S S E T H:

WHEREAS, the parties to this Agreement desire to effect a combination (the "**Combination**") of the businesses conducted by Nine and Beckman (collectively, the "**Combining Companies**");

WHEREAS, in order to effectuate the foregoing, Beckman Merger Sub, upon the terms and subject to the conditions of this Agreement and in accordance with the General Corporation Law of the State of Delaware (the "**DGCL**") will merge with and into Beckman in a merger (the "**Merger**") in which Beckman shall be the surviving company;

WHEREAS, respective committees of directors, each member of which is not affiliated with SCF (the "**Committees**"), of the Boards of Nine and Beckman have each recommended this Agreement to its respective Board;

WHEREAS, the Board of Nine has (i) adopted, authorized and approved in all respects, and determined to be advisable and in the best interests of Nine and the stockholders of Nine that the stockholders of Nine adopt, authorize and approve this Agreement, the Combination and the transactions contemplated thereby, (ii) adopted, authorized and approved in all respects, and determined to be advisable and in the best interests of Nine and the stockholders of Nine, conditioned upon the closing of the Combination, that the stockholders of Nine adopt, authorize and approve the Stockholder' s Agreement, (iii) adopted, authorized and approved in all respects, and determined to be advisable and in the best interests of Nine and the stockholders of Nine, conditioned upon the closing of the Combination, that the stockholders of Nine adopt, authorize and approve the LTIP, (iv) adopted, authorized and approved in all respects, and determined to be advisable and in the best interests of Nine and the stockholders of Nine that the stockholders of Nine adopt, authorize and approve the Bylaw Amendment, in each case on the terms and subject to the conditions provided for in this Agreement (the "**Nine Approval**"); and

WHEREAS, the Board of Beckman has (i) adopted, authorized and approved in all respects, and determined to be advisable and in the best interests of Beckman and the stockholders of Beckman that the stockholders of Beckman adopt, authorize and approve this Agreement, the Combination and the transactions contemplated thereby and (ii) authorized and approved in all respects, and determined to be advisable and in the best interests of Beckman and the stockholders of Beckman, conditioned upon the closing of the Combination, that the stockholders of Beckman adopt, authorize and approve the Stockholder' s Agreement, in each case on the terms and subject to the conditions provided for in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

The terms set forth below in this Article I shall have the meanings ascribed to them below or in the part of this Agreement referred to below:

"**Accredited Investor**" shall have the meaning set forth for such term in Rule 501 of Regulation D promulgated under the Securities Act, as such rule may be amended, modified or superseded from time to time.

"**Acquisition Proposal**" shall mean any offer or proposal (whether written, oral or otherwise), relating to any transaction or series of related transactions involving: any merger, consolidation, business combination or similar transaction involving a Combining Company or any of its Subsidiaries, any sale, lease (other than in the ordinary course of business), exchange, transfer, license (other than in the ordinary course of business), acquisition or disposition of all or substantially all of the assets of a Combining Company (including its Subsidiaries, taken as a whole, with the assets of such Subsidiaries valued on a consolidated basis), or any liquidation or dissolution of a Combining Company. For the avoidance of doubt, an Acquisition Proposal shall not include an initial public offering of a Combining Company or any of its Subsidiaries occurring following the earlier to occur of the Effective Time of the Merger or the termination of this Agreement.

"**Affiliate**" shall mean a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified. As used in this definition, the term "control" (including the terms "controlling," "controlled by," and "under common control with") shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agreement**" shall have the meaning specified in the opening paragraph hereof.

"**Amended and Restated Stockholders Agreement**" shall mean the Second Amended and Restated Stockholders Agreement of Nine in substantially the form attached hereto as Exhibit C.

"**Beckman**" shall have the meaning specified in the opening paragraph hereof.

"**Beckman Common Stock**" shall mean the common stock, par value $0.01 per share, of Beckman.

"**Beckman Consent**" shall have the meaning set forth in Section 6.1(c).

"**Beckman Dissenting Shares**" shall have the meaning set forth in Section 2.14.

"**Beckman Dissenting Stockholders**" shall have the meaning set forth in Section 2.14.

"**Beckman Merger Sub**" shall have the meaning specified in the opening paragraph hereof.

"**Beckman Option**" shall have the meaning set forth in Section 2.7.

"**Beckman Option Plan**" shall mean the Beckman Production Services, Inc. 2012 Stock Incentive Plan, as amended.

"**Beckman Per Share Merger Cash Consideration**" shall have the meaning set forth in Section 2.6(b).

"**Beckman Per Share Merger Consideration**" shall mean the Beckman Per Share Cash Consideration and the Beckman Per Share Stock Consideration, as applicable.

"**Beckman Per Share Merger Stock Consideration**" shall have the meaning set forth in Section 2.6(a).

"**Beckman Subscription Offer**" shall have the meaning set forth in Section 5.13(a).

"**Benefit Plan**" shall mean (a) each "employee benefit plan," as such term is defined in Section 3(3) of ERISA, (b) each plan that would be an "employee benefit plan," as such term is defined in Section 3(3) of ERISA, if it were subject to ERISA, such as foreign plans and plans for directors, (c) each equity bonus, equity ownership, equity option, restricted equity, equity purchase, equity appreciation rights, phantom equity, or other equity-based compensation plan or arrangement, (d) each bonus plan or arrangement, incentive award plan or arrangement, deferred compensation plan or arrangement, change in control plan or arrangement, executive compensation or supplemental income plan or arrangement, retention plan or arrangement, personnel policy, vacation policy, severance pay plan, policy or agreement, consulting agreement, or employment agreement, and (e) each other employee benefit plan, agreement, arrangement, program, practice or understanding.

"**Board**" shall mean the board of directors of a Combining Company.

"**Business Day**" shall mean any day other than a Saturday, a Sunday or any other day when banks are not open for business in Houston, Texas.

"**Bylaw Amendment**" shall mean the Third Amended and Restated Bylaws of Nine in substantially the form attached hereto as Exhibit E.

"**Capital Stock**" shall mean (a) with respect to any Person that is a corporation, any and all shares, interests, participation or other equivalents (however designated and whether or not voting) of corporate stock, including the common stock of such Person, and (b) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person.

"**Capitalized Lease Obligations**" shall mean the obligations of such Person that are required to be classified and accounted for as capital lease obligations under GAAP, together with all obligations to make termination payments under such capitalized lease obligations.

"**CERCLA**" shall mean the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq.

"**Certificate of Merger**" shall have the meaning set forth in Section 2.1.

"**Change of Recommendation**" shall have the meaning set forth in Section 5.2(c).

"**Closing**" shall have the meaning set forth in Section 3.1.

"**Closing Date**" shall have the meaning set forth in Section 3.1.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended.

"**Combination**" shall have the meaning set forth in the recitals hereof.

"**Combined Nine Subscription Offer**" shall have the meaning set forth in Section 5.13(a).

"**Combining Companies**" shall have the meaning set forth in the recitals hereof.

"**Committees**" shall have the meaning set forth in the recitals hereof.

"**Confidential Information Memorandum**" shall have the meaning set forth in Section 5.13.

"**Consent**" shall mean the Beckman Consent and the Nine Consent.

"**Consent Solicitation**" shall have the meaning set forth in Section 5.13(a).

"**Consolidated Group**" means any affiliated, combined, consolidated, unitary or similar group with respect to any Taxes, including any affiliated group within the meaning of Section 1504 of the Code electing to file consolidated federal income Tax returns and any similar group under foreign, state or local law.

"**Constituents of Concern**" shall mean any substance defined as a hazardous substance, hazardous waste, hazardous material, pollutant or contaminant by any Environmental Law, any petroleum hydrocarbon and any degradation product of a petroleum hydrocarbon, asbestos in a friable condition, polychlorinated biphenyls or similar substance, the generation, recycling, use, treatment, storage, transportation, Release, disposal or exposure of or to which is subject to regulation under any Environmental Law.

"**Contract**" shall mean any lease, agreement, contract, commitment or other legally binding contractual right or obligation (whether written or oral).

"**Dataroom**" shall mean the RR Donnelley electronic data rooms for the Combining Companies, collectively, as the same exists as of the date two Business Days prior to the date of this Agreement.

"**DGCL**" shall have the meaning set forth in the recitals hereof.

"**Disclosure Letter**" shall mean the disclosure letter of each Combining Company exchanged among the parties hereto on the date hereof and with respect to each Combining Company, such each Combining Company' s individual subsection of each section included therein.

"**Effective Time**" shall mean the time and date of the filing of the Certificate of Merger with the Secretary of State of the State of Delaware with respect to the Merger or such later time and date as is specified in the Certificate of Merger.

"**Environmental Claims**" shall mean administrative, regulatory or judicial actions, suits, written demands, demand letters, written claims, liens, citations, summonses, written notices of non-compliance or violation, requests for information, investigations or proceedings relating in any way to the Release of Constituents of Concern or any Environmental Law, including (a) Environmental Claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (b) Environmental Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Constituents of Concern or arising from an alleged injury or threat of injury to human health and safety or the environment.

"**Environmental Condition**" shall mean, with respect to a particular Combining Company or its Subsidiaries, a condition with respect to the environment that has resulted or would reasonably be expected to result in a material loss, liability, cost or expense to such Combining Company or its Subsidiaries, taken as a whole.

"**Environmental Law**" shall mean any Law, administrative interpretation having the force and effect of law, administrative order, consent decree or judgment relating to the environment (including natural resources), occupational health and safety, including CERCLA, and any state and local counterparts or equivalents.

"**Environmental Permits**" shall mean all Permits issued by Governmental Authorities that are required by Environmental Laws.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"**ERISA Affiliate**" shall mean, with respect to each Combining Company, each trade or business (whether or not incorporated) which together with the Combining Company would be deemed to be a "single employer" within the meaning of Section 4001(b)(1) of ERISA or subsections (b), (c), (m) or (o) of Section 414 of the Code.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended.

"**Expense Sharing Agreement**" shall mean the Amended and Restated Expense Sharing Agreement, dated January 30, 2017, by and among SCF-VII, L.P., a Delaware limited partnership, SCF-VIII, L.P., a Delaware limited partnership, Nine and Beckman, as amended.

"**Financial Statements**" shall have the meaning set forth in Section 4.5.

"**Foreign Plan**" shall mean each Benefit Plan (whether governmental or nongovernmental and/or industrial or nonindustrial) that is sponsored, maintained, administered or contributed to by a Combining Company or any of its Subsidiaries and covers any current or former employee, officer or director of the Combining Company or its Subsidiaries outside of the United States.

"**GAAP**" shall mean U.S. generally accepted accounting principles, consistently applied.

"**Governmental Authorities**" shall mean, with respect to any Combining Company or any of its Subsidiaries, the country, state, province, county, city and political subdivisions in which any property of such Combining Company or any of its Subsidiaries is located or which exercises jurisdiction over any such property or entity, and any agency, department, commission, board, bureau or instrumentality of any of them which exercises jurisdiction over any such property or entity.

"**Indebtedness**" shall mean with respect to any Person, at any date, without duplication, (a) all obligations of such Person for borrowed money, including all principal, interest, premiums, fees, expenses, overdrafts and penalties with respect thereto, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of any property or services, except trade payables incurred in the ordinary course of business, (d) all obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument that have been drawn upon, (e) all Capitalized Lease Obligations, (f) all other obligations of a Person which would be required to be shown as indebtedness on a balance sheet of such Person prepared in accordance with GAAP, and (g) all indebtedness of any other Person of the type referred to in clauses (a) to (f) above directly or indirectly guaranteed by such Person or secured by any assets of such Person, whether or not such Indebtedness has been assumed by such Person.

"**Indemnified Persons**" shall have the meaning set forth in Section 5.12(a).

"**Intellectual Property Right**" shall mean any trademark, service mark, trade name, trade secret, patent, copyright, domain name (including applications for registration or renewal of any of the foregoing), or any other similar type of proprietary intellectual property right.

"**Interim Financial Statements**" shall have the meaning set forth in Section 4.5.

"**Knowledge**" shall mean (a) in the case of Beckman, the actual knowledge, without any duty of inquiry, of Ernie L. Danner or Ryan S. Liles, and (b) in the case of Nine, the actual knowledge, without any duty of inquiry, of Ann G. Fox or David Crombie.

"**Latest Beckman Balance Sheet**" shall mean the audited consolidated balance sheet of Beckman and its Subsidiaries as of December 31, 2015, as presented in the Dataroom.

"**Latest Nine Balance Sheet**" shall mean the audited consolidated balance sheet of Nine and its Subsidiaries as of December 31, 2015, as presented in the Dataroom.

"**Laws**" shall mean any law, statute, code, ordinance, order, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization, or other directional requirement (including, without limitation, any of the foregoing that relates to environmental standards or controls, energy regulations and occupational, safety and health standards or controls) of any Governmental Authority.

"**Liens**" shall mean any lien, pledge, charge, mortgage, security interest, encumbrance, or other adverse claim of any kind whatsoever.

"**LTIP**" shall mean the Second Amended and Restated Stock Incentive Plan of Nine, in substantially the form attached hereto as Exhibit D.

"**Material Adverse Effect**" shall mean with respect to either Combining Company any event, occurrence, fact, condition, change, development or effect, individually or in the aggregate, that has had or is reasonably likely to result in a material adverse change in the financial condition, results of operations, assets, business or properties of such Combining Company and its Subsidiaries, taken as a whole; *provided*, *however*, a Material Adverse Effect shall exclude any adverse changes or conditions to the extent such changes or conditions result from general changes in the business of the oilfield products and services industry or the oil and gas industry as a whole or general economic conditions (including as a result of weather disasters, an outbreak or escalation of hostilities or acts of terrorism) or changes in GAAP (or interpretations thereof).

"**Material Contract**" shall have the meaning set forth in Section 4.15(a).

"**Merger**" shall have the meaning set forth in the recitals hereof.

"**Nine**" shall have the meaning specified in the opening paragraph hereof.

"**Nine Approval**" shall have the meaning specified in the recitals hereof.

"**Nine Common Stock**" shall mean the common stock, par value $0.01 per share, of Nine.

"**Nine Consent**" shall have the meaning set forth in Section 6.1(d).

"**Non-U.S. Person**" shall mean any Person other than a U.S. Person.

"**Nine Subscription Offer**" shall have the meaning set forth in Section 5.13(a).

"**Order**" shall mean any judgment, injunction, judicial or administrative order or decree.

"**Organizational Documents**" means, with respect to a particular Person (other than a natural person), the certificate or articles of incorporation or formation, bylaws, stockholders agreement, voting agreement, partnership agreement, limited liability company agreement, trust agreement, investors' agreement, or similar organizational document or agreement, each as amended or restated from time to time, as applicable, of such Person.

"**Permits**" shall have the meaning set forth in Section 4.8(b).

"**Permitted Lien**" shall mean (a) mechanics' Liens, workmen' s Liens, carriers' Liens, repairmen' s Liens, landlord' s Liens or other like Liens arising or incurred in the ordinary course of business consistent with past practices in respect of obligations that are not overdue, (b) statutory Liens for current period Taxes that are not yet due and payable, (c) Liens incurred or deposits made to secure the performance of bids, contracts, statutory obligations, surety and appeal bonds incurred in connection with the business of the respective Combining Company and its Subsidiaries and in the ordinary course of such business consistent with past practices, or (d) Liens that arise under zoning, land use, right-of-way, easement or similar restrictions, and other similar imperfections of title that arise in the ordinary course of business and that, in the aggregate, are not reasonably expected to materially affect the value, use or marketability of the property subject thereto.

"**Person**" shall mean an individual, corporation, partnership, limited liability company, joint venture, association, trust or other entity or organization or Governmental Authority.

"**Public Stock**" means shares of capital stock (including depositary receipts or depositary shares related to common stock or similar ordinary shares) of any Person that are registered under Section 12 of the Exchange Act and listed for trading on a national securities exchange registered under Section 6(a) of the Exchange Act.

"**Release**" shall mean any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the environment (including ambient air, surface water, groundwater and surface or subsurface strata) or into or out of any real property and related improvements, including the movement of Constituents of Concern through or in the air, soil, surface water, groundwater or property.

"**Representatives**" shall have the meaning set forth in Section 5.2(a).

"**SCF-VII**" shall mean SCF-VII, L.P., a Delaware limited partnership, and, together with SCF Partners, LP, "**SCF**".

"**Securities Act**" shall mean the Securities Act of 1933, as amended.

"**Subscription Offers**" shall have the meaning set forth in Section 5.13(a).

"**Subsidiary**" shall mean, when used with reference to any entity, any corporation or other entity a majority of the outstanding voting securities of which are owned directly or indirectly by such entity.

"**Surviving Company**" shall have the meaning set forth in Section 2.1.

"**Tax**" or "**Taxes**" means: (a) any taxes, assessments, fees, unclaimed property and escheat obligations, and other governmental charges imposed by any Governmental Authority, including income, profits, gross receipts, net proceeds, alternative or add-on minimum, ad valorem, real property (including assessments, fees or other charges imposed by any Governmental Authority that are based on the use or ownership of real property), personal

property (tangible and intangible), value added, turnover, sales, use, environmental, stamp, leasing, lease, user, excise, duty, franchise, capital stock, transfer, registration, license, withholding, social security (or similar), unemployment, disability, payroll, employment, fuel, excess or windfall profits, occupational, premium, severance, estimated, or other similar charge of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not; (b) any liability for the payment of any amounts of the type described in clause (a) as a result of being a member of a Consolidated Group for any period; and (c) any liability for the payment of any amounts of the type described in clauses (a) or (b) as a result of the operation of law or any express or implied obligation to indemnify any other Person.

"**Tax Returns**" shall mean returns, declarations, reports, claims for refund, information returns or other documents (including any related or supporting schedules, statements or information) and including any amendment thereof filed or required to be filed in connection with the determination, assessment or collection of Taxes of any party or the administration of any Laws relating to any Taxes.

"**U.S. Person**" shall have the meaning set forth for such term in Rule 902 of Regulation S promulgated under the Securities Act.

ARTICLE II
THE MERGER

Section 2.1 Merger of Beckman Merger Sub into Beckman. Subject to the provisions of this Agreement, on the Closing Date, Beckman shall file with the Secretary of State of the State of Delaware a certificate of merger with respect to the Merger, executed in accordance with the relevant provisions of the DGCL (the "**Certificate of Merger**"). At the Effective Time, Beckman Merger Sub shall merge with and into Beckman and the separate existence of Beckman Merger Sub shall cease. Beckman shall be the surviving entity in the Merger (hereinafter sometimes referred to as the "**Surviving Company**") and its separate corporate existence, with all its purposes, objects, rights, privileges, powers and franchises, shall continue unaffected and unimpaired by the Merger.

Section 2.2 Effect of the Merger. The Merger shall have the effects provided for in the DGCL.

Section 2.3 Certificate of Incorporation. At the Effective Time, the Certificate of Incorporation of Merger Sub as in effect immediately prior to the Effective Time and as amended by the Certificate of Merger shall remain unchanged and shall be the Certificate of Incorporation of the Surviving Company from and after the Effective Time, and thereafter may be amended as provided therein or by Law.

Section 2.4 Bylaws. At the Effective Time, the Bylaws of Merger Sub as in effect immediately prior to the Effective Time shall remain unchanged and shall be the Bylaws of the Surviving Company from and after the Effective Time, and thereafter may be amended as provided therein or by Law.

Section 2.5 Officers and Directors. The Board of Beckman Merger Sub immediately prior to the Effective Time shall be the board of directors of the Surviving Company immediately following the Effective Time, until their respective successors have been duly elected or appointed and qualified or their earlier death, resignation or removal in accordance with the Certificate of Incorporation and bylaws of the Surviving Company. The duly elected officers of Beckman who hold office immediately prior to the Effective Time shall be the officers of the Surviving Company and shall thereafter continue to hold such positions until their successors have been duly elected.

Section 2.6 Beckman Common Stock.

(a) Each share of Beckman Common Stock outstanding immediately prior to the Effective Time that is held by (i) an Accredited Investor or (ii) a Non-U.S. Person (each as certified on such holder' s Beckman Consent) shall by virtue of the Merger and without any further action by the holder thereof cease to be outstanding and shall be converted into the right to receive 0.567154 shares of Nine Common Stock (the "**Beckman Per Share Merger Stock Consideration**"), and each certificate which immediately prior to the Effective Time represented such outstanding shares of Beckman Common Stock shall at and after the Effective Time be deemed for all purposes to represent the right to receive the Beckman Per Share Merger Stock Consideration.

(b) Each share of Beckman Common Stock outstanding immediately prior to the Effective Time that is held by a Person not subject to the provisions of Section 2.6(a)(i) or Section 2.6(a)(ii) shall by virtue of the Merger and without any further action by the holder thereof cease to be outstanding and shall be converted into the right to receive $141.94 in cash (the "**Beckman Per Share Merger Cash Consideration**"), and each certificate which immediately prior to the Effective Time represented such outstanding shares of Beckman Common Stock shall at and after the Effective Time be deemed for all purposes to represent the right to receive the Beckman Per Share Merger Cash Consideration.

(c) All shares of Beckman Common Stock which immediately prior to the Effective Time are held in the treasury of Beckman or owned by Nine or by any Subsidiaries of Beckman shall at the Effective Time be cancelled and retired and cease to exist, without the payment of any consideration therefor or any conversion thereof into Nine Common Stock or cash.

Section 2.7 Beckman Stock Options. Before the Closing, the Board of Beckman (or, if appropriate, any committee of the Board of Beckman administering the Beckman Option Plan) shall adopt such resolutions or take such other actions as may be required to effect adjustments to the terms of all options outstanding under the Beckman Option Plan to provide that each such option outstanding immediately prior to the Effective Time (each, an "**Beckman Option**") shall be converted as of the Effective Time into an option to purchase the number of shares of Nine Common Stock (rounded down to the nearest whole share) equal to 0.567154 multiplied by the number of shares of Beckman Common Stock that could have been obtained immediately prior to the Effective Time upon the exercise of each such option as if such options were fully vested at such time, with an exercise price per share (rounded up to the nearest whole cent) equal to the exercise price per share for the shares of Beckman Common Stock purchasable pursuant to such Beckman Option immediately prior to its conversion divided by 0.567154 and (ii) effect

adjustments to the terms of each restricted stock award outstanding under the Beckman Option Plan immediately prior to the Effective Time to provide that the shares of Beckman Common Stock subject thereto shall be converted into the number of shares of Nine Common Stock (rounded down to the nearest whole share) equal to 0.567154 multiplied by the number of shares of Beckman Common Stock subject to such restricted stock award immediately prior to the Effective Time, which shares of Nine Common Stock shall be subject to a risk of forfeiture to, or right of repurchase by, Nine, with the same terms and conditions as were applicable under such restricted stock award immediately prior to the Effective Time, except to the extent otherwise required by the terms of such restricted stock award or pursuant to the Beckman Option Plan or any employment agreement as in effect as of the date of this Agreement. At the Effective Time, Nine shall assume the Beckman Option Plan, with the result that all obligations of Beckman under the Beckman Option Plan shall be obligations of Nine following the Effective Time.

Section 2.8 Beckman Merger Sub Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of Beckman or Beckman Merger Sub or the holders of Capital Stock of either of the foregoing, each unit of Capital Stock of Beckman Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into one validly issued, fully paid and nonassessable share of common stock, par value $0.01 per share, of the Surviving Company.

Section 2.9 Issuance of New Certificates or Payment of Cash.

(a) Each holder of a certificate or certificates representing shares of Beckman Common Stock immediately prior to the Effective Time that are being converted in accordance with Section 2.6(a) may thereafter surrender such certificate or certificates and shall be entitled, upon such surrender and the delivery of the certification required by Section 2.9(c), to receive in exchange therefor a certificate or certificates representing the number of shares of Nine Common Stock into which such shares of Beckman Common Stock shall have been converted in accordance with Section 2.6 hereof. If any such certificate for Nine Common Stock is to be issued in a name other than that in which the surrendered certificate is registered, it shall be a condition of such exchange that the certificate so surrendered shall be properly endorsed or otherwise in proper form for transfer and that the Person requesting such exchange shall have paid any transfer and other taxes required by reason of such issuance of certificates of Nine Common Stock in a name other than that of the registered holder of the certificate surrendered, or shall have established to the satisfaction of Nine that such tax has been paid or is not applicable.

(b) Each holder of a certificate or certificates representing shares of Beckman Common Stock immediately prior to the Effective Time that are being converted in accordance with Section 2.6(b) may thereafter surrender such certificate or certificates and shall be entitled, upon such surrender and the delivery of the certification required by Section 2.9(c), to receive in exchange therefor cash in an amount equal to $141.94 per share of Beckman Common Stock, without interest thereon.

(c) To determine the consideration to be received by a holder of a certificate or certificates representing shares of Beckman Common Stock immediately prior to the Effective Time, each such holder shall, as a prerequisite to obtaining the consideration set forth herein, deliver a completed Beckman Consent to Nine certifying whether or not such holder is an Accredited Investor or Non-U.S. Person, and Nine shall be permitted to withhold the payment of any Beckman Per Share Merger Consideration to such holder that would otherwise be payable pursuant to the terms of this Agreement pending the delivery by such holder of such certification as to whether or not such holder is an Accredited Investor or a Non-U.S. Person; *provided* that any such holder who does not deliver such certification within 60 days after the Effective Date may be deemed by Nine, in its sole and absolute discretion, not to be an Accredited Investor or Non-U.S. Person and upon such determination by Nine, such holder' s shares of Beckman Common Stock shall be converted into the Beckman Per Share Merger Cash Consideration in accordance with Section 2.6(b).

Section 2.10 Lost Certificates. If any certificate for Beckman Common Stock shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact and an indemnity with respect thereto by the person claiming such certificate to be lost, stolen or destroyed and, if required by Nine, the posting by such person of a bond, in such reasonable amount as Nine may direct, as indemnity against any claim that may be made against it with respect to such certificate, Nine will deliver in exchange for such lost, stolen or destroyed certificate a certificate or certificates representing the number of shares of Nine Common Stock or cash, as applicable, into which such shares of Beckman Common Stock shall have been converted into the right to receive in accordance with Section 2.6 hereof.

Section 2.11 No Further Ownership Rights in Beckman Common Stock. The Beckman Per Share Merger Consideration issued and paid upon the surrender for exchange of shares of Beckman Common Stock in accordance with the terms hereof (including any cash paid pursuant to Section 2.6(b) or Section 2.13) shall be deemed to have been issued and paid in full satisfaction of all rights pertaining to such shares of Beckman Common Stock. As of the Effective Time, the stock transfer books of Beckman shall be deemed closed, and no transfer of shares of Beckman Common Stock that were outstanding immediately prior to the Effective Time shall thereafter be made or consummated. If, after the Effective Time, a certificate for Beckman Common Stock is presented to Nine for any reason, it shall be cancelled and exchanged as provided in Section 2.6 and Section 2.9.

Section 2.12 Certificate Legends.

(a) The certificates evidencing the Nine Common Stock delivered pursuant to Section 2.9 of this Agreement as a result of the conversion of Beckman Common Stock in accordance with Section 2.6(a)(i) of this Agreement shall bear a legend substantially in the form set forth below and containing such other information as Nine may deem necessary or appropriate:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND NEITHER THE SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND SUCH LAWS OR PURSUANT TO AN EXEMPTION THEREFROM WHICH, IN THE OPINION OF COUNSEL FOR THE HOLDER, WHICH COUNSEL AND OPINION ARE REASONABLY SATISFACTORY TO COUNSEL FOR THIS COMPANY, IS AVAILABLE.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

(b) The certificates evidencing the Nine Common Stock delivered pursuant to Section 2.9 of this Agreement as a result of the conversion of Beckman Common Stock in accordance with Section 2.6(a)(ii) of this Agreement shall bear a legend substantially in the form set forth below and containing such other information as Nine may deem necessary or appropriate:

ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS STRICTLY PROHIBITED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), PURSUANT TO REGISTRATION UNDER THE ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. THE HOLDER OF THIS CERTIFICATE MAY NOT ENGAGE IN ANY HEDGING TRANSACTIONS INVOLVING THE SECURITIES REPRESENTED HEREBY EXCEPT IN COMPLIANCE WITH THE ACT.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THE AMENDED AND RESTATED STOCKHOLDERS AGREEMENT OF THE COMPANY AND SET FORTH IN THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY, COPIES OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

Section 2.13 Fractional Shares. Notwithstanding the foregoing, no fractional shares of Nine Common Stock or scrip shall be issued as a result of the Merger. Instead of any fractional share of Nine Common Stock which would otherwise be issuable as a result of the Merger, Nine shall pay a cash adjustment in respect of such fractional interest in a per share amount equal to $250.27.

Section 2.14 Beckman Appraisal Rights. Notwithstanding anything in this Agreement to the contrary, shares of Beckman Common Stock (the "**Beckman Dissenting Shares**") that are issued and outstanding immediately prior to the Effective Time and which are held by a stockholder who did not approve the Beckman Consent and who is entitled to demand and properly demands appraisal of such shares pursuant to, and who complies in all respects with, the provisions of Section 262 of the DGCL (the "**Beckman Dissenting Stockholders**"), shall not be converted into or be exchangeable for the right to receive the Beckman Per Share Merger Consideration, but instead such holder shall be entitled to payment of the fair value of such shares in accordance with the provisions of Section 262 of the DGCL (and at the Effective Time, such Dissenting Shares shall no longer be outstanding and shall automatically be cancelled and shall cease to exist, and such holder shall cease to have any rights with respect thereto,

except the right to receive the fair value of such Dissenting Shares in accordance with the provisions of Section 262 of the DGCL), unless and until such holder shall have failed to perfect or shall have effectively withdrawn or lost rights to appraisal under the DGCL. If any Dissenting Stockholder shall have failed to perfect or shall have effectively withdrawn or lost such right with respect to any Dissenting Shares, such shares shall thereupon be treated as if they had been converted into and become exchangeable for the right to receive, as of the Effective Time, the Beckman Per Share Merger Consideration for each such share, in accordance with Section 2.6(a) or Section 2.6(b), as applicable, without any interest thereon. Beckman shall give Nine prompt notice of any written demands for appraisal for any shares of Beckman Common Stock, attempted withdrawals of such demands and any other instruments served pursuant to the DGCL and received by Beckman relating to stockholders' rights of appraisal.

ARTICLE III
CLOSING

Section 3.1 Time and Place. The closing of the transactions contemplated hereby (the "**Closing**") shall be held at the offices of Vinson & Elkins L.L.P., 1001 Fannin Street, Houston, Texas 77002 at 10:00 a.m., Houston time, immediately following the satisfaction or waiver of the conditions contained in Article VI or at such other place or time as the parties hereto may mutually agree. The date of the Closing is referred to herein as the "**Closing Date**."

Section 3.2 Deliveries at Closing. Subject to the provisions of Article VI hereof, at the Closing there shall be delivered the documents required to be delivered pursuant to Article VI hereof.

Section 3.3 Withholding. Notwithstanding any other provision of this Agreement, Beckman, Beckman Merger Sub and Nine shall be entitled to deduct and withhold from amounts payable under this Agreement such amounts as are required to be deducted or withheld under applicable Laws for or on account of any Tax. To the extent that amounts are so deducted or withheld, such amounts shall be treated for all purposes of this Agreement as having been paid to the recipient in respect of whom such deduction or withholding was made.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF COMBINING COMPANIES

Each of the Combining Companies represents and warrants to the other Combining Company (but not to SCF) that the statements contained in this Article IV, to the extent such statements relate to such Combining Company and its Subsidiaries, are true and correct as of the date of this Agreement and as of the Closing Date, except as set forth in the Disclosure Letter (which is numbered to refer to the sections contained in this article) delivered by each of the Combining Companies to the other Combining Company on the date hereof. For the avoidance of doubt, the representations and warranties contained in Section 4.23 hereof are made solely by Nine and not Beckman.

Section 4.1 Organization; Qualification. Such Combining Company is a corporation duly organized under the DGCL and is validly existing and in good standing under the laws of the State of Delaware. Each Subsidiary of Nine and Beckman is an entity duly organized under the jurisdiction of its formation and is validly existing and in good standing under the laws of such jurisdiction. Each of Nine and Beckman and each Subsidiary of Nine and Beckman has all requisite corporate or entity power and authority to own, operate or lease its respective properties and to carry on its respective business as now being conducted. Each of Nine and Beckman and each Subsidiary of Nine and Beckman is duly qualified to do business as a foreign corporation or other entity and is in good standing in each jurisdiction where the character of its properties owned, operated or leased, or the nature of its activities, makes such qualifications necessary, except where the failure to be so qualified and in good standing would not reasonably be expected to have a Material Adverse Effect on Nine or Beckman, respectively.

Section 4.2 Subsidiaries. Except as set forth in Section 4.2 of the Disclosure Letter, such Combining Company does not own any Capital Stock or other equity or ownership or proprietary interest in any Person.

Section 4.3 Capitalization.

(a) The authorized Capital Stock of Beckman consists of 1,600,000 shares of Beckman Common Stock, of which 1,111,771 shares are issued and outstanding as of the date of this Agreement, and 10,000 shares of preferred stock, par value $0.01 per share, of which no shares are issued and outstanding as of the date of this Agreement.

(b) The authorized Capital Stock of Nine consists of 6,000,000 shares of Nine Common Stock, of which 1,069,966 shares are issued and outstanding as of the date of this Agreement, and 100,000 shares of preferred stock, par value $0.01 per share, of which no shares are issued and outstanding as of the date of this Agreement.

(c) The issued and outstanding shares of such Combining Company' s Capital Stock are, as of the date of this Agreement, owned of record by the groups of Persons and in the amounts set forth in Section 4.3 of the Disclosure Letter. All of the outstanding shares of such Combining Company' s Capital Stock, and all of the outstanding shares of the Capital Stock of each Subsidiary of such Combining Company are duly authorized, validly issued, fully paid and nonassessable and, except as set forth on Section 4.3 of the Disclosure Letter, were issued free of the preemptive rights of any Person and in compliance with applicable corporate and securities Laws. Except as set forth on Section 4.3 of the Disclosure Letter, all of the outstanding Capital Stock of each Subsidiary of such Combining Company is owned legally and beneficially, directly or indirectly, by such Combining Company as set forth in Section 4.3 of the Disclosure Letter. Except as set forth in Section 4.3 of the Disclosure Letter, as of the date hereof, there are no outstanding subscriptions, options, calls, contracts, commitments, understandings, restrictions, arrangements, rights or warrants, including any right of conversion or exchange under any outstanding security, instrument or other agreement obligating such Combining Company or any Subsidiary of such Combining Company to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of the Capital Stock of such Combining Company or any Subsidiary of such Combining Company or obligating such Combining Company or any Subsidiary of such Combining Company to grant, extend or enter into any such agreement or commitment. Other than as set forth in Section 4.3 of the Disclosure Letter, there are no outstanding contractual

obligations, commitments, understandings or arrangements of such Combining Company or any Subsidiary of such Combining Company to purchase, redeem or otherwise acquire or make any payment in respect of or register under federal or state securities laws any shares of Capital Stock of such Combining Company or any Subsidiary of such Combining Company.

Section 4.4 Authority, Authorization and Enforceability. Such Combining Company has all requisite corporate power and authority to execute and deliver this Agreement and each instrument required hereby to be executed and delivered by it, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by such Combining Company of this Agreement and each instrument required hereby to be executed and delivered by it and the performance of its obligations hereunder and thereunder have been duly and validly authorized by the Board of such Combining Company, upon the recommendation of the Committee of such Combining Company, and no other corporate proceedings, other than the approval of the stockholders of such Combining Company contemplated by Sections 6.1(c) and (d) hereof, are necessary to authorize the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. This Agreement and each instrument required hereby have been duly executed and delivered by such Combining Company and (assuming due authorization, execution and delivery hereof and thereof by the other parties hereto and thereto) constitute the valid and legally binding obligations of such Combining Company, enforceable against such Combining Company in accordance with their terms, except that (a) such enforceability may be subject to bankruptcy, insolvency, reorganization, moratorium or other laws, decisions or equitable principles now or hereafter in effect relating to or affecting the enforcement of creditors' rights or debtors' obligations generally, and to general equity principles (whether applied in a proceeding at law or in equity), and (b) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

Section 4.5 Financial Statements. The historical financial statements of such Combining Company (including the related notes) posted in the Dataroom (including the Latest Beckman Balance Sheet and the Latest Nine Balance Sheet, as applicable, such Combining Company' s "**Financial Statements**") are (a) the audited balance sheets of such Combining Company at December 31, 2014 and 2015 and the related audited statements of income and cash flows for the years then ended, and (b) the unaudited balance sheets of such Combining Company at November 30, 2016 and the related unaudited statements of income and cash flows for the eleven month period then ended (the "**Interim Financial Statements**"). Such Combining Company' s Financial Statements have been prepared in accordance with GAAP applied on a consistent basis with respect to such Combining Company, except as noted thereon, and fairly present in all material respects the consolidated financial position of such Combining Company and its Subsidiaries as of the respective dates thereof and the consolidated results of operations and changes in financial position of such Combining Company and its Subsidiaries for the periods indicated, subject, however, in the case of the Interim Financial Statements, to normal and recurring non-material year-end audit adjustments and accruals and to the absence of notes and other textual disclosure required by GAAP.

Section 4.6 No Undisclosed Liabilities. Such Combining Company, together with its Subsidiaries, has not incurred any liabilities of any nature that are material, individually or in the aggregate, in relation to the business of such Combining Company and its Subsidiaries, taken as a whole (whether accrued, absolute, contingent or otherwise) other than (a) liabilities fully provided for in such Combining Company' s Financial Statements (including the footnotes thereto), (b) liabilities that are specifically set forth in Section 4.6 of the Disclosure Letter, (c) other liabilities incurred by such Combining Company or its Subsidiaries since December 31, 2015 in the ordinary course of business consistent with past practices and (d) other liabilities that otherwise would not reasonably be expected to have a Material Adverse Effect.

Section 4.7 No Violation. Except as set forth in Section 4.7 of the Disclosure Letter, neither the execution and delivery by such Combining Company of this Agreement or any instrument required hereby to be executed and delivered by such Combining Company at the Closing nor the performance by such Combining Company of its obligations hereunder or thereunder will (a) violate or breach the terms of or cause a default under, or result in the termination of, or accelerate the performance required by, or result in a right of termination, cancellation or acceleration of any obligation under, or result in the creation of any Lien upon any of the properties or assets of such Combining Company or any of its Subsidiaries under (i) any Law, regulation or order of any Governmental Authority applicable to such Combining Company or any of its Subsidiaries, (ii) such Combining Company' s or any of its Subsidiaries' Organizational Documents, or (iii) any Material Contract of such Combining Company, or (b) with the passage of time, the giving of notice or the taking of any action by a third party, have any of the effects set forth in clause (a) of this Section 4.7, except in each case as would not reasonably be expected to have a Material Adverse Effect.

Section 4.8 Compliance with Laws; Permits.

(a) Except as set forth in Section 4.8(a) of the Disclosure Letter, such Combining Company and its Subsidiaries are in compliance with all applicable Laws, except as would not reasonably be expected to have a Material Adverse Effect. Except as set forth in Section 4.8(a) of the Disclosure Letter, neither such Combining Company nor any of its Subsidiaries has received notice of any violation of any Law, or any potential liability under any Law, relating to the operation of its business or to any of its assets, operations, processes, results or products, except as would not reasonably be expected to have a Material Adverse Effect.

(b) Each Combining Company or its Subsidiary holds each government or regulatory license, authorization, permit, franchise, consent and approval (the "**Permits**") required to be issued and held to carry on its business as currently conducted and which is material to the business, except as would not reasonably be expected to have a Material Adverse Effect. Except as set forth in Section 4.8(b) of the Disclosure Letter, such Combining Company or the relevant Subsidiary of such Combining Company, as applicable, is the authorized legal holder of such Permits, and each such Permit is valid and in full force and effect, except as would not reasonably be expected to have a Material Adverse Effect. Neither such Combining Company nor the relevant Subsidiary of such Combining Company, as applicable, is in default under, and to the Knowledge of such Combining Company, no condition exists that with notice or lapse of time or both could constitute a default or could give rise to a right of termination, cancellation or acceleration under, any such Permit, except as would not reasonably be expected to have a Material Adverse Effect.

Section 4.9 Litigation.

(a) Except as set forth in Section 4.9(a) of the Disclosure Letter, there are no actions, suits or proceedings pending or, to the Knowledge of such Combining Company, threatened at law or in equity, or before or by any Governmental Authority or before any arbitrator of any kind, against such Combining Company or any of its Subsidiaries, except as would not reasonably be expected to have a Material Adverse Effect. Except as set forth in Section 4.9(a) of the Disclosure Letter, there are no outstanding judgments, orders, injunctions, decrees, stipulations or awards (whether rendered by a court, administrative agency, arbitral body or Governmental Authority) against such Combining Company or any of its Subsidiaries, except as would not reasonably be expected to have a Material Adverse Effect.

(b) All claims, whether in contract or tort, for defective or allegedly defective products or workmanship pending or, to the Knowledge of such Combining Company, threatened, against such Combining Company or any of its Subsidiaries are listed or described in Section 4.9(b) of the Disclosure Letter, except as would not reasonably be expected to have a Material Adverse Effect.

Section 4.10 Title to Assets. Except for inventory disposed of in the ordinary course of business consistent with past practices, assets such as accounts receivable which have been converted into other assets in the ordinary course of business, assets such as prepaid insurance that have dissipated over time in the ordinary course of business, and disposal of other assets with an aggregate fair market value not exceeding $1,000,000, such Combining Company or one of its Subsidiaries owns, or in the case of leased property has valid leasehold interests in, the property and assets (whether real or personal, tangible or intangible) reflected in such Combining Company' s Financial Statements or acquired after December 31, 2015, free and clear of all Liens, except for Permitted Liens and Liens set forth in Section 4.10 of the Disclosure Letter and except as would not reasonably be expected to have a Material Adverse Effect.

Section 4.11 Tax Matters. Except as set forth in Section 4.11 of the Disclosure Letter and except as would not reasonably be expected to have a Material Adverse Effect:

(a) all Tax Returns required to be filed by or on behalf of such Combining Company or any of its Subsidiaries have been duly and timely filed with the appropriate Governmental Authority;

(b) all Taxes owed by such Combining Company or any of its Subsidiaries that are or have become due have been timely paid in full, whether disputed or not, and whether or not shown on any Tax Return;

(c) all Tax withholding and deposit obligations imposed on or with respect to such Combining Company or any of its Subsidiaries or their respective employees have been satisfied in full;

(d) there are no Liens (other than Permitted Liens) on any of the assets of such Combining Company or any of its Subsidiaries that are attributable to any Tax liability or payment obligation;

(e) there are no claims pending against such Combining Company or any of its Subsidiaries for any unpaid Taxes, and no assessment, deficiency or adjustment has been asserted or proposed or threatened in writing with respect to such Combining Company or any of its Subsidiaries;

(f) no Tax audits or administrative or judicial proceedings are being conducted or have been threatened in writing with respect to such Combining Company or any of its Subsidiaries;

(g) there are no agreements, waivers or other arrangements in force or effect providing for an extension of time for the assessment or collection of any Tax of or with respect to such Combining Company or any of its Subsidiaries.

(h) neither such Combining Company nor any of its Subsidiaries has constituted either a "distributing corporation" or a "controlled corporation" in a distribution of stock that was purported or intended to qualify for tax free treatment under Section 355 of the Code (i) in the two years prior to the date of this Agreement or (ii) in a distribution which could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the transactions contemplated by this Agreement;

(i) neither such Combining Company nor any of its Subsidiaries (i) is a party to or bound by any Tax allocation, sharing or indemnity agreement or arrangement with any Person, (ii) has ever been a member of any Consolidated Group (other than a Consolidated Group of which such Combining Company is the common parent) and (iii) has any liability for the Taxes of any Person (other than the members of the Consolidated Group of which such Combining Company is the common parent) under Treasury Regulations § 1.1502-6 (or any corresponding provisions of state, local or foreign Tax law), or as a transferee or successor, by contract or otherwise;

(j) no claim has ever been made by a Governmental Authority in a jurisdiction in which such Combining Company or any of its Subsidiaries does not file Tax Returns that such Combining Company or any of its Subsidiaries is or may be required to file a Tax Return or pay Taxes in that jurisdiction;

(k) neither such Combining Company nor any of its Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (i) change in method of accounting for a taxable period ending on or prior to the Closing Date; (ii) "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of state, local or foreign law) executed on or prior to the Closing Date; (iii) intercompany transaction or any excess loss account described in Treasury Regulations under Code Section 1502 (or any corresponding or similar

provision of state, local or foreign law) entered into or created on or prior to the Closing Date; (iv) installment sale or open transaction disposition made on or prior to the Closing Date; (v) cash method of accounting or long-term contract method of accounting utilized prior to the Closing Date; (vi) prepaid amount received on or prior to the Closing Date, or (vii) an election made pursuant to Section 108(i) of the Code on or prior to the Closing Date;

(l) with respect to each such Combining Company, such Combining Company is not and has not been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code; and

(m) neither such Combining Company nor any of its Subsidiaries has participated in any "listed transaction" within the meaning of Treasury Regulations § 1.6011-4(b)(2) (and all relevant predecessor regulations) or similar provision of state, local or foreign law.

Section 4.12 Intellectual Property. Except as set forth in Section 4.12 of the Disclosure Letter and except as would not reasonably be expected to have a Material Adverse Effect:

(a) Such Combining Company and/or its Subsidiaries own and possess all right, title, and interest in, free and clear of all Liens (other than license agreements executed in the ordinary course of business and Permitted Liens), or have a right to use, all of the material Intellectual Property Rights necessary for the conduct of their respective businesses.

(b) To the Knowledge of such Combining Company, the conduct of the business by such Combining Company and its Subsidiaries as currently conducted does not infringe upon any Intellectual Property Rights of any third party. There is no claim, suit, action or proceeding that is either pending or, to the Knowledge of such Combining Company, threatened, that, in either case, involves a claim of infringement by such Combining Company or any of its Subsidiaries of any Intellectual Property Rights of any third party, or challenging such Combining Company' s or any of its Subsidiaries' , as applicable, ownership, right to use, or the validity of any Intellectual Property Right of such Combining Company or any of its Subsidiaries.

(c) No Intellectual Property Right of such Combining Company or any of its Subsidiaries is subject to any outstanding order, judgment, decree, stipulation or agreement restricting the use thereof by such Combining Company or its Subsidiaries, as applicable, or restricting the licensing thereof by such Combining Company or its Subsidiaries, as applicable to any Person, other than with respect to standard and customary restrictions associated with commercially available third party software to which such Combining Company or its Subsidiaries has a valid right to use in connection with their businesses;

(d) Neither such Combining Company nor its Subsidiaries has entered into any agreement to indemnify any other Person against any charge of infringement of any Intellectual Property Right; and

(e) Such Combining Company or its Subsidiaries, as applicable, have duly maintained all registrations for their respective Intellectual Property Rights.

Section 4.13 Environmental Matters.

(a) Except as set forth in Section 4.13(a) of the Disclosure Letter and except as would not reasonably be expected to have a Material Adverse Effect:

(i) Neither such Combining Company nor any of its Subsidiaries have, and to the Knowledge of such Combining Company no other party has, generated, recycled, used, treated or stored on, transported to or from, or Released on, such Combining Company' s real property any Constituents of Concern, except in compliance with Environmental Laws;

(ii) Neither such Combining Company nor any of its Subsidiaries have disposed of Constituents of Concern generated at such Combining Company' s real property to any off-site facility except in compliance with Environmental Laws;

(iii) Such Combining Company and its Subsidiaries has each been and are in compliance with (A) Environmental Laws and (B) the requirements of Environmental Permits held by the Combining Company and its Subsidiaries for the operations of such Combining Company and its Subsidiaries;

(iv) There are no pending or, to the Knowledge of such Combining Company, threatened Environmental Claims against such Combining Company or any of its Subsidiaries or such Combining Company' s real property, and such Combining Company has no Knowledge of any facts, circumstances, conditions or occurrences regarding such Combining Company' s or any of its Subsidiaries' operations or with respect to such Combining Company' s real property that could reasonably be expected to form the basis of an Environmental Claim against such Combining Company or its Subsidiaries;

(v) To the Knowledge of such Combining Company, no Environmental Conditions exist on such Combining Company' s real property or as a result of the operations of the Combining Company or its Subsidiaries;

(vi) None of such Combining Company, its Subsidiaries and such Combining Company' s real property is listed or, to the Knowledge of such Combining Company, proposed for listing on the National Priorities List under CERCLA or on any similar federal, state or foreign list of sites requiring investigation or clean-up, and neither such Combining Company nor any of its Subsidiaries has received any requests for information pursuant to 104(e) of CERCLA or any state counterpart or equivalent; and

(vii) Such Combining Company and its Subsidiaries each have obtained all required Environmental Permits material to its business. Except as set forth in Section 4.13(a)(vii) of the Disclosure Letter, no such Environmental Permits are nontransferable or require consent, notification or other action by a Governmental Authority to remain in full force and effect following the consummation of the transactions contemplated hereby.

(b) Notwithstanding any other provision of this Agreement to the contrary, these representations and warranties in this Section 4.13 shall be the sole and exclusive representations and warranties concerning Environmental Claims, Environmental Conditions, Environmental Laws or Environmental Permits as those terms may apply to the Combining Companies, any of their Subsidiaries or such Combining Company' s real property.

Section 4.14 Benefit Plans.

(a) Each Benefit Plan (and each related trust, insurance contract or fund) sponsored, maintained, provided or contributed to by a Combining Company or any ERISA Affiliate of such Combining Company complies in form and in operation with the requirements of applicable Laws including, where applicable, ERISA and the Code, except as would not reasonably be expected to have a Material Adverse Effect. Such Combining Company and its ERISA Affiliates have substantially performed all obligations, whether arising by operation of applicable Laws or by contract, required to be performed by them in connection with such Benefit Plans, and to the Knowledge of such Combining Company, there have been no defaults or violations by any other party to such Benefit Plans. Each such Benefit Plan has been administered and operated in compliance with its Organizational Documents and applicable Laws. There are no actions, suits or claims pending (other than routine claims for benefits) or, to the Knowledge of such Combining Company, threatened against, or with respect to, any of such Benefit Plans or their assets. All contributions, premiums or payments required to be made with respect to such Benefit Plans (including those required pursuant to the terms of such Benefit Plans and the provisions of applicable Laws) have been timely made, and all contributions, premiums or payments that are not yet due but should be accrued in accordance with GAAP do not exceed in any material respect the reserve for such amounts on such Combining Company' s Financial Statements. No act, omission or transaction has occurred which would result in imposition on such Combining Company or any of its ERISA Affiliates of: (i) breach of fiduciary duty liability damages under Section 409 of ERISA; (ii) a civil penalty assessed pursuant to Section 502 of ERISA; or (iii) a tax imposed pursuant to Chapter 43 of Subtitle D of the Code. To the Knowledge of such Combining Company, there is no matter pending (other than routine qualification determination filings) with respect to any of such Benefit Plans before the Internal Revenue Service, the Department of Labor or any other Governmental Authority.

(b) Each such Benefit Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination or opinion letter from the Internal Revenue Service with respect to its qualified status under Section 401(a) of the Code and the exempt status of any related trust under Section 501(a) of the Code or

has pending or has time remaining in which to file an application for such determination from the Internal Revenue Service, and, to the Knowledge of such Combining Company, there is no fact or circumstance that exists that could reasonably be expected to give rise to the revocation of such qualified status or exempt status. No such Benefit Plan is funded through a trust that is intended to be exempt from federal income taxation pursuant to Section 501(c)(9) of the Code. Neither such Combining Company nor any of its ERISA Affiliates contributes to or has any obligation to contribute to, and no such Benefit Plan is, a "multiemployer plan" (within the meaning of Section 3(37) of ERISA) or a plan subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the Code.

(c) Except as set forth in Section 4.14(c) of the Disclosure Letter, with respect to each such Benefit Plan, neither the execution nor the delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement will, either alone or in conjunction with any other event (whether contingent or otherwise), (i) result in any payment or benefit becoming due or payable, or required to be provided, to any participant, (ii) increase the amount or value of any benefit or compensation otherwise payable or required to be provided to any participant or (iii) result in the acceleration of the time of payment, vesting or funding of any such benefit or compensation.

(d) Except as set forth in Section 4.14(d) of the Disclosure Letter or for policies generally available to the employees of such Combining Company and its Subsidiaries, none of such Benefit Plans provides for the payment of separation, severance, termination or similar-type benefits to any Person or provides for or, except to the extent required by Law, promises retiree medical or retiree life insurance benefits to any current or former employee, officer or director of such Combining Company or any of its Subsidiaries.

(e) There has been no amendment to, written interpretation of, announcement (whether or not written) by such Combining Company or any ERISA Affiliate thereof relating to, or change in employee participation or coverage under, any such Benefit Plan that, to the Knowledge of such Combining Company, would increase materially the expense of maintaining such Benefit Plan above the level of the expense incurred in respect thereto for the most recent fiscal year ended prior to the date hereof, other than in the ordinary course of business.

(f) Each such Benefit Plan is either not a deferred compensation plan subject to the requirements of Section 409A of the Code or has been established, maintained and operated in compliance with the provisions of Section 409A of the Code. No Person providing services to such Combining Company or any of its Subsidiaries is entitled to a tax gross-up or similar payment for any tax or interest that may be due under Section 409A of the Code.

(g) Each such Benefit Plan that is an "employee benefit plan," as such term is defined in Section 3(3) of ERISA, may be unilaterally amended or terminated in its entirety, in accordance with the terms thereof, without liability except as to benefits accrued thereunder prior to such amendment or termination.

(h) No such Benefit Plan that is a Foreign Plan is a defined benefit pension plan or a similar type of accrual-based plan. With respect to each Benefit Plan of such Combining Company or its ERISA Affiliates that is a Foreign Plan, there are no funded benefit obligations for which contributions have not been made or properly accrued and there are no unfunded benefit obligations which have not been accounted for by reserves, or otherwise properly reflected in accordance with GAAP, on the Financial Statements of such Combining Company or its Subsidiaries. Except as set forth in Section 4.14(h) of the Disclosure Letter, the contribution and benefit liabilities of such Combining Company or any of its Subsidiaries respecting each such Foreign Plan are fully funded based upon applicable accounting, valuation and/or actuarial methodology contained in the most recent accounting, valuation and/or actuarial report respecting such Foreign Plan.

Section 4.15 Material Contracts.

(a) Each Combining Company has made available to the others each Contract to which it is a party in effect as of the date of this Agreement that is of a type described below (any such contract, a "**Material Contract**"):

(i) any lease (whether of real or personal property, but excluding personal property leases with annual rental obligations of $1,000,000 or less or that may be terminated without penalty within 90 days or less);

(ii) except pursuant to purchase orders issued in the ordinary course of business, any agreement for the purchase of materials, supplies, goods, services, equipment or other assets that provided for aggregate payments of $1,000,000 or more in any calendar year;

(iii) any sales, distribution or other similar agreement providing for the sale by such Combining Company or any of its Subsidiaries of materials, supplies, goods, services, equipment or other assets that provided for aggregate payments to such Combining Company or any of its Subsidiaries of $1,000,000 or more in any calendar year;

(iv) any partnership, joint venture or other similar agreement or arrangement;

(v) any Contract pursuant to which any third party has rights to own or use any material asset of such Combining Company or any of its Subsidiaries, including any Intellectual Property Right the exclusive use of which is material to such Combining Company and its Subsidiaries taken as a whole;

(vi) any agreement relating to the acquisition or disposition of any business (whether by merger, sale of stock, sale of assets or otherwise) or granting to any Person a right of first refusal, first offer or other right to purchase any of the material assets of such Combining Company or any of its Subsidiaries;

(vii) any agreement relating to Indebtedness, whether incurred, assumed, guaranteed or secured by any asset of such Combining Company or any of its Subsidiaries);

(viii) any license, franchise or similar agreement material to the business of such Combining Company and its Subsidiaries, taken as a whole;

(ix) any agency, dealer, sales representative, marketing or other similar agreement material to the business of such Combining Company and its Subsidiaries, taken as a whole;

(x) any agreement with any director or executive officer of such Combining Company or with any "associate" or any member of the "immediate family" (as such terms are respectively defined in Rules 12b-2 and 16a-1 of the Exchange Act) of any such director or executive officer;

(xi) any management service, consulting or any other similar type of agreement material to the business of such Combining Company and its Subsidiaries, taken as a whole;

(xii) any advances or loans to any employees but excluding loans under such Combining Company' s 401(k) plans and entered into by such Combining Company or any of its Subsidiaries;

(xiii) any Contract involving foreign currency transactions entered into for the purpose of hedging any currency or pricing risk;

(xiv) all confidentiality agreements not made in the ordinary course of business (other than any such agreements made in connection with acquisitions considered by such Combining Company or any of its Subsidiaries) and all non-competition agreements that restrict the nature or duration of, or impose any geographic limitation on, any business that could be conducted by such Combining Company or any of its Subsidiaries; or

(xv) any other agreement, commitment, arrangement or plan not made in the ordinary course of business of such Combining Company or its Subsidiaries that is material to such Combining Company and its Subsidiaries or their respective businesses, taken as a whole, other than any Benefit Plans.

(b) Each Material Contract is a valid and binding agreement of such Combining Company or its Subsidiaries party thereto, as applicable and, to the Knowledge of such Combining Company party thereto, each other party thereto, is enforceable against such Combining Company or its Subsidiaries party thereto in accordance with its respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws, decisions or equitable principles now or hereafter in effect relating to or affecting the enforcement of creditors' rights or debtors' obligations generally and by general principles of equity (whether applied in a proceeding at law or in equity). Neither such Combining Company nor its

Subsidiaries, as applicable, nor, to the Knowledge of such Combining Company, any other party to any such Material Contract is in default or breach (with or without due notice or lapse of time or both) in any respect under the terms of any such Material Contract, except as would not reasonably be expected to have a Material Adverse Effect.

Section 4.16 Real Property; Leases.

(a) **Real Property**. Section 4.16(a) of the Disclosure Letter contains a complete and correct list of all material real property owned by such Combining Company or any of its Subsidiaries, setting forth the address and owners of each parcel of such Combining Company' s owned real property. Each Combining Company or its Subsidiary has good, valid and indefeasible fee simple title to such Combining Company' s owned real property, free and clear of all Liens other than Permitted Liens and Liens set forth on Section 4.16(a) of the Disclosure Letter. There are no outstanding options or rights of first refusal to purchase such Combining Company' s owned real property, or any portion thereof or interest therein.

(b) **Leases**. Each material lease comprising each Combining Company' s or any of its Subsidiaries' leased real property is legal, valid, binding, enforceable, and in full force and effect against such Combining Company or its Subsidiaries party thereto, as applicable, and, to the Knowledge of such Combining Company, against each other party thereto. Except as set forth in Section 4.16(b) of the Disclosure Letter, to the Knowledge of the such Combining Company, each lease comprising such Combining Company' s or its Subsidiaries' leased real property grants such Combining Company or its Subsidiaries, as applicable, the exclusive right to use and occupy the demised premises thereunder.

(c) **No Proceedings**. There are no eminent domain or other similar proceedings pending or, to the Knowledge of such Combining Company, threatened affecting any portion of such Combining Company' s owned real property or, to the Knowledge of such Combining Company, such Combining Company' s leased real property, except as would not reasonably be expected to have a Material Adverse Effect.

Section 4.17 Absence of Certain Changes. Except as set forth in Section 4.17 of the Disclosure Letter or in connection with the transactions contemplated by this Agreement, since December 31, 2015, such Combining Company, together with its Subsidiaries, has conducted its business in the ordinary course of business consistent with past practices and there has not been any event, occurrence, development or circumstance which has had or which is reasonably expected to have (a) a Material Adverse Effect on such Combining Company or (b) would have constituted a violation of any covenants of such Combining Company included in Section 5.4 had such covenant applied to it since December 31, 2015. Since December 31, 2015, there has not occurred any damage, destruction or casualty loss resulting in damages exceeding $1,000,000 in the aggregate (whether or not covered by insurance) with respect to any asset owned or operated by such Combining Company or any of its Subsidiaries.

Section 4.18 Insurance Coverage. Each Combining Company has made available to the others a list of all of the insurance policies and fidelity bonds covering the assets, business, operations, employees, officers and directors of such Combining Company and its Subsidiaries. There is no material claim by such Combining Company or any of its Subsidiaries pending under any such policies or bonds as to which such Combining Company or any of its Subsidiaries has received any refusal of coverage or any notice that a defense will be afforded with reservation of rights. All premiums due and payable under all such policies and bonds have been paid, and such Combining Company and its Subsidiaries have complied in all material respects with the terms and conditions of all such policies and bonds. Such policies of insurance and bonds (or other policies and bonds providing substantially similar insurance coverage) are in full force and effect. To the Knowledge of such Combining Company, there is no threat of termination of, or material premium increase with respect to, any of such policies or bonds.

Section 4.19 Affiliate Transactions.

(a) Except as set forth in Section 4.19(a) of the Disclosure Letter, there are no outstanding payables, receivables, loans, advances and other similar accounts between such Combining Company or any of its Subsidiaries, on the one hand, and any of its Affiliates, on the other hand, relating to the business of such Combining Company or its Subsidiaries.

(b) Except as set forth in Section 4.19(b) of the Disclosure Letter, to the Knowledge of such Combining Company, no director or executive officer of such Combining Company possesses, directly or indirectly, any ownership interest in, or is a director, officer or employee of, any Person which is a supplier, customer, lessor, lessee, licensor, or competitor of such Combining Company or its Subsidiaries. Ownership of 1% or less of any class of securities of a Person whose securities are registered under the Exchange Act will not be deemed to be an ownership interest for purposes of this Section 4.19(b).

Section 4.20 Other Employment Matters.

(a) Neither such Combining Company nor any of its Subsidiaries is a party or subject to any collective bargaining agreement or other contract or understanding with any labor union or similar organization that represents or purports to represent any of its employees and no labor union or similar organization has made a pending demand for recognition as representative of any of such Contributing Company' s or its Subsidiaries' employees. There are no union representation proceedings or petitions seeking a representation proceeding pending or, to the Knowledge of such Combining Company, threatened with respect to any employees of such Combining Company or any of its Subsidiaries. To such Contributing Company' s Knowledge, there is no union organizing activity involving such Combining Company or any of its Subsidiaries nor, to the Knowledge of such Combining Company, is any such activity threatened by any labor union, similar organization or group of employees.

(b) Except as set forth in Section 4.20(b) of the Disclosure Letter, there are no (i) strikes, work stoppages, slow-downs, lockouts, labor arbitrations or (ii) grievances or other labor disputes pending or, to the Knowledge of such Combining Company, threatened against or involving such Combining Company or any of its Subsidiaries.

(c) Except as set forth in Section 4.20(c) of the Disclosure Letter and except as would not reasonably be expected to have a Material Adverse Effect, there are no complaints, petitions, proceedings, charges, claims, causes of action, investigations, arbitration demands or audits against or relating to such Combining Company or any of its Subsidiaries pending or, to the Knowledge of such Combining Company, threatened to be brought or filed with or by any Governmental Authority based on the labor or employment practices of such Combining Company or any of its Subsidiaries or arising out of, in connection with, or otherwise relating to the employment by such Combining Company or any of its Subsidiaries, of any Person, including any claim for workers' compensation benefits.

(d) Except as set forth in Section 4.20(d) of the Disclosure Letter and except as would not reasonably be expected to have a Material Adverse Effect, such Combining Company and its Subsidiaries are in compliance with all Laws and Orders in respect of labor and employment, including all such Laws relating to immigration and employment practices, terms and conditions of employment, wages and hours, employee leave, recordkeeping, overtime payments, employee and contractor classification, employee leave, the payment of employment-related Taxes, non-discrimination and non-retaliation. Except as set forth in Section 4.20(d) of the Disclosure Letter, no Combining Company or any of its Subsidiaries is subject to any consent decree or Order that requires future remedial action with respect to its labor or employment practices.

Section 4.21 Finders' Fees. Except for Houlihan Lokey Capital, Inc., there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of such Combining Company or its Subsidiaries or their Affiliates who might be entitled to any fee or other commission payable by such Combining Company or its Subsidiaries in connection with the transactions contemplated by this Agreement.

Section 4.22 Opinion of Financial Advisor. The Committees have received separate opinions of Houlihan Lokey Capital, Inc. to the effect that, as of the date of such opinion and subject to the various assumptions and qualifications set forth therein, in the case of Beckman, the aggregate consideration (as defined in the relevant opinion) to be received by holders of Beckman Common Stock (other than SCF and its affiliates) in the Merger pursuant to this Agreement was fair to such holders, collectively as a group, from a financial point of view and, in the case of Nine, the aggregate consideration (as defined in the relevant opinion) to be paid by Nine in the Merger pursuant to this Agreement was fair to Nine from a financial point of view.

Section 4.23 Beckman Sub Matters. Beckman Merger Sub is a newly formed Delaware corporation organized specifically for the purpose of consummating the Merger and has not otherwise conducted any business or operations, and immediately prior to the Effective Time, has no liabilities, except in connection with its formation and this Agreement, and is not a party to any Contract, other than its organizational documents, this Agreement, and the Certificate of Merger to be filed in connection with the Merger.

Section 4.24 Disclaimer of Other Representations and Warranties. Except as expressly set forth in this Article IV, such Combining Company makes no representation or warranty, express or implied, at law or in equity, in respect of such Combining Company or any of its Subsidiaries, or any of their respective businesses, assets, liabilities or operations, including, without limitation, with respect to merchantability or fitness for any particular purpose, and any such other representations or warranties are hereby expressly disclaimed.

ARTICLE V
COVENANTS

Section 5.1 Regulatory and Other Approvals. From the date hereof until the earlier of the Closing or the termination of this Agreement:

(a) Each of Nine and Beckman shall (and each shall cause its respective applicable Affiliates to) use commercially reasonable efforts to obtain as promptly as practicable all material consents, clearances and approvals that any of Nine, Beckman or their respective Affiliates are required to obtain in order for such Person to consummate the transactions contemplated hereby.

(b) Each of Nine and Beckman shall, and shall cause its respective Affiliates to, (i) make or cause to be made the filings required of such Person or any of its applicable Affiliates under any Laws applicable to it with respect to the transactions contemplated by this Agreement and to pay any fees due of it in connection with such filings, as promptly as is reasonably practicable, (ii) cooperate with the other Combining Company and furnish the information in such Person' s possession that is necessary in connection with such other Person' s filings, (iii) use commercially reasonable efforts to cause the expiration of the notice or waiting periods under any Laws applicable to it with respect to the consummation of the transactions contemplated by this Agreement as promptly as is reasonably practicable, (iv) promptly inform the other Combining Company and SCF of (and, at the other Combining Company or SCF' s reasonable request, supply to Combining Company or SCF) any communication (or other correspondence or memoranda) from or to, and any proposed understanding or agreement with, any Governmental Authority in respect of such filings, (v) reasonably consult and cooperate with the other Person in connection with any analyses, appearances, presentations, memoranda, briefs, arguments and opinions made or submitted by or on behalf of any Person in connection with all meetings, actions and proceedings with Governmental Authorities relating to such filings, (vi) comply, as promptly as is reasonably practicable, with any requests received by such Person or any of its Affiliates under any Laws for additional information, documents or other materials with respect to such filings, and (vii) use commercially reasonable efforts to resolve any objections as may be asserted by any Governmental Authority with respect to the transactions contemplated by this Agreement. If Nine or Beckman (or any of their applicable Affiliates) intends to participate in any material meeting or discussion with any Governmental Authority with respect to such filings and if permitted by, or acceptable to, the applicable Governmental Authorities, and otherwise permitted by Law, it shall give the other Combining Company and SCF reasonable prior notice of, and an opportunity to participate in, such meeting or discussion.

(c) In connection with any such filings or applications made pursuant to this Section 5.1, each Party shall cooperate in good faith with Governmental Authorities and use its commercially reasonable efforts to complete lawfully the transactions contemplated by this Agreement.

(d) Each of Nine and Beckman shall provide prompt notification to the other and to SCF when it becomes aware that any such consent, clearance, or approval referred to in this Section 5.1 is obtained, taken, made, given or denied, as applicable.

(e) Notwithstanding anything to the contrary contained herein, nothing in this Agreement shall require Nine, Beckman or any of their respective Affiliates to sell, divest, or dispose of any of its assets and properties or the assets and properties to be acquired by it under this Agreement or otherwise to limit or change in any material respect any of its or their respective businesses.

Section 5.2 No Solicitation.

(a) From the date of this Agreement to the earlier to occur of the Effective Time of the Merger or the termination of this Agreement, each Combining Company and its Subsidiaries shall not, nor shall such Combining Company or its Subsidiaries permit any of their respective officers, directors or managers (or authorize any Affiliates of any such officers, directors or managers), Affiliates, or employees or any investment banker, attorney, accountant or other advisor or representative retained by (or otherwise working on behalf of) such Combining Company or any of its Subsidiaries (collectively, "**Representatives**") to directly or indirectly: (i) solicit, initiate or knowingly encourage, knowingly facilitate or knowingly induce any inquiry with respect to, the making, submission or announcement of any Acquisition Proposal with respect to such Combining Company or any of its Subsidiaries, (ii) participate or otherwise engage in any discussions or negotiations regarding, or furnish to any person any nonpublic information with respect to, or take any other action to facilitate any inquiries or the making of any proposal that constitutes or may reasonably be expected to lead to, any Acquisition Proposal with respect to such Combining Company or any of its Subsidiaries, (iii) engage in discussions with any person with respect to any Acquisition Proposal with respect to such Combining Company or any of its Subsidiaries, except as to the existence of these provisions, (iv) approve, endorse or recommend any Acquisition Proposal with respect to such Combining Company or any of its Subsidiaries (except to the extent specifically permitted pursuant to Section 5.2(c)), or (v) enter into any letter of intent or similar document or any contract contemplating or otherwise relating to any Acquisition Proposal or transaction contemplated thereby with respect to such Combining Company or any of its Subsidiaries. Each Combining Company and its Subsidiaries will immediately cease, and will cause its Representatives to immediately cease, any and all existing activities, discussions or negotiations with any third parties conducted heretofore with respect to any Acquisition Proposal. The foregoing provisions of this Section 5.2(a) shall not prohibit the taking of any actions by the Combining Companies and their Subsidiaries and their respective Representatives in connection with (x) any of the Subscription Offers or (y) a potential initial public offering of either Combining Company or their Subsidiaries occurring following the earlier to occur of the Effective Time of the Merger or the termination of this Agreement.

(b) **Notification of Unsolicited Acquisition Proposals**. As promptly as practicable after receipt by a Combining Company of any Acquisition Proposal or any request for nonpublic information or inquiry which it reasonably believes would lead to an Acquisition Proposal, such Combining Company shall provide to each other Combining Company and SCF a copy of such Acquisition Proposal, request or inquiry if made in writing or a written summary of the material terms and conditions of such Acquisition Proposal, including the identity of the person or group making any such Acquisition Proposal, to the extent not made in writing. A Combining Company shall provide to each other Combining Company and SCF as promptly as practicable notice setting forth material amendments or proposed material amendments of any such Acquisition Proposal, request or inquiry and shall promptly provide to each other Combining Company and SCF a copy of all written materials, if any, setting forth such amendments.

(c) **Change of Recommendation**. If the Board of a Combining Company (upon recommendation by its Committee) or, if applicable, the Committee of a Combining Company, has concluded in good faith, after receipt of advice of its outside legal counsel, that failing to change, withhold, withdraw, amend or modify its recommendation in favor of the Agreement and the Merger or the Nine Approval, as applicable (any of the foregoing actions, whether by the Board of a Combining Company (upon recommendation of such Combining Company' s Committee, if applicable) or if, applicable, such Combining Company' s Committee, a "**Change in Recommendation**") could result in a violation of the directors' or managers' , as applicable, fiduciary duties to such Combining Company' s equityholders under applicable Laws, the Board and/or the Committee of such Combining Company, as the case may be, may make a Change of Recommendation.

Section 5.3 Ordinary Course of Business. Except as otherwise consented to in writing by each of the Combining Companies (other than the Combining Company requesting such consent) or as otherwise contemplated herein, between the date of this Agreement and the earlier to occur of the Effective Time or the termination of this Agreement, each Combining Company will, and will cause its Subsidiaries to, carry on its business diligently and in the ordinary and usual course and consistent with past practice, and, without limiting the generality of the foregoing, each Combining Company will, and will cause its Subsidiaries to, use commercially reasonable efforts to preserve its business organization intact, keep available the services of its present executive officers and employees and preserve its present relationships with persons having business dealings with it. At the request of either Combining Company, each of the Combining Companies will confer with each other concerning operational matters of a material nature and report periodically to each other concerning its business, operations and finances.

Section 5.4 Restricted Activities and Transactions. Except as otherwise contemplated herein or in the Confidential Information Memorandum (including in connection with the Subscription Offers), as set forth in the Disclosure Letter or as otherwise consented to in writing (such consent not to be unreasonably withheld or delayed) by the other Combining Company, between the date of this Agreement and the earlier to occur of the Effective Time or the termination of this Agreement, no Combining Company will, nor will either Combining Company allow any of its Subsidiaries to:

(a) Issue or commit to issue any of its Capital Stock or other ownership or equity interests other than in connection with the exercise of options, warrants or convertible securities existing on the date hereof and listed in its respective Disclosure Letter;

(b) Grant or commit to grant any options, warrants, convertible securities or other rights to subscribe for, purchase or otherwise acquire any shares of its Capital Stock or other ownership or equity interests;

(c) Declare, set aside, or pay any dividend or distribution or make any other payment with respect to its Capital Stock or other ownership interests;

(d) Directly or indirectly redeem, purchase or otherwise acquire or commit to acquire any of its Capital Stock;

(e) Effect a split or reclassification of any of its Capital Stock or a recapitalization or other reorganization;

(f) Amend or otherwise alter its certificate of incorporation, by-laws, or other governing instruments;

(g) Enter into or make any change in any of its Benefit Plans, except as required by Law, or grant any increase in compensation (other than increases in compensation in the ordinary course of business for field and office personnel who are not managers or executives), or provide any severance arrangement involving any of its employees, officers or directors;

(h) Acquire control or ownership in any other corporation, association, joint venture, partnership, business trust or other business entity, or acquire control or ownership of all or substantially all of the assets of any of the foregoing;

(i) Except in the ordinary course of business consistent with past practice or with respect to budgeted capital expenditures, enter into or agree to enter into any agreement or transaction involving the incurrence of an obligation to pay an amount in excess of an aggregate of $10,000,000;

(j) Create, assume or permit to exist any Lien (other than Permitted Liens) on any of its assets, tangible or intangible, except (i) as permitted under its existing credit facilities and any renewals, modifications or rearrangements thereof on terms and conditions not materially less favorable to the respective borrower or (ii) in the ordinary course of business consistent with past practice;

(k) Except in the ordinary course of business consistent with past practice, (i) borrow, or agree to borrow any funds or voluntarily incur, assume or become subject to, whether directly or by way of guaranty or otherwise, any obligation or liability (absolute or contingent) in excess of $1,000,000, (ii) cancel or agree to cancel any debts or claims, (iii) lease, sublease, sell or transfer, agree to sublease, sell or transfer, or grant or agree to grant any preferential rights to lease or acquire, any of its assets, property or rights having a fair market value in excess of $1,000,000 or (iv) make or permit any amendment to, or termination of, any Material Contract, which amendment or termination is adverse to the respective Combining Company;

(l) Settle any threatened or pending litigation that is not fully covered by insurance other than for immaterial consideration or for an amount less than that reserved as of the date hereof for such litigation on its books and records;

(m) Make any change in accounting methods or practices (including changes in reserve or accrual policies), or make or change any material Tax elections, except as required by GAAP or other applicable Law as applicable;

(n) Enter into any new line of business, or terminate or close any material facility, business or operation;

(o) Enter into or agree to be bound by any agreement or permit an Affiliate to enter into or agree to be bound by any agreement with any of its directors, officers, employees or Affiliates that will continue subsequent to the Effective Time, other than as contemplated by this Agreement or in the ordinary course of business consistent with past practice; or

(p) Commit itself to do any of the foregoing.

Section 5.5 Insurance. Except as otherwise consented to in writing (such consent not to be unreasonably withheld or delayed) by the other Combining Company, between the date of this Agreement and the earlier to occur of the Effective Time or the termination of this Agreement, each of the Combining Companies will use commercially reasonable efforts to maintain in full force and effect all policies of insurance which are currently in effect (or policies with comparable coverage and comparable amounts of coverage).

Section 5.6 Confidentiality. Each party hereto will keep strictly confidential any and all information furnished to such party hereto or its Representatives by another or their Representatives in connection with the transactions contemplated by this Agreement, and the business and financial reviews and investigations referred to in Section 5.8, except for information, if any, that (a) is or becomes generally available to the public in a manner other than as a result of a disclosure by the party receiving the information; (b) was available to the receiving party on a non-confidential basis prior to its disclosure to the receiving party by the party providing the information; (c) is or becomes available to the receiving party on a non-confidential basis from a source other than the informing party unless that source is bound by a confidentiality agreement with the informing party or (d) is required by Law or Order to be disclosed (provided that if required by Law or Order, each party hereto agrees to give the other parties prior notice of such disclosure in sufficient time to permit such other party to seek a protective order or other similar Order should it so determine, if permitted by applicable Law or Order). Notwithstanding anything to the contrary herein, each Combining Company and SCF

may disclose this Agreement and the transactions contemplated hereby to its Affiliates, advisors and any current or potential investors in connection with the Subscription Offers or any potential initial public offering of a Combining Company or any of its Subsidiaries; provided that they are advised of the confidential nature thereof and agree to hold such information confidential in accordance with the foregoing. Except as expressly provided in a separate agreement among the Combining Companies, if this Agreement is terminated pursuant to Section 7.1 hereof, each of the parties hereto will promptly deliver to the others or destroy (and certify as to such delivery or destruction) all originals and copies of documents, work papers and other written material concerning the others and obtained from the others, their agents, employees or Representatives in connection with such negotiations and such business and financial reviews and investigations. This Section 5.6, and the obligations set forth herein, shall terminate on the second anniversary of the date of this Agreement in the event that this Agreement is terminated pursuant to Article VII hereof.

Section 5.7 Commercially Reasonable Efforts. Upon the terms and subject to the conditions hereof, each of the parties hereto agrees to use its commercially reasonable efforts to take, or cause to be taken, all appropriate action, and to do or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions as contemplated by this Agreement and to cooperate in connection with the foregoing, including commercially reasonable efforts:

(a) to obtain any necessary waivers, consents and approvals from other parties to material notes, licenses, agreements and other instruments and obligations;

(b) to obtain any material consents, approvals, authorizations and permits required to be obtained under any federal, state, provincial or local statute;

(c) to defend all lawsuits or other legal proceedings initiated by a third party challenging this Agreement or the consummation of the transactions as contemplated hereby;

(d) to effect promptly any necessary filings and notifications and prompt submissions of any information requested by Governmental Authorities;

(e) to solicit the required consent or approval from such party' s stockholders with respect to the transactions contemplated hereby; and

(f) to make any necessary filings on a timely basis with respect to applicable Laws and to obtain any regulatory approvals which may be required to consummate the transactions contemplated herein.

Section 5.8 Access to Information. From the date hereof to the earlier of the Effective Time or the termination of this Agreement, to the extent permitted by applicable Law, each of the parties hereto shall cause its respective officers, directors, employees and agents to afford the officers, employees and Representatives of the others, complete access at all reasonable times to its respective officers, employees, agents, properties, books and records, and shall furnish the others all financial, operating and other data and information as the others, through their officers, employees or Representatives, may reasonably request, subject to such confidentiality, joint defense or common interest agreements as the parties may consider necessary or advisable to maintain privilege and confidential or proprietary information.

Section 5.9 Tax Treatment. The Merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code and this Agreement is intended to be and is hereby adopted as a "plan of reorganization" for the Merger within the meaning of Treasury Regulations §§ 1.368-2(g) and 1.368-3(a). The parties hereto agree to report the Merger (and the receipt of Nine Common Stock as a result thereof) in accordance with the foregoing sentence for all U.S. federal income and any applicable state and local income or franchise tax purposes. Each party agrees to take no action which, alone or in combination with the actions of others, reasonably could prevent the Merger (and the receipt of Nine Common Stock as a result thereof) from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code.

Section 5.10 Notification of Certain Matters. Each of the Combining Companies shall give prompt notice of (a) the occurrence or non-occurrence of any event, the occurrence or nonoccurrence of which would be likely to cause any representation or warranty of such Combining Company contained herein to be untrue or inaccurate in any material respect at or prior to the Effective Time, (b) any material failure of any such Combining Company to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder and (c) the occurrence of any Material Adverse Effect with respect to such Combining Company. The delivery or deemed delivery of any notice pursuant to this Section 5.10 shall not be deemed to (i) modify the representations or warranties hereunder of the party delivering such notice, (ii) modify the conditions set forth in Article VI, or (iii) limit or otherwise affect the remedies available hereunder to any party receiving such notice.

Section 5.11 Further Assurances. The parties hereto agree to execute and deliver, or cause to be executed and delivered, such further instruments or documents or take such other action as may be reasonably necessary or convenient to carry out the transactions contemplated hereby.

Section 5.12 Indemnification.

(a) Nine agrees that all rights to exculpation, indemnification and advancement or reimbursement of expenses under the Organizational Documents of Beckman and the indemnification Contracts, if any, of Beckman existing in favor of those Persons who are, or were, directors, managers, stockholders or officers of Beckman at or prior to the Closing Date (the "**Indemnified Persons**") shall survive the Merger solely with respect to indemnifiable claims arising from acts or omissions prior to the Effective Time, and following the Effective Time, Nine shall cause the Surviving Company to fulfill and honor in all respects such exculpation, indemnification and advancement or reimbursement obligations in accordance with their terms solely with respect to indemnifiable claims arising from acts or omissions prior to the Effective Time, for a period of six (6) years from the Effective Time. Subject to any limitation imposed from time to time under applicable Law, the provisions with respect to exculpation, indemnification and advancement or reimbursement of expenses set forth in the Organizational Documents of the Surviving Company at the Effective Time shall not be amended, repealed or otherwise modified for a period of six (6) years after the Effective Time in any manner that would adversely affect the rights thereunder of any Indemnified Person.

(b) The provisions of this Section 5.12 are intended to be in addition to the rights otherwise available to the current and former officers, managers and directors of Beckman and its Subsidiaries by law, charter, statute, bylaw or agreement, and shall operate for the benefit of, and shall be enforceable by, each of the Indemnified Parties, their heirs and their representatives and shall be binding on all successors and assigns of Nine and the Surviving Company.

Section 5.13 Confidential Information Memorandum.

(a) As promptly as reasonably practicable after the date of this Agreement, Nine shall distribute, on behalf of itself and Beckman, the confidential information memorandum in the form mutually agreed upon by the Combining Companies and SCF (the "**Confidential Information Memorandum**") to the holders of Nine Common Stock, Beckman Common Stock and such other Persons as determined by any party to this Agreement, (i) seeking their approval of the matters contemplated by this Agreement including the Merger, the LTIP and the Amended and Restated Stockholders Agreement, as set forth in the Consents, as applicable (the "**Consent Solicitation**"), and (ii) offering (A) holders of Nine Common Stock who are eligible purchasers (as described therein) the right to subscribe for an aggregate of up to 19,978 shares of Nine Common Stock at a purchase price per share of $250.27 (the "**Nine Subscription Offer**"), (B) certain holders of Beckman Common Stock who are eligible purchasers (as described therein) the right to subscribe for an aggregate of up to 105,680 shares of Beckman Common Stock at a purchase price per share of $141.94 (the "**Beckman Subscription Offer**"), and (C) holders of Nine Common Stock or Beckman Common Stock who are eligible purchasers (as described therein) the right to subscribe for an aggregate of up to 79,914 shares of Nine Common Stock at a purchase price per share of $250.27 (the "**Combined Nine Subscription Offer**" and together with the Beckman Subscription Offer and the Nine Subscription Offer, the "**Subscription Offers**"), with each Subscription Offer entitling the subscribers thereto to be issued a warrant in the applicable Combining Company equal to one-half of the total number of shares of common stock in the applicable Combining Company purchased by such subscriber in the applicable Subscription Offer, in each case on the terms and subject to the conditions set forth in the Confidential Information Memorandum. The Combined Nine Subscription Offer shall only be available to such holders of Nine Common Stock and Beckman Common Stock who consent to the transaction, as evidenced by delivery of the Nine Consent or Beckman Consent, as applicable, and shall be limited to holders of Nine Common Stock and/or Beckman Common Stock who are either Accredited Investors or Non-U.S. Persons and who may purchase shares of Nine Common Stock and/or Beckman Common Stock in a private placement under applicable securities Laws and without obligating Nine or Beckman to undertake further registration with, or obtain any other approvals from, any Governmental Authorities. The right to participate in the Subscription Offers shall not be transferrable or assignable by any holder of Nine Common Stock or Beckman Common Stock except to an Affiliate of such holder. The closing of the Combined Nine Subscription Offer shall be conditioned upon the effectiveness of the Merger and the

other transactions contemplated by this Agreement. The closing of the Beckman Subscription Offer and the Nine Subscription Offer shall not be conditioned upon the effectiveness of the Merger and the other transactions contemplated by this Agreement and may occur prior to the Effective Date as more particularly described in the Confidential Information Memorandum.

(b) Each Combining Company covenants that none of the information to be included in the Confidential Information Memorandum concerning the business, operations, financial results or condition, assets or liabilities of such Combining Company and its Subsidiaries will, as of the date of such Confidential Information Memorandum (which date shall be at or about the date such Confidential Information Memorandum is first sent to the stockholders of such Combining Company), (i) contain any untrue statement of a material fact or (ii) omit to state a material fact necessary in order to make the statements to be contained therein not misleading.

Section 5.14 Bylaw Amendment. On or before the Closing Date, Nine shall cause the Bylaw Amendment to be authorized, approved and adopted by all necessary corporate action.

ARTICLE VI
CONDITIONS

Section 6.1 Conditions to Obligations of Each Combining Company. Notwithstanding any other provision of this Agreement, the respective obligations of each of the Combining Companies to effect the Merger and the other transactions contemplated hereby shall be subject to the fulfillment at or prior to the Closing Date of the following conditions:

(a) No Order shall have been entered and remain in effect in any action or proceeding before any federal, foreign, state or provincial court or Governmental Authority that restrains or prevents or makes illegal the consummation of the Merger or the other transactions contemplated by this Agreement;

(b) All approvals of Governmental Authorities necessary for the consummation of the Merger or the other transactions contemplated by this Agreement shall have been obtained, including approvals and filings required under applicable securities Laws and any waiting period applicable to the Merger shall have expired or been terminated;

(c) SCF and the stockholders of Beckman holding of record a majority of Beckman Common Stock (other than the Beckman Common Stock owned by SCF) shall have executed the consent substantially in the form attached as Exhibit B hereto (the "**Beckman Consent**");

(d) SCF and the stockholders of Nine holding of record a majority of Nine Common Stock (other than the Nine Common Stock owned by SCF) shall have executed the consent substantially in the form attached as Exhibit A hereto (the "**Nine Consent**");

(e) All actions shall have been taken and all conditions necessary to effect the Merger shall have been satisfied other than the filings with Governmental Authorities required to effect the Merger;

(f) Each of the Combining Companies shall have received an opinion of Vinson & Elkins L.L.P. to the effect that for U.S. federal income tax purposes, subject to the conditions and limitations and based on the assumptions set forth in such opinion, (i) no gain or loss should be recognized by the Combining Companies by reason of the Merger other than to the extent of any expense reimbursement pursuant to Section 8.12, and (ii) no gain or loss should be recognized by any stockholder of a Combining Company upon the conversion of Beckman Common Stock into Nine Common Stock pursuant to the Merger except to the extent such stockholder receives, in addition to such Nine Common Stock, cash or other property in connection with the Merger. Such opinion will be conditioned upon the receipt and accuracy of certain representations contained in the Consents and certain representations of the Combining Companies and certain stockholders of each of the Combining Companies, as appropriate, contained in certificates of the officers of each of those entities, as appropriate; and

(g) Binding commitments to fund each of the Subscription Offers in full shall have been received by the applicable Combining Company.

For the avoidance of doubt, for purposes of the preceding clauses (c) through (d), the Combining Companies may fix a record date to determine the stockholders entitled to execute the Consents contemplated by this Agreement.

Section 6.2 Conditions to the Obligations of Beckman. Notwithstanding any other provision of this Agreement, the obligations of Beckman to effect the Merger and the other transactions contemplated hereby are subject to the fulfillment (unless expressly waived in writing by Beckman, in its sole discretion, except as otherwise required by Law) at or prior to the Closing Date of the following conditions:

(a) The representations and warranties of Nine contained in Article IV hereof shall be true and correct in all respects (determined without reference to any qualifier of any representation or warranty with respect to "materiality," "Material Adverse Effect" or other similar concepts) as of the Closing Date with the same effect as if made thereon (except for representations and warranties as of a specified date which shall remain true and correct as of such date), except for breaches or inaccuracies which, individually or in the aggregate, would not have or would not reasonably be likely to have a Material Adverse Effect on Nine; *provided*, *however*, such Material Adverse Effect exception shall not apply with respect to the representations and warranties contained in Section 4.3 or Section 4.4, which shall be true and correct in all respects;

(b) The agreements and covenants of Nine contained in this Agreement which are to be complied with or performed on or before the Closing Date shall have been performed or complied with in all material respects;

(c) No event, condition, development or circumstance shall have occurred since the date of this Agreement which, individually or in the aggregate, has had or would reasonably be likely to have a Material Adverse Effect on Nine;

(d) Beckman shall have received the consents set forth on Section 6.2 of the Disclosure Letter; and

(e) The Board of Nine shall have approved, and Nine shall have executed and delivered, the Amended and Restated Stockholders Agreement.

Section 6.3 Conditions to the Obligations of Nine. Notwithstanding any other provision of this Agreement, the obligations of Nine to effect the Merger and the other transactions contemplated hereby are subject to the fulfillment (unless expressly waived in writing by Nine, in its sole discretion, except as otherwise required by Law) at or prior to the Closing Date of the following conditions:

(a) The representations and warranties of Beckman contained Article IV shall be true and correct in all respects (determined without reference to any qualifier of any representation or warranty with respect to "materiality," "Material Adverse Effect" or other similar concepts) as of the Closing Date with the same effect as if made thereon (except for representations and warranties as of a specified date which shall remain true and correct as of such date), except for breaches or inaccuracies which, individually or in the aggregate, would not have or would not reasonably be likely to have a Material Adverse Effect on Beckman; *provided*, *however*, such Material Adverse Effect exception shall not apply with respect to the representations and warranties contained in Section 4.3 or Section 4.4, which shall be true and correct in all respects;

(b) The agreements and covenants of Beckman which are to be complied with or performed on or before the Closing Date shall have been performed or complied with in all material respects;

(c) No event, condition, development or circumstance shall have occurred since the date of this Agreement which, individually or in the aggregate, has had or would reasonably be likely to have a Material Adverse Effect on Beckman;

(d) Beckman shall have delivered to Nine a properly completed and duly executed certificate stating that the Beckman Common Shares are not "United States real property interests" for purposes of withholding under section 1445 of the Code pursuant to Treasury Regulations §§ 1.897-2(h)(1) and 1.1445-2(c)(3) and a properly completed and duly executed notice to the Internal Revenue Service that corresponds to such certificate pursuant to Treasury Regulations § 1.897-2(h)(2);

(e) Nine shall have received the consents set forth on Section 6.3 of the Disclosure Letter.

ARTICLE VII
TERMINATION

Section 7.1 Termination. This Agreement may be terminated and the Merger and the other transactions contemplated herein may be abandoned at any time prior to the Effective Time, whether prior to or after approval by the applicable stockholders:

(a) By either Combining Company in the event of the occurrence of (i) a Material Adverse Effect on the other Combining Company which is incapable of being cured, remedied or reversed, or which is not cured, remedied or reversed within 30 days of such event or (ii) an uncurable breach of a covenant or representation or warranty that causes any condition set forth in Article VI to fail, *provided* that the party desiring to terminate is not responsible for the occurrence of such Material Adverse Effect or breach;

(b) By either Combining Company if the Effective Time shall not have occurred, whether because any condition set forth in Article VI has not been satisfied or for any other reason, on or before March 15, 2017 (unless the Effective Time has not occurred as the result of a breach of the terms hereof by the party desiring to exercise the termination right);

(c) By either Combining Company if a final nonappealable order to restrain, enjoin or otherwise prevent, or awarding substantial damages in connection with, consummation of this Agreement or the transactions contemplated hereby shall have been entered;

(d) By either Combining Company, if prior to obtaining the approval of its stockholders as contemplated by Section 6.1(c)-(d), as applicable, the Board of such Combining Company (upon recommendation of such Combining Company' s Committee, if applicable) and/or the Committee of such Combining Company, if applicable, has made a Change of Recommendation in accordance with Section 5.2(c); *provided* that no Combining Company shall have the right to terminate this Agreement under this Section 7.1(d) if it has breached any of the covenants and agreements applicable to it in Section 5.2(a)-(b); or

(e) By mutual agreement of the Boards of each of the Combining Companies.

Section 7.2 Effect of Termination. In the event of any termination of this Agreement pursuant to Section 7.1, the parties hereto shall have no obligation or liability to any other party hereto except the provisions of this Section and Sections 8.5, 8.6, 8.8, 8.9, 8.10, 8.11 and 8.12 hereof shall survive any such termination and, except as provided in this Section 7.2, all documents executed in connection with this Agreement shall be null and void.

ARTICLE VIII
MISCELLANEOUS

Section 8.1 Waiver and Amendment. Any provision of this Agreement may be waived at any time by the party that is, or whose stockholders are, entitled to the benefits thereof by action of the Board, as applicable (with the approval of the applicable Committee, if any), of

such party. This Agreement may not be amended or supplemented at any time, except by an instrument in writing signed on behalf of each party hereto (*provided*, that with respect to each party hereto that is a corporation, such approval and adoption shall be authorized by the Board of such corporation); *provided*, that after this Agreement has been approved and adopted by the respective stockholders of the parties, as applicable, hereto, this Agreement may be amended only as may be permitted by applicable provisions of the DGCL.

Section 8.2 Nonsurvival of Representations and Warranties. No representation or warranty made in this Agreement shall survive the Effective Time, and thereafter no party hereto or any stockholder, director, officer, employee or affiliate of such party shall have any liability whatsoever (whether pursuant to this Agreement or otherwise) with respect to any such representation or warranty. This Section 8.2 shall not limit the term of any covenant or agreement which by its terms contemplates performance after the Effective Time.

Section 8.3 Assignment. This Agreement shall not be assignable by the parties hereto, except with the prior written consent of the other parties.

Section 8.4 Notices. Unless otherwise provided herein, any notice, request, consent, instruction or other document to be given hereunder by any party hereto to another party hereto shall be in writing and will be deemed given (a) when received if delivered personally or by courier, or (b) on the date receipt is acknowledged if delivered by certified mail, postage prepaid, return receipt requested or (c) on the day of transmission if sent by facsimile transmission and receipt thereof is confirmed, as follows:

if to Nine:

16945 Northchase Drive
Suite 1600
Houston, Texas 77060
Attention: Chief Executive Officer
Facsimile: (281) 605-1318

if to Beckman or Beckman Merger Sub:

600 Travis Street
Suite 6600
Houston, Texas 77002
Attention: Chief Executive Officer
Facsimile: (713) 227-7850

or to such other place and with such other copies as any party hereto may designate as to itself by written notice to the others in accordance with this Section 8.4.

Section 8.5 Governing Law. This Agreement shall be governed by and construed in accordance with the provisions of the DGCL with respect to the Merger and, with respect to other matters, in accordance with the substantive law of the State of Texas without giving effect to the principles of conflicts of law thereof.

Section 8.6 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement; *provided* that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable Law. Furthermore, in lieu of (and to the extent of) each such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

Section 8.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all such counterparts together shall constitute one instrument. Delivery of a copy of this Agreement bearing an original signature by facsimile transmission or by electronic mail shall have the same effect as physical delivery of the paper document bearing the original signature.

Section 8.8 Headings. The section headings herein are for convenience only and are not intended to be part of or to affect the meaning or interpretation of the Agreement.

Section 8.9 Enforcement of the Agreement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to any injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedies to which they are entitled at law or in equity. Any party seeking an injunction or injunctions to prevent breaches of this Agreement shall not be required to provide any bond or other security in connection with any such order or injunction. In addition, each of the parties hereto consents to submit itself to the personal jurisdiction of any federal or state court sitting in the State of Texas in the event any dispute arises out of this Agreement and agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court.

Section 8.10 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF SUCH ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) EACH PARTY UNDERSTANDS AND HAS

CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (iv) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.10.

Section 8.11 Entire Agreement; Binding Effect; Third Party Beneficiaries. This Agreement, including the exhibits and schedules hereto and the documents, information supplied in writing, and instruments referred to herein, constitutes the entire agreement and supersedes all other prior agreements, and understandings, both oral and written, among the parties or any of them, with respect to the subject matter hereof. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto, and their respective successors and permitted assigns, and except as provided in Section 5.12, nothing in this Agreement, including the exhibits and schedules hereto and the documents, information supplied in writing, and instruments referred to herein, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

Section 8.12 Fees and Expenses. The Combining Companies shall pay or cause to be paid all fees and expenses incident to this Agreement or incurred by either of the Combining Companies or SCF in preparing to consummate and in consummating the transactions contemplated hereby, including the fees and expenses of any broker, finder, financial advisor, investment banker, legal advisor or similar person engaged by any such party, in the same manner and on the same terms as set forth in the Expense Sharing Agreement; *provided*, *however*, that if the Merger is consummated, all such fees and expenses shall be paid by Nine.

IN WITNESS WHEREOF, the parties to this Agreement have caused it to be duly executed as of the date first above written.

BECKMAN PRODUCTION SERVICES, INC.

By: /s/ Ernie L. Danner
Name: Ernie L. Danner
Title: Chief Executive Officer

NINE ENERGY SERVICE, INC.

By: /s/ Ann G. Fox
Name: Ann G. Fox
Title: President and Chief Executive Officer

BECKMAN MERGER SUB, INC.

By: /s/ Ann G. Fox
Name: Ann G. Fox
Title: President and Chief Executive Officer

Exhibit 10.1

AMENDED AND RESTATED
CREDIT AGREEMENT

dated as of June 30, 2014

among

NINE ENERGY SERVICE, INC.,
as US Borrower,

NINE ENERGY CANADA INC.,
as Canadian Borrower,

HSBC BANK USA, N.A.,
as US Administrative Agent and US Issuing Lender,

HSBC BANK CANADA,
as Canadian Administrative Agent and Canadian Issuing Lender

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Syndication Agent and Swingline Lender

and

THE LENDERS PARTY HERETO FROM TIME TO TIME
as Lenders

$300,000,000

HSBC BANK USA, N.A.

and

WELLS FARGO SECURITIES, LLC,
as Joint Lead Arrangers and Joint Bookrunners

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EXHIBITS

SCHEDULES

AMENDED AND RESTATED CREDIT AGREEMENT

This Amended and Restated Credit Agreement dated as of June 30, 2014 (this "**Agreement**") is among (a) **Nine Energy Service, Inc**., a Delaware corporation ("**US Borrower**" or the "**Company**"), (b) **Nine Energy Canada Inc.**, a corporation organized under the laws of the Province of Alberta, Canada ("**Canadian Borrower**" or "**NEC Canada**" and together with the US Borrower, the "**Borrowers**"), (c) the Lenders (as defined below), (d) **HSBC Bank USA, N.A.**, as US Administrative Agent and as US Issuing Lender (each as defined below), (e) **HSBC Bank Canada**, as Canadian Issuing Lender and as Canadian Administrative Agent (each as defined below) and (f) **Wells Fargo Bank, National Association**, as Swingline Lender (as defined below).

PRELIMINARY STATEMENT:

WHEREAS, the Borrowers are party to that certain Credit Agreement dated as of February 28, 2013 (as amended and restated prior to the date hereof, the "**Existing Credit Agreement**") among the Borrowers, the lenders party thereto, HSBC Bank USA, N.A., as US Administrative Agent and US Issuing Lender, HSBC Bank Canada, as Canadian Administrative Agent and Canadian Issuing Lender and Wells Fargo Bank, National Association, as Swingline Lender; and

WHEREAS, the Borrowers, the US Administrative Agent, the Canadian Administrative Agent and the Lenders mutually desire to amend and restate the Existing Facility in its entirety;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree that the Existing Credit Agreement is amended and restated in its entirety as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

Section 1.1 Certain Defined Terms. As used in this Agreement, the defined terms set forth in the recitals above shall have the meanings set forth above and the following terms shall have the following meanings (unless otherwise indicated, such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"**Acceptable Security Interest**" means a security interest which (a) exists in favor of the Applicable Administrative Agent for its benefit and the ratable benefit of the applicable Secured Parties, (b) is superior to all other security interests (other than the Permitted Liens and other than as to Excluded Perfection Collateral), (c) secures the Secured Obligations or the Canadian Obligations, as applicable, (d) is enforceable against the Credit Party which created such security interest and (e) except as to Excluded Perfection Collateral, is perfected.

"**Acceptance Fee**" means a fee payable in Canadian Dollars by the Canadian Borrower to the Canadian Administrative Agent for the account of the Canadian Lenders with respect to the acceptance of a B/A or the making of a B/A Equivalent Advance on the date of such acceptance or loan, calculated on the face amount of the B/A or the B/A Equivalent Advance at the rate per annum applicable on such date as set forth in the row labeled "Eurocurrency/BA Margin" in

Table 1 of Schedule I on the basis of the number of days in the applicable Contract Period (including the date of acceptance and excluding the date of maturity) and a year of 365 days (it being agreed that the rate per annum applicable to any B/A Equivalent Advance is equivalent to the rate per annum otherwise applicable to the discount relating to the Bankers' Acceptance which has been replaced by the making of such B/A Equivalent Advance pursuant to Section 2.5).

"**Acquisition**" means the purchase by any Restricted Entity of any business, including (a) the purchase of associated assets or operations of, or (b) the purchase of Equity Interests, or merger or consolidation with, any Person.

"**Additional Lender**" shall have the meaning assigned to such term in Section 2.17.

"**Adjusted Base Rate**" means, for any day, the fluctuating rate per annum of interest equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Rate in effect on such day plus 1/2 of 1.00% and (c) a rate determined by the US Administrative Agent or the Canadian Administrative Agent, as applicable, to be the Daily One-Month LIBOR plus 1.00%. Any change in the Adjusted Base Rate due to a change in the Prime Rate, Daily One-Month LIBOR or the Federal Funds Rate shall be effective on the effective date of such change in the Prime Rate, Daily One-Month LIBOR or the Federal Funds Rate.

"**Administrative Agent**" means the US Administrative Agent or the Canadian Administrative Agent.

"**Administrative Agent' s Office**" means the Applicable Administrative Agent' s address as set forth on Schedule II, or such other address as the Applicable Administrative Agent may from time to time notify to the Applicable Borrower and the US Lenders or Canadian Lenders, as applicable.

"**Administrative Questionnaire**" means an Administrative Questionnaire in a form supplied by the Applicable Administrative Agent.

"**Advance**" means (a) a US Advance, (b) a Canadian Advance, (c) a Swingline Advance or (d) a Term Loan Advance.

"**Affiliate**" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"**Agreed Currency**" means, subject to Section 1.7 and Section 1.8, (a) Dollars, and (b) Canadian Dollars.

"**Anti-Corruption Laws**" means all laws, rules, and regulations of any jurisdiction applicable to the Borrowers and their affiliated companies from time to time concerning or relating to bribery or corruption.

"**Applicable Administrative Agent**" means (a) the US Administrative Agent, with respect to the US Facility, the Term Loan Facility, US Security Documents, or US Collateral, and (b) the Canadian Administrative Agent, with respect to the Canadian Facility, Canadian Security Documents, or the Canadian Collateral.

"**Applicable Borrower**" means (a) the US Borrower, with respect to the US Facility and the Term Loan Facility, and (b) the Canadian Borrower, with respect to the Canadian Facility.

"**Applicable Issuing Lender**" means (a) the US Issuing Lender, with respect to US Letters of Credit, and (b) the Canadian Issuing Lender, with respect to Canadian Letters of Credit.

"**Applicable Margin**" means, at any time with respect to each Type of Advance, the Letters of Credit and the Commitment Fees, the percentage rate per annum which is applicable at such time with respect to such Advance, Letter of Credit or Commitment Fee as set forth in Schedule I and subject to further adjustments as set forth in Section 2.10(f).

"**Applicable Period**" has the meaning set forth in Section 2.10(f).

"**Applicable Percentage**" means:

(a) with respect to the US Facility and any US Lender, (i) the ratio (expressed as a percentage) of such Lender' s US Commitment at such time to the aggregate US Commitments of the US Lenders at such time or (ii) if the US Commitments have been terminated or expired, the ratio (expressed as a percentage) of such US Lender' s aggregate outstanding US Advances at such time to the total outstanding US Advances at such time;

(b) with respect to the Term Loan Facility and any Term Loan Lender, (i) the ratio (expressed as a percentage) of such Term Loan Lender' s Term Loan Commitment at such time to the aggregate Term Loan Commitments of the Term Loan Lenders at such time or (ii) if the Term Loan Commitments have been terminated or expired, the ratio (expressed as a percentage) of such Term Loan Lender' s aggregate outstanding Term Loan Advances at such time to the total outstanding Term Loan Advances at such time; and

(c) with respect to the Canadian Facility and any Canadian Lender, (i) the ratio (expressed as a percentage) of such Canadian Lender' s Canadian Commitment at such time to the aggregate Canadian Commitments of the Canadian Lenders at such time or (ii) if the Canadian Commitments have been terminated or expired, the ratio (expressed as a percentage) of such Canadian Lender' s aggregate outstanding Canadian Advances at such time to the total outstanding Canadian Advances at such time; and

(d) with respect to the Facilities as a whole and to any Lender, (i) the ratio (expressed as a percentage) of such Lender' s Commitments and Term Loan Advances at such time to the aggregate Commitments and Term Loan Advances of the Lenders at such time or (ii) if the Commitments have been terminated or expired, the ratio (expressed as a percentage) of such Lender' s aggregate outstanding Advances at such time to the total outstanding Advances at such time;

provided that, (iii) if all of the Commitments have been terminated, the ratio (expressed as a percentage) of such Lender' s aggregate outstanding Advances at such time to the total outstanding Advances at such time, or (iv) if no Advances are then outstanding, then "Applicable Percentage" shall mean the "Applicable Percentage" most recently in effect, after giving pro forma effect to any Assignment and Assumptions.

"**Assignment and Assumption**" means an Assignment and Assumption executed by a Lender and an Eligible Assignee and accepted by the US Administrative Agent, and if under the Canadian Facility, also accepted by the Canadian Administrative Agent, in substantially the form set forth in Exhibit A.

"**AutoBorrow Agreement**" means any agreement providing for automatic borrowing services between a US Credit Party and the Swingline Lender.

"**B/A Advance**" means a B/A accepted and purchased by a Canadian Lender in Canadian Dollars pursuant to Section 2.5 or a B/A Equivalent Advance made by a Canadian Lender pursuant to Section 2.5. For greater certainty, all provisions of this Agreement that are applicable to Bankers' Acceptances are also applicable, mutatis mutandis, to B/A Equivalent Advances.

"**B/A Borrowing**" means a Borrowing in Canadian Dollars comprised of one or more Bankers' Acceptances or, as applicable, B/A Equivalent Advance, as to which a single Contract Period is in effect.

"**B/A Equivalent Advance**" shall have the meaning assigned to such term in Section 2.5.

"**Bankers' Acceptance**" and "**B/A**" means a non-interest bearing bill of exchange denominated in Canadian Dollars, drawn by the Canadian Borrower, and accepted by a Canadian Lender in accordance with this Agreement, and shall include a depository bill within the meaning of the Depository Bills and Notes Act (Canada) and a bill of exchange within the meaning of the Bills of Exchange Act (Canada).

"**Banking Services**" means each and any of the following bank services provided to any Credit Party by any Banking Services Provider: (a) commercial credit cards, (b) stored value cards, (c) treasury management services (including, without limitation, controlled disbursement, pooling and netting arrangements, automated clearinghouse transactions, electronic funds transfers, return items, overdrafts and interstate depository network services) but in the case of overdraft lines of credit in favor of Foreign Credit Parties, subject to the limitation in the following clause (d) as to overdraft lines of credit, and (d) the overdraft lines of credit permitted under Section 6.1(i).

"**Banking Services Obligations**" means any and all obligations of any Credit Party owing to the Banking Services Providers, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"**Banking Services Provider**" means any Lender or Affiliate of a Lender that provides Banking Services to any Credit Party.

"**Base Rate Advance**" means a US Advance, a Term Loan Advance or a Canadian Advance that bears interest based upon the Adjusted Base Rate.

"**Borrowers**" has the meaning set forth in the preamble to this Agreement.

"**Borrowing**" means (a) a US Borrowing, (b) a Swingline Borrowing, (c) a Canadian Borrowing or (d) a Term Loan Borrowing.

"**Business Day**" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Legal Requirements of, or are in fact closed in, the state where the US Administrative Agent' s Office is located and:

(a) if such day relates to any interest rate settings as to a Eurocurrency Advance denominated in Dollars, any fundings, disbursements, settlements and payments in Dollars in respect of any such Eurocurrency Advance, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such Eurocurrency Advance, means any such day on which dealings in deposits in Dollars are conducted by and between banks in the London interbank eurodollar market;

(b) if such day relates to any interest rate settings as to a Eurocurrency Advance denominated in Canadian Dollars, means any such day on which dealings in deposits in Canadian Dollars are conducted by and between banks in the London or other applicable offshore interbank market for Canadian Dollars;

(c) if such day relates to any fundings, disbursements, settlements and payments in Canadian Dollars in respect of a Eurocurrency Advance denominated in Canadian Dollars, or any other dealings in Canadian Dollars to be carried out pursuant to this Agreement in respect of any such Eurocurrency Advance (other than any interest rate settings), means any such day on which banks are open for foreign exchange business in Toronto, Canada; and

(d) if such day also relates to any fundings, disbursements, settlements and payments under the Canadian Facility, means any such day on which banks are not required or authorized by law to close in Calgary, Canada or Toronto, Canada.

"**Canadian Administrative Agent**" means HSBC Canada in its capacity as agent for the Canadian Lenders pursuant to Section 8.6 and any successor agent pursuant to Section 8.5; provided that the Canadian Administrative Agent shall at all times be a Canadian resident for purposes of the ITA.

"**Canadian Advance**" means (a) (i) an advance denominated in Canadian Dollars by a Canadian Lender to the Canadian Borrower as a part of a Borrowing pursuant to Section 2.1 and consisting of either a Canadian Prime Rate Advance or (ii) a B/A in Canadian Dollars accepted and purchased by a Canadian Lender pursuant to Section 2.5 and B/A Equivalent Advances in Canadian Dollars made by a Canadian Lender pursuant to Section 2.5, and (b) an advance denominated in Dollars by a Canadian Lender to the Canadian Borrower and refers to either (x) a Eurocurrency Advance or (y) a Base Rate Advance.

"**Canadian Anti-Terrorism Laws**" means the anti-terrorist provisions of the Criminal Code (Canada), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), the United Nations Suppression of Terrorism Regulations and the Anti-terrorism Act (Canada) and all regulations and orders made thereunder.

"**Canadian Benefit Plans**" means all employee benefit plans of any nature or kind whatsoever that are not Canadian Pension Plans and are maintained or contributed to by the Canadian Borrower or any of the Canadian Subsidiaries, in each case covering employees in Canada.

"**Canadian Borrower**" has the meaning set forth in the preamble to this Agreement.

"**Canadian Borrowing**" means a borrowing consisting of simultaneous Canadian Advances of the same Type made by the Canadian Lenders pursuant to Section 2.1.

"**Canadian Cash Collateral Account**" means a special cash collateral account pledged to the Canadian Administrative Agent containing cash deposited pursuant to the terms hereof to be maintained with the Canadian Administrative Agent in accordance with Section 2.3.

"**Canadian Collateral**" means (a) all "Collateral", "Pledged Collateral", and "Pledged Accounts" (as defined in each of the Canadian Security Agreements, as applicable) or similar terms used in the Canadian Security Documents, and (b) all amounts contained in the Canadian Borrower' s and Foreign Subsidiaries' bank accounts. The Canadian Collateral shall not include any Excluded Properties (Canada).

"**Canadian Commitment**" means, for each Canadian Lender, the obligation of such Lender to advance to Canadian Borrower the amount set opposite such Lender' s name on Schedule II as its Canadian Commitment, or if such Lender has entered into any Assignment and Assumption, set forth for such Lender as its Canadian Commitment in the applicable Register, as such amount may be reduced or increased pursuant to Section 2.1; provided that, (a) after the Maturity Date, the Canadian Commitment for each Lender shall be zero, (b) the initial aggregate amount of the Canadian Commitments on the Effective Date is $30,000,000, and (c) the aggregate Canadian Commitments shall not exceed $40,000,000 at any time.

"**Canadian Commitment Fee**" means the fees required under Section 2.9(b).

"**Canadian Dollar Equivalent**" shall mean, on any date of determination, with respect to any amount in Dollars, the equivalent in Canadian Dollars of such amount, determined by the Canadian Administrative Agent using the Exchange Rate then in effect.

"**Canadian Dollars**" and "**C$**" means the lawful money of Canada.

"**Canadian Facility**" means, collectively, (a) the revolving credit facility described in Section 2.1(b) and Section 2.5, and (b) the letter of credit subfacility provided by the Canadian Issuing Lender described in Section 2.3.

"**Canadian Guaranty**" means, individually and collectively, the guarantees, substantially in the form of Exhibit B or such other form reasonably acceptable to the Guarantor executing same and the Administrative Agents, and made by the Company or a Foreign Subsidiary in favor of the Canadian Administrative Agent for the benefit of the Canadian Secured Parties.

"**Canadian Issuing Lender**" means HSBC Canada, in its capacity as the Canadian Lender that issues Canadian Letters of Credit pursuant to the terms of this Agreement.

"**Canadian Lender**" means a Lender having a Canadian Commitment or if such Canadian Commitments have been terminated, a Lender that is owed Canadian Advances. A Canadian Lender at all times shall be a Schedule I Bank, a Schedule II Bank or a Schedule III Bank.

"**Canadian Lender Party**" means Lender Parties under the Canadian Facility.

"**Canadian Lenders**" means Lenders having a Canadian Commitment or if such Canadian Commitments have been terminated, Lenders that are owed Canadian Advances.

"**Canadian Letter of Credit**" means any standby or commercial letter of credit issued by the Canadian Issuing Lender for the account of the Canadian Borrower or any Canadian Subsidiary pursuant to the terms of this Agreement, in such form as may be agreed by the Canadian Borrower and the Canadian Issuing Lender.

"**Canadian Letter of Credit Application**" means the Canadian Issuing Lender' s standard form letter of credit application for standby or commercial letters of credit which has been executed by the Canadian Borrower and accepted by the Canadian Issuing Lender in connection with the issuance of a Canadian Letter of Credit.

"**Canadian Letter of Credit Documents**" means all Canadian Letters of Credit, Canadian Letter of Credit Applications and amendments thereof, and agreements, documents, and instruments entered into in connection therewith or relating thereto.

"**Canadian Letter of Credit Exposure**" means, at the date of its determination by the Canadian Administrative Agent, the aggregate outstanding undrawn amount of Canadian Letters of Credit plus the aggregate unpaid amount of all of the Canadian Borrower' s payment obligations under drawn Canadian Letters of Credit.

"**Canadian Letter of Credit Extension**" means, with respect to any Canadian Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"**Canadian Letter of Credit Maximum Amount**" means C$10,000,000; provided that on and after the Maturity Date, the Canadian Letter of Credit Maximum Amount shall be zero.

"**Canadian Letter of Credit Obligations**" means all obligations of the Canadian Borrower under this Agreement in connection with the Canadian Letters of Credit.

"**Canadian Majority Lenders**" means (a) at any time when there are three (3) or more Canadian Lenders, three (3) or more Canadian Lenders holding at least 51% of the sum of the

unutilized Canadian Commitments plus the Canadian Outstandings (with the aggregate amount of each Lender' s risk participation and funded participation in the Canadian Letter of Credit Obligations being deemed "held" by such Canadian Lender for purposes of this definition); and (b) at any time when there are one or two Canadian Lenders, all Canadian Lenders; provided that, (i) in any event, if there are two or more Canadian Lenders, the Canadian Commitment of, and the portion of the Advances and Letter of Credit Exposure held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Canadian Majority Lenders unless all Canadian Lenders are Defaulting Lenders, and (ii) for purposes of this definition, Canadian Letter of Credit Exposure which is not reallocated or Cash Collateralized in accordance with Section 2.18 shall be deemed to be held by the Canadian Issuing Lender.

"**Canadian Note**" means a promissory note of the Canadian Borrower payable to a Canadian Lender in the amount of such Lender' s Canadian Commitment, in the form provided by the Canadian Administrative Agent and acceptable to the Canadian Borrower.

"**Canadian Obligations**" means the Obligations owing by the Canadian Borrower or any other Foreign Credit Party.

"**Canadian Outstandings**" means, as of the date of determination, the sum of (a) the Dollar Equivalent of the aggregate outstanding amount of all Canadian Advances (including Canadian Overdraft Accommodations) plus (b) the Dollar Equivalent of the Canadian Letter of Credit Exposure.

"**Canadian Overdraft Accommodations**" has the meaning assigned under Section 2.19.

"**Canadian Overdraft Lender**" means HSBC Canada or such other Canadian Lender that is serving as the Canadian Administrative Agent.

"**Canadian Pension Plans**" means each plan that is considered to be a pension plan for the purposes of any applicable pension benefits standards statute and/or regulation in Canada established, maintained or contributed to by the Canadian Borrower or any of the Canadian Subsidiaries for its employees or former employees.

"**Canadian Prime Rate**" means, on any day, (a) for Canadian Advances in Canadian Dollars, the rate per annum equal to the greater of (i) the annual rate of interest announced from time to time by the Canadian Administrative Agent as its prime rate in effect at its principal office in Toronto, Ontario on such day for determining interest rates on Canadian Dollar denominated commercial loans made in Canada; and (ii) the annual rate of interest equal to the sum of (A) the CDOR Rate in effect on such day and (B) 1%.

"**Canadian Prime Rate Advance**" means a Canadian Advance in Canadian Dollars that bears interest as provided in the definition of Canadian Prime Rate.

"**Canadian Register**" has the meaning set forth in Section 9.7(b).

"**Canadian Restricted Subsidiaries**" means the Canadian Subsidiaries that are Restricted Subsidiaries.

"**Canadian Secured Parties**" means the Canadian Administrative Agent, the Canadian Lenders, the Canadian Issuing Lender, the Banking Service Providers who are owed Banking Service Obligations by the Canadian Borrower or a Canadian Subsidiary and Swap Counterparties who are owed any Canadian Obligations.

"**Canadian Security Agreement**" means, individually and collectively, the Canadian General Security Agreement dated February 28, 2013 between the Canadian Borrower and the Canadian Administrative Agent and any security agreements, substantially in the form of Exhibit C, entered into by a Foreign Subsidiary Guarantor, as grantor, and the Canadian Administrative Agent for the benefit of the Canadian Secured Parties.

"**Canadian Security Documents**" means the Canadian Security Agreement, and each other Security Document to which the Canadian Borrower or any US Guarantor or Foreign Subsidiary Guarantor is a party and that purports to grant a Lien in the assets of any such Person in favor of the Canadian Administrative Agent for the benefit of the Canadian Secured Parties.

"**Canadian Subsidiaries**" means the Subsidiaries organized under the laws of Canada or any province, territory or other political subdivision thereof.

"**Capital Expenditures**" means, for any Person and period of its determination, without duplication, the aggregate of all expenditures and costs (whether paid in cash or accrued as liabilities during that period and including that portion of payments under Capital Leases that are capitalized on the balance sheet of such Person) of such Person during such period that, in conformity with GAAP, are required to be included in or reflected as property, plant, equipment or other similar fixed asset accounts on the balance sheet of such Person, but excluding any such expenditure made to restore, replace or rebuild Property to the condition of such Property immediately prior to any damage, loss, destruction or condemnation of such Property, to the extent such expenditure is made with insurance proceeds, condemnation awards or damage recovery proceeds relating to any such damage, loss, destruction or condemnation.

"**Capital Leases**" means, for any Person, any lease of any Property by such Person as lessee which would, in accordance with GAAP, be required to be classified and accounted for as a capital lease on the balance sheet of such Person.

"**Cash Collateral Account**" means the US Cash Collateral Account or the Canadian Cash Collateral Account.

"**Cash Collateralize**" means, to pledge and deposit with or deliver to the Applicable Administrative Agent, for the benefit of one or more of the Issuing Lenders, Lenders or the Swingline Lender, as collateral for Secured Obligations or the Canadian Obligations, as applicable, or the obligations of Lenders to fund participations in respect of Letter of Credit Obligations or Swingline Advances, cash or deposit account balances or, if the Applicable Administrative Agent, each Applicable Issuing Lender and the Swingline Lender shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Applicable Administrative Agent, each Applicable Issuing Lender and the Swingline Lender.

"**Cash Collateral**" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"**CDOR Rate**" means, for each day in any period, the annual rate of interest that is the rate based on an average rate applicable to Canadian Dollar bankers' acceptances for a term equal to the term of the relevant Contract Period (or for a term of 30 days for purposes of determining the Canadian Prime Rate) appearing on the Reuters Screen CDOR Page at approximately 10:00 a.m. (Toronto, Ontario time), on such date, or if such date is not a Business Day, on the immediately preceding Business Day; provided that if such rate does not appear on the Reuters Screen CDOR Page on such date as contemplated, then the CDOR Rate on such date shall be the arithmetic average of the Discount Rate quoted by each Schedule II/III Reference Bank (determined by the Canadian Administrative Agent as of 10:00 a.m. (Toronto, Ontario time) on such date) that would be applicable to Canadian Dollar bankers' acceptances for the relevant period quoted by such bank as of 10:00 a.m. (Toronto, Ontario time) on such date or, if such date is not a Business Day, on the immediately preceding Business Day.

"**CDS**" has the meaning set forth in Section 2.5(c).

"**CERCLA**" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, analogous state and local laws, and all rules and regulations and legally enforceable requirements promulgated thereunder, in each case as now or hereafter in effect.

"**Change in Control**" means the occurrence of any of the following events: (a) prior to the closing of the Offering, (i) SCF ceases to own, directly or indirectly, more than forty percent (40%) of the Voting Securities of the Company and (ii) SCF and Management jointly cease to own more than fifty percent (50%) of the Voting Securities of the Company, and (b) after the closing of the Offering (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than SCF becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 33% or more of the equity securities of the Company entitled to vote for members of the board of directors or equivalent governing body of the Company on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right), or (ii) during any period of 12 consecutive months that occurs after the closing of an Offering, a majority of the members of the board of directors or other equivalent governing body of the Company cease to be composed of individuals (A) who were members of that board or equivalent governing body on the first day of such period, (B) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (A) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (C) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (A) and (B) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

"**Change in Law**" means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"**Class**" has the meaning set forth in Section 1.4.

"**Closing Date Leverage Ratio**" means, on a pro forma basis after giving effect to the Transactions, the ratio of (a) the Funded Debt as of the Effective Date to (b)) EBITDA for the four fiscal quarter period ended March 31, 2014.

"**Code**" means the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereof.

"**Collateral**" means, collectively, all of the US Collateral and the Canadian Collateral.

"**Commitment Fee**" means the Canadian Commitment Fee or the US Commitment Fee.

"**Commitment Increase**" has the meaning set forth in Section 2.17.

"**Commitments**" means, as to any Lender, its US Commitment, Term Loan Commitment and Canadian Commitment, if applicable, and as to a Swingline Lender, its Swingline Commitment.

"**Communications**" shall have the meaning set forth in Section 9.9(b)(i).

"**Company**" has the meaning set forth in the preamble to this Agreement.

"**Compliance Certificate**" means a compliance certificate executed by a Responsible Officer of the Company or such other Person as required by this Agreement in substantially the same form as Exhibit D.

"**Computation Date**" means (a) the Effective Date and (b) so long as any outstanding Credit Extension under any Facility is denominated in Canadian Dollars, (i) the last Business Day of each calendar quarter, (ii) the date of any proposed Credit Extension if the US Administrative Agent shall determine or the US Majority Lenders shall require, (iii) the date of

any reduction of Commitments pursuant to Section 2.1(d), (iv) the date of any increase in the Commitments under Section 2.17, (v) the date of any reallocation provided in Section 2.18, (vi) if any such Credit Extensions are under the US Facility, such additional dates as the US Administrative Agent shall determine or the US Majority Lenders shall require, and (vii) if any such Credit Extensions are under the Canadian Facility, such additional dates as the Canadian Administrative Agent shall determine or the Canadian Majority Lenders shall require.

"**Contract Period**" means the term of a B/A Advance selected by the Canadian Borrower in accordance with Section 2.5, commencing on the date of such B/A Advance and expiring on a Business Day which shall be either 30 days, 60 days, 90 days or 180 days thereafter, provided that (a) subject to clause (b) below, each such period shall be subject to such extensions or reductions as may be reasonably determined by the Canadian Administrative Agent to ensure that each Contract Period shall expire on a Business Day, and (b) no Contract Period shall extend beyond the Maturity Date.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise, and the terms "Controlled by" or "under common Control with" shall have the correlative meanings.

"**Controlled Group**" means all members of a controlled group of corporations and all businesses (whether or not incorporated) under common control which, together with the Company or any Subsidiary (as applicable), are treated as a single employer under Section 414 of the Code.

"**Convert**", "**Conversion**" and "**Converted**" each refers to (a) a conversion of US Advances or Term Loan Advances of one Type into US Advances or Term Loan Advances of another Type pursuant to Section 2.6(b) and Section 2.6(c), (b) a conversion of B/A Advances into Canadian Prime Rate Advances pursuant to Section 2.6(b) and Section 2.6(c), (c) a conversion of Canadian Prime Rate Advances into B/A Advances pursuant to Section 2.6(b) and Section 2.6(c) and Section 2.5, or (d) conversion of US Advances pursuant to Section 2.7(c)(ii).

"**Credit Documents**" means this Agreement, the Notes, the Letter of Credit Documents, the Guaranties, the Notices of Borrowing, the Notices of Continuation or Conversion, the Security Documents, any AutoBorrow Agreement, the Fee Letter, and each other agreement, instrument, or document executed at any time in connection with this Agreement.

"**Credit Extension**" means an Advance or a Letter of Credit Extension.

"**Credit Parties**" means the Borrowers and the Guarantors.

"**Crest**" means Crest Pumping Technologies, LLC, a Delaware limited liability company.

"**Crest Acquisition**" means the purchase or other acquisition of the Equity Interests in Crest by the Company for a maximum cash price of $135,000,000.

"**Crest Acquisition Documents**" means (a) that certain Agreement and Plan of Merger (the "**Merger Agreement**"), dated as of June 30, 2014, by and among the Company, Sweetwater Acquisition Company, LLC, Crest, the Series A Members of Crest and the other parties thereto, and (b) the other documents, instruments and agreements evidencing and governing the Crest Acquisition.

"**Daily One-Month LIBOR**" means, for any day, the rate of interest equal to the Eurocurrency Rate for Dollar denominated funds then in effect for delivery for a one (1) month period.

"**Debt**" means, for any Person, without duplication: (a) indebtedness of such Person for borrowed money; (b) to the extent not covered under clause (a) above, obligations under letters of credit and agreements relating to the issuance of letters of credit, bankers' acceptances, bank guaranties, surety bonds and similar instruments; (c) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (d) obligations of such Person under conditional sale or other title retention agreements relating to any Properties purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business); (e) obligations of such Person to pay in cash the deferred purchase price of property or services (such obligations including, without limitation, any earn-out obligations, contingent obligations, or other similar obligations associated with such purchase) but excluding trade accounts payable in the ordinary course of business and, in each case, either not past due for more than 90 days after the date on which such trade account payable was created or being contested in good faith and for which adequate reserves have been made in accordance with GAAP; (f) obligations of such Person as lessee under Capital Leases and obligations of such Person in respect of synthetic leases; (g) obligations of such Person under any Hedging Arrangement; (h) all obligations of such Person to mandatorily purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person on a date certain or upon the occurrence of certain events or conditions, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends (which obligations, for the avoidance of doubt, do not include any obligations to issue Equity Interests in respect of warrants); (i) the Debt of any partnership or unincorporated joint venture in which such Person is a general partner or a joint venturer, but only to the extent to which there is recourse to such Person for the payment of such Debt; (j) obligations of such Person under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) of such Person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (a) through (i) above; and (k) indebtedness or obligations of others of the kinds referred to in clauses (a) through (j) secured by any Lien on or in respect of any Property of such Person, but if recourse is only to such Property, then only to the extent of the lesser of the amount of the Debt secured thereby and the fair market value of the Property subject to such Lien.

"**Debtor Relief Laws**" means (a) the Bankruptcy Code of the United States, (b) the Bankruptcy and Insolvency Act (Canada), (c) the Companies' Creditors Arrangement Act (Canada) and (d) all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States, Canada or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"**Default**" means (a) an Event of Default or (b) any event or condition which with notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"**Default Rate**" means a per annum rate equal to (a) in the case of principal of any Advance, 2.00% plus the rate otherwise applicable to such Advance as provided in Section 2.10(a), Section 2.10(b), or Section 2.10(c), and (b) in the case of any other Obligation, 2.00% plus the non-default rate applicable to US Base Rate Advances as provided in Section 2.10(a).

"**Defaulting Lender**" means, subject to Section 2.18, any Lender that (a) has failed to (i) fund all or any portion of its Advances within two Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Applicable Administrative Agent and the Company in writing that such failure is the result of such Lender' s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied or waived, or (ii) pay to the Applicable Administrative Agent, Applicable Issuing Lender, the Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Advances) within two Business Days of the date when due, (b) has notified the Company, either Administrative Agent or any Issuing Lender or the Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender' s obligation to fund an Advance hereunder and states that such position is based on such Lender' s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Applicable Administrative Agent or the Company, to confirm in writing to the Applicable Administrative Agent and the Company that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Applicable Administrative Agent and the Company), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Applicable Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.18) upon delivery of written notice of such determination to the Company, each Issuing Lender, the Swingline Lender and each Lender under the applicable Facility.

"**Designated Currency**" means, (a) for a US Advance or a Term Loan Advance, Dollars, (b) for the issuance of US Letters of Credit, Dollars or Canadian Dollars, (c) for B/A Advances and B/A Equivalent Advances, Canadian Dollars, (d) for other Advances under the Canadian Facility, Dollars or Canadian Dollars, and (e) for Canadian Letters of Credit, Canadian Dollars.

"**Discount Proceeds**" means for any B/A (or, as applicable, any B/A Equivalent Advance), an amount (rounded to the nearest whole cent, and with one-half of one cent being rounded up) calculated on the applicable Borrowing date by multiplying:

(a) the face amount of the B/A (or, as applicable, any B/A Equivalent Advance); by

(b) the quotient of one divided by the sum of one plus the product of:

(i) the Discount Rate (expressed as a decimal) applicable to such B/A (or, as applicable, any B/A Equivalent Advance), and

(ii) a fraction, the numerator of which is the number of days in the Contract Period of the B/A (or, as applicable, any B/A Equivalent Advance) and the denominator of which is 365, with such quotient being rounded up or down to the fifth decimal place and .000005 being rounded up.

"**Discount Rate**" means (a) with respect to any Canadian Lender that is a Schedule I Bank, as applicable to a B/A being purchased by such Lender on any day, the CDOR Rate; and (b) with respect to any Canadian Lender that is not a Schedule I Bank, as applicable to a B/A being purchased by such Lender on any day, the lesser of (A) the CDOR Rate plus 10 basis points (0.10%), and (B) the average (as determined by the Canadian Administrative Agent in good faith) of the respective percentage discount rates (expressed to two decimal places and rounded upward, if not in an increment of 1/100th of 1%, to the nearest 0.01%) quoted by the Schedule II/III Reference Banks as the percentage discount rates at which the Schedule II/III Reference Banks would, in accordance with their normal market practices, at or about 10:00 a.m. (Standard Time) on such date, be prepared to purchase bankers' acceptances accepted by the Schedule II/III Reference Banks having a face amount and term comparable to the face amount and term of such B/A.

"**Disposition**" means any sale, lease, transfer, assignment, conveyance, or other disposition of any Property;

"**Dispose**" or similar terms shall have correlative meanings.

"**Dollar Equivalent**" means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in Canadian Dollars, the equivalent amount thereof in Dollars as determined by the Applicable Administrative Agent or the Applicable Issuing Lender, as the case may be, at such time on the basis of the Exchange Rate (determined in respect of the most recent Computation Date) for the purchase of Dollars with Canadian Dollars.

"**Dollars**" and "**$**" means lawful money of the United States.

"**Domestic Restricted Subsidiary**" means any Restricted Subsidiary that is not a Foreign Subsidiary.

"**Domestic Subsidiary**" means any Subsidiary that is not a Foreign Subsidiary.

"**EBITDA**" means, for any period: for the Company and its consolidated Restricted Subsidiaries, without duplication, (a) the Company' s consolidated Net Income for such period (it being understood that no amounts of the Unrestricted Subsidiaries' Net Income shall be taken into account in calculating EBITDA other than to the extent provided in clause (c) below) plus (b) to the extent deducted in determining such consolidated Net Income for such period, Interest Expense, taxes, depreciation, amortization and other non-cash charges for such period (including any provision for the reduction in the carrying value of assets recorded in accordance with GAAP and including non-cash charges resulting from the requirements of ASC 410, 718 and 815) for such period plus (c) cash dividends received by the Restricted Entities from Unrestricted Subsidiaries during such period plus (d) to the extent deducted in determining such consolidated Net Income for such period, any cash charges or other expenses incurred in connection with the Transactions during such period plus (e) to the extent deducted in determining such consolidated Net Income for such period, any non-recurring charges incurred during such period in connection with Permitted Acquisitions consisting of excess compensation of prior officers of the acquired Person subject to the cap in the proviso at the end of this definition; plus (f) to the extent deducted in determining such consolidated Net Income for such period, other reasonable non-recurring cash charges and expenses incurred in connection with Permitted Acquisitions during such period in an amount not to exceed such amount as agreed to between the US Administrative Agent and the Company; plus (g) equity-based compensation paid for such period; plus (h) restructuring and other non-recurring expenses incurred during such period, including severance costs, costs associated with office or plant openings or closings and consolidation or relocation fees for such period up to a maximum of $4,000,000 in the aggregate; minus (i) all non-cash items of income which were included in determining such consolidated Net Income (including non-cash income resulting from the requirements of ASC 410, 718 and 815); provided that such EBITDA shall be subject to pro forma adjustments for Acquisitions and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be made for the Crest Acquisition and otherwise in a manner reasonably acceptable to the US Administrative Agent; provided further that, for purposes of calculating "EBITDA" the aggregate amount of non-recurring charges which are added back pursuant to clause (e) above shall not exceed $2,000,000 for any four fiscal quarter period unless otherwise agreed to by the US Administrative Agent.

"**Effective Date**" means the date of this Agreement.

"**Eligible Assignee**" means (a) a Lender (other than a Defaulting Lender); (b) an Affiliate of a Lender (other than a Defaulting Lender); and (c) any other Person approved by (i) the US Administrative Agent, the US Issuing Lender and the Swingline Lender in the case of any assignment under the US Facility, (ii) the Canadian Administrative Agent in the case of any assignment under the Canadian Facility, (iii) unless an Event of Default has occurred and is continuing at the time any assignment is effected, the US Borrower with respect to any assignment under the US Facility, and (iv) unless an Event of Default has occurred and is continuing at the time any assignment is effected, the Canadian Borrower with respect to any

assignment under the Canadian Facility (each such approval not to be unreasonably withheld or delayed); provided, however, that neither the Company nor an Affiliate of the Company nor any natural person shall qualify as an Eligible Assignee.

"**Eligible Currency**" means a currency in regard to which: (a) quotes for loans in such currency are available in the London interbank deposit market; (b) such currency is freely transferable and convertible into Dollars in the London foreign exchange market, (c) no approval of a Governmental Authority in the country of issue of such currency is required to permit use of such currency by any applicable Lender or Applicable Issuing Lender for making loans or issuing letters of credit, or honoring drafts presented under letters of credit in such currency, and (d) there is no restriction or prohibition under any applicable Legal Requirements against the use of such currency for such purposes.

"**Environment**" or "**Environmental**" shall have the meanings set forth in 42 U.S.C. § 9601(8).

"**Environmental Claim**" means any third party (including any Governmental Authority) action, lawsuit, claim, demand, regulatory action or proceeding, order, decree, consent agreement or written notice of potential or actual responsibility or violation which seeks to impose liability under any Environmental Law.

"**Environmental Law**" means all federal, state, and local laws, rules, regulations, ordinances, orders, decisions, enforceable agreements, and other Legal Requirements, including duties imposed under common law, now or hereafter in effect and relating to, or in connection with the Environment, including without limitation CERCLA, relating to (a) pollution, contamination, injury, destruction, loss, protection, cleanup, reclamation or restoration of the air, surface water, groundwater, land surface or subsurface strata, or other natural resources; (b) solid, gaseous or liquid waste generation, treatment, processing, recycling, reclamation, cleanup, storage, disposal or transportation; (c) exposure to pollutants, contaminants, hazardous or toxic substances, materials or wastes; or (d) the manufacture, processing, handling, transportation, distribution in commerce, use, storage or disposal of hazardous or toxic substances, materials or wastes.

"**Environmental Permit**" means any permit, license, order, approval, registration or other authorization required or issued under Environmental Law.

"**Equity Funded Capital Expenditure**" means Capital Expenditures that are fully funded solely with Equity Issuance Proceeds and were not applied in increasing EBITDA for purposes of Section 7.7.

"**Equity Interest**" means with respect to any Person, any shares, interests, participation, or other equivalents (however designated) of corporate stock, membership interests or partnership interests (or any other ownership interests) of such Person.

"**Equity Issuance**" means any issuance of equity securities or any other Equity Interests (including any preferred equity securities) by the Company, including any such issuance upon the exercise of warrants to purchase equity by the holders thereof.

"**Equity Issuance Proceeds**" means, with respect to any Equity Issuance, all cash and cash equivalent proceeds or cash equivalent investments received by the Company from such Equity Issuance (other than from any other Credit Party) after payment of, or provision for, all underwriter fees and expenses, SEC and blue sky fees, printing costs, fees and expenses of accountants, lawyers and other professional advisors, brokerage commissions and other out-of-pocket fees and expenses actually incurred in connection with such Equity Issuance.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"**Eurocurrency Advance**" means an Advance by the Lenders in Dollars that bears interest based upon the Eurocurrency Rate.

"**Eurocurrency Liabilities**" has the meaning assigned to that term in Regulation D of the Federal Reserve Board as in effect from time to time.

"**Eurocurrency Base Rate**" means,

(a) in determining Eurocurrency Base Rate for purposes of the "Daily One-Month LIBOR", in respect of Advances in Dollars by the US Administrative Agent or the Canadian Administrative Agent, the rate per annum for Dollar deposits quoted by the US Administrative Agent for the purpose of calculating effective rates of interest for loans making reference to the "Daily One-Month LIBOR", as the inter-bank offered rate in effect from time to time for delivery of funds for one (1) month in amounts approximately equal to the principal amount of the applicable Advances; provided that, (i) the US Administrative Agent may base its quotation of the inter-bank offered rate upon such offers or other market indicators of the inter-bank market as the US Administrative Agent in its reasonable discretion deems appropriate including, but not limited to, the rate determined under the following clause (b), and (ii) such rate per annum shall be generally applicable to all credit facilities agented by the US Administrative Agent which makes reference to the "Daily One-Month LIBOR" or words of similar import;

(b) in determining Eurocurrency Base Rate for all other purposes for the Interest Period for each Eurocurrency Advance comprising the same Borrowing, the interest rate per annum (rounded upward to the nearest whole multiple of 1/100 of 1%) equal to (i) the applicable London interbank offered rate for deposits in the Designated Currency for such Borrowing appearing on Reuters Screen LIBOR 01 Page for such Designated Currency as of 11:00 a.m. (London, England time) two Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period, and (ii) if the rate as determined under clause (i) is not available at such time for any reason, then the rate determined by the Applicable Administrative Agent to be the rate at which deposits in the Designated Currency for delivery on the first day of such Interest Period in immediately available funds in the approximate amount of the Eurocurrency Advance being made, continued or converted by the Applicable Administrative Agent and with a term equivalent to such Interest Period would be offered by the Applicable Administrative Agent' s London Branch (or other branch or Affiliate of

the Applicable Administrative Agent, or in the event that the Applicable Administrative Agent does not have a London branch, the London branch of a Lender chosen by the Applicable Administrative Agent) to major banks in the London or other offshore interbank market for such currency at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period.

"**Eurocurrency Rate**" means a rate per annum determined by the Applicable Administrative Agent pursuant to the following formula:

$$\textit{Eurocurrency Rate} = \frac{\text{Eurocurrency Base Rate}}{1.00 - \text{Eurocurrency Reserve Percentage}}$$

Where,

"**Eurocurrency Reserve Percentage**" means, as of any day, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to liabilities or assets consisting of or including Eurocurrency Liabilities. The Eurocurrency Rate for each outstanding Advance shall be adjusted automatically as of the effective date of any change in the Eurocurrency Reserve Percentage.

"**Event of Default**" has the meaning specified in Section 7.1.

"**Exchange Rate**" means, on any Business Day, (a) with respect to any calculation of the Dollar Equivalent on such date, the rate at which Canadian Dollars may be exchanged into Dollars, as set forth on such date on the relevant FWDS Series Reuters currency page at or about 11:00 a.m. New York City time on such date and (b) with respect to any calculation of the Canadian Dollar Equivalent, the rate at which Dollars may be exchanged into Canadian Dollars, as set forth on such date on the relevant FWDS Series Reuters currency page at or about 11:00 a.m. New York City time on such date. In the event that such rate does not appear on any such Reuters page, the "Exchange Rate" with respect to Canadian Dollars shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the US Administrative Agent and the Borrowers or, in the absence of such agreement, such "Exchange Rate" shall instead be the US Administrative Agent' s spot rate of exchange in the interbank market where its currency exchange operations in respect of Canadian Dollars are then being conducted, at or about 10:00 A.M. local time at such date for the purchase of Canadian Dollars with Dollars or the purchase of Dollars with Canadian Dollars, as the case may be, for delivery two Business Days later; provided that if at the time of any such determination no such spot rate can reasonably be quoted, the US Administrative Agent may use any reasonable method (including obtaining quotes from three or more market makers for Canadian Dollars) as it deems appropriate to determine such rate and such determination shall be presumed correct absent manifest error.

"**Excluded Perfection Collateral**" shall mean, unless otherwise elected by the US Administrative Agent during the continuance of an Event of Default, collectively (a) Certificated

Equipment, as defined in the US Security Agreement, (b) deposit accounts, commodities accounts and securities accounts other than the Cash Collateral Accounts, and (c) any other Property (i) in which a security interest cannot be perfected by the filing of a financing statement under the UCC, PPSA or a similar filing under the respective foreign jurisdiction, and (ii) with respect to which the US Administrative Agent has determined, in its reasonable discretion that the cost of perfecting a security interest in such Property are excessive in relation to the value of the Lien to be afforded thereby.

"**Excluded Properties (Canada)**" means (a) all fee owned and leased real property of any Credit Party, (b) commercial tort claims, (c) any Properties owned by any Foreign Subsidiary that is not a Canadian Subsidiary, (d) letter of credit rights, and (e) the "Excluded Collateral" as defined in the Canadian Security Agreement.

"**Excluded Properties (US)**" means (a) all fee owned and leased real property of any Credit Party, (b) any Properties owned by any Foreign Subsidiary, (c) commercial tort claims, (d) letter of credit rights, and (e) the "Excluded Collateral" as defined in the US Security Agreement which includes, but is not limited to, (i) the Equity Interests issued by Foreign Subsidiaries other than 65% of the Voting Securities issued by First Tier Foreign Subsidiaries (but including 100% of non-Voting Securities of such Subsidiaries), and (ii) Excluded JV Equity Interests, as defined therein.

"**Excluded Taxes**" means, with respect to any Lender Party or any other recipient of any payment to be made by or on account of any obligation of any Borrower hereunder, (a) taxes imposed on or measured by its net income (however denominated), and franchise taxes imposed on it by the United States of America (or any political subdivision thereof), Canada (or any political subdivision thereof) or by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized, is a resident or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located, (b) as to any Canadian Lender Party, taxes imposed on or measured by its capital by Canada (or any political subdivision thereof) or by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized, is a resident or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located, (c) any branch profits taxes imposed by the United States of America or Canada or any similar tax imposed by any other jurisdiction in which such Borrower is located, (d) in the case of a Foreign Lender (other than an assignee pursuant to a request by a Borrower hereunder), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office) or is attributable to such Foreign Lender' s failure or inability (other than as a result of a Change in Law) to comply with Section 2.15(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from a Borrower with respect to such withholding tax pursuant to Section 2.13(a), (e) any U.S. Federal withholding taxes that are imposed by FATCA, and (f) any interest, additions to tax and penalties with respect to taxes referred to in clauses (a)-(e) above.

"**Executive Officer**" means any Responsible Officer of a Restricted Subsidiary who is, as part of his/her employment with such Restricted Subsidiary, in contact with any Responsible Officer of a Borrower regarding the business and operations of such Restricted Subsidiary on a regular basis.

"**Existing Credit Agreement**" has the meaning given such term in the Preliminary Statement.

"**Existing Crest Debt**" means the "Closing Date Funded Indebtedness" of Crest as defined in the Merger Agreement.

"**Facility**" and "**Facilities**" mean, individually or collectively as the context requires, the US Facility, the Term Loan Facility and the Canadian Facility.

"**FATCA**" means Section 1471 through 1474 of the Code or any amended or successor provisions of FATCA and any regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"**Federal Funds Rate**" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to the US Administrative Agent (in its individual capacity) on such day on such transactions as determined by the US Administrative Agent.

"**Federal Reserve Board**" means the Board of Governors of the Federal Reserve System or any of its successors.

"**Fee Letter**" means that certain engagement letter dated as of May 28, 2014, among the Company, Wells Fargo Securities, LLC and HSBC.

"**First Tier Foreign Subsidiary**" means any Foreign Subsidiary the Equity Interests of which are held directly by the US Borrower or a Domestic Subsidiary.

"**Foreign Credit Party**" means any Credit Party that is a Foreign Subsidiary of the Company.

"**Foreign Lender**" means, with respect to any Borrower, any Lender that is organized under the laws of a jurisdiction other than that in which such Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction and Canada and each province and territory thereof shall be deemed to constitute a single jurisdiction.

"**Foreign Restricted Subsidiary**" means any Restricted Subsidiary of a Borrower that is a Foreign Subsidiary.

"**Foreign Subsidiary**" means any Subsidiary of a Borrower that is not a United States person within the meaning of Section 7701(a)(30) of the Code.

"**Fronting Exposure**" means, at any time there is a Defaulting Lender or a Potential Defaulting Lender, (a) with respect to any Issuing Lender, such Defaulting Lender' s or Potential Defaulting Lender' s Applicable Percentage of the outstanding Letter of Credit Obligations with respect to Letters of Credit issued by such Issuing Lender other than Letter of Credit Obligations as to which such Defaulting Lender' s or Potential Defaulting Lender' s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swingline Lender, such Defaulting Lender' s or Potential Defaulting Lender' s Applicable Percentage of outstanding Swingline Advances made by the Swingline Lender other than Swingline Advances as to which such Defaulting Lender' s or Potential Defaulting Lender' s participation obligation has been reallocated to other Lenders.

"**Funded Debt**" means, as to the Company and its consolidated Restricted Subsidiaries, without duplication:

(a) all Debt of such Restricted Entity of the type described in clauses (a), (b), (c), (d) and (f) of the definition of "**Debt**" but excluding (i) any Debt permitted under Section 6.1(m) and (ii) outstanding Bankers' Acceptances which have been defeased in full with cash deposited with the Canadian Administrative Agent;

(b) all Debt of such Restricted Entity of the type described in clause (e) of the definition of "Debt" other than (i) trade accounts payable incurred in the ordinary course of business, and (ii) contingent obligations of such Restricted Entity to pay in cash the deferred purchase price of property to the extent, and only to the extent, (A) such obligations are contingent and (B) with respect to earn-out obligations, the amount of such earn-out obligations is not known and payable;

(c) all Debt of such Restricted Entity of the type described in clause (h) of the definition of "Debt";

(d) all Debt of such Restricted Entity of the type described in clause (i) of the definition of "Debt", but only to the extent such Debt is of the type included in clause (a) - (c) above;

(e) all Debt of such Restricted Entity of the type described in clause (j) of the definition of "Debt" but only in respect of Debt of any other Person (other than a Restricted Entity) of the type included in clauses (a) - (d) above; and

(f) all Debt of others of the type included in clauses (a) – (e) above secured by any Lien on or in respect of any Property of such Restricted Entity, but if recourse is only to such Property, then only to the extent of the lesser of the amount of the Debt secured thereby and the fair market value of the Property subject to such Lien.

"**GAAP**" means United States generally accepted accounting principles as in effect from time to time, applied on a basis consistent with the requirements of Section 1.3.

"**G&A Payments**" means cash payments to SCF for payment of (a) any Credit Party' s contractually allocable share of the accounting, legal and other general and administrative expenses incurred in the ordinary course of business by SCF as a result of the general and administrative functions performed on behalf of any Credit Party and (b) management fees.

"**Governmental Authority**" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"**Guaranties**" means, collectively, the US Guaranty and the Canadian Guaranty.

"**Guarantors**" means any Person that now or hereafter executes a Guaranty or a joinder or supplement to a Guaranty.

"**Hazardous Substance**" means any substance or material identified as hazardous or extremely hazardous pursuant to CERCLA and those regulated as hazardous or toxic under any other Environmental Law, including without limitation pollutants, contaminants, petroleum, petroleum products, radionuclides, and radioactive materials.

"**Hazardous Waste**" means any substance or material regulated or designated as a hazardous waste pursuant to any Environmental Law.

"**Hedging Arrangement**" means a hedge, call, swap, collar, floor, cap, option, forward sale or purchase or other contract or similar arrangement (including any obligations to purchase or sell any commodity or security at a future date for a specific price) which is entered into to reduce or eliminate or otherwise protect against the risk of fluctuations in prices or rates, including interest rates, foreign exchange rates, commodity prices and securities prices.

"**HSBC**" means HSBC Bank USA, N.A.

"**HSBC Canada**" means HSBC Bank Canada.

"**Increase Date**" means the effective date of a Commitment Increase as provided in Section 2.17.

"**Increasing Lender**" shall have the meaning assigned to such term in Section 2.17.

"**Indemnified Taxes**" means Taxes other than Excluded Taxes.

"**Indemnitees**" has the meaning specified in Section 9.1.

"**Interest Coverage Ratio**" means, as of each fiscal quarter end, the ratio of (a) EBITDA to (b) Interest Expense for the four quarter period then ended.

"**Interest Expense**" means, for any period and with respect to any Person, total cash interest expense net of gross interest income of the US Borrower and its Restricted Subsidiaries, letter of credit fees and other fees and expenses incurred by such Person in connection with any Debt for such period whether paid or accrued (including that attributable to obligations which have been or should be, in accordance with GAAP, recorded as Capital Leases; provided that, notwithstanding any changes in GAAP resulting from the implementation of lease accounting rules after the Effective Date, no lease payments shall be treated as "Interest Expense" to the extent that such lease payments would not have been treated as "Interest Expense" prior to such change in GAAP), including, without limitation, all commissions, discounts, and other fees and charges owed with respect to letters of credit and bankers' acceptance financing, fees owed with respect to the Secured Obligations, and net costs under Hedging Arrangements entered into addressing interest rates, all as determined in conformity with GAAP; provided that, no amounts of the Unrestricted Subsidiaries' Interest Expense (which, for the avoidance of doubt, any Borrower or any Restricted Subsidiary does not have liability to pay) shall be taken into account in calculating the US Borrower' s consolidated Interest Expense.

"**Interest Period**" means for each Eurocurrency Advance comprising part of the same Borrowing, the period commencing on the date of such Eurocurrency Advance is made or deemed made and ending on the last day of the period selected by the Applicable Borrower pursuant to the provisions below and Section 2.6, and thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Applicable Borrower pursuant to the provisions below and Section 2.6. The duration of each such Interest Period shall be one, three, or six months (or twelve months if agreed to by all the Lenders), in each case as the Applicable Borrower may select, provided that:

(a) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day;

(b) any Interest Period which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month in which it would have ended if there were a numerically corresponding day in such calendar month; and

(c) no Borrower may select any Interest Period for any Advance which ends after the Maturity Date.

"**Investment**" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, or a purchase or other acquisition of any Debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a

business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"**ISP**" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

"**Issuing Lender**" means the US Issuing Lender or the Canadian Issuing Lender.

"**ITA**" means the Income Tax Act (Canada), as amended, and any successor thereto, and any regulations promulgated thereunder.

"**Joint Lead Arrangers**" means HSBC and Wells Fargo Securities, LLC in their respective capacities as Joint Lead Arrangers and Joint Bookrunners.

"**Legal Requirement**" means any law, statute, ordinance, decree, requirement, order, judgment, rule, regulation (or official interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority, including, but not limited to, Regulations T, U, and X.

"**Lender Parties**" means the Lenders, the Issuing Lenders, the Swingline Lender and the Administrative Agents.

"**Lenders**" means the US Lenders, the Term Loan Lenders and the Canadian Lenders.

"**Lending Office**" means, as to any Lender, the office or offices of such Lender described as such in such Lender' s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Applicable Borrower and the Applicable Administrative Agent.

"**Letter of Credit**" means a US Letter of Credit or a Canadian Letter of Credit.

"**Letter of Credit Application**" means a US Letter of Credit Application or a Canadian Letter of Credit Application.

"**Letter of Credit Document**" means a US Letter of Credit Document or a Canadian Letter of Credit Document.

"**Letter of Credit Exposure**" means the US Letter of Credit Exposure or the Canadian Letter of Credit Exposure.

"**Letter of Credit Extension**" means a US Letter of Credit Extension or the Canadian Letter of Credit Extension.

"**Letter of Credit Obligations**" means the US Letter of Credit Obligations and the Canadian Letter of Credit Obligations.

"**Letter of Credit Termination Date**" means the 5th Business Day prior to the Maturity Date.

"**Leverage Ratio**" means, as of each fiscal quarter end, the ratio of (a) the Funded Debt as of the last day of such fiscal quarter to (b) EBITDA for the four quarter period then ended.

"**Lien**" means any mortgage, lien, pledge, charge, deed of trust, security interest, or encumbrance to secure or provide for the payment of any obligation of any Person, whether arising by contract, operation of law, or otherwise (including the interest of a vendor or lessor under any conditional sale agreement, Capital Lease, or other title retention agreement).

"**Liquid Investments**" means (a) readily marketable direct full faith and credit obligations of the United States of America or obligations unconditionally guaranteed by the full faith and credit of the United States of America; (b) commercial paper issued by (i) any Lender or any Affiliate of any Lender or (ii) any commercial banking institutions or corporations rated at least P-1 by Moody' s or A-1 by S&P; (c) certificates of deposit, time deposits, and bankers' acceptances issued by (i) any of the Lenders or (ii) any other commercial banking institution which is a member of the Federal Reserve System and has a combined capital and surplus and undivided profits of not less than $250,000,000.00 and rated Aa by Moody' s or AA by S&P; (d) repurchase agreements which are entered into with any of the Lenders or any major money center banks included in the commercial banking institutions described in clause (c) and which are secured by readily marketable direct full faith and credit obligations of the government of the United States of America or any agency thereof; (e) investments in any money market fund which holds investments substantially of the type described in the foregoing clauses (a) through (d); and (f) other investments made through either Administrative Agent or its Affiliates. All the Liquid Investments described in clauses (a) through (d) above shall have maturities of not more than 365 days from the date of issue.

"**Liquidity**" means, as of a date of determination, the sum of (a) Total Availability plus (b) readily and immediately available cash held in deposit accounts of any Credit Party in the United States or Canada (other than the Cash Collateral Accounts); provided that, such deposit accounts and the funds therein shall be unencumbered and free and clear of all Liens and other third party rights other than a Lien in favor of the Applicable Administrative Agent pursuant to Security Documents and the Liens described in 0(h).

"**Majority Lenders**" means, as of the date of determination (a) with respect to the Facilities as a whole and for purposes of declaring the Obligations due and payable pursuant to Section 7.2, and for all purposes after the Obligations become due and payable pursuant to Section 7.2 or Section 7.3 or all of the Commitments shall have expired or terminated, three (3) or more Lenders holding at least 51% of the aggregate Maximum Exposure Amount, and at any time when there are less than three (3) Lenders, all of the Lenders; (b) with respect to the US Facility, the US Majority Lenders; (c) with respect to the Term Loan Facility, the Term Loan Majority Lenders and (d) with respect to the Canadian Facility, the Canadian Majority Lenders; provided that, (i) in any event, if there are three (3) or more Lenders, the Maximum Exposure Amount of any Defaulting Lender shall be excluded for purposes of making a determination of Majority Lenders unless all Lenders are Defaulting Lenders, and (ii) for purposes of this definition, Letter of Credit Exposure which is not reallocated or Cash Collateralized in accordance with Section 2.18 shall be deemed to be held by the Lender that is the Applicable Issuing Lender.

"**Management**" means, Paul Butero, Ann Fox, Rich Woolston, John Schmitz, Wendell Brooks, Ricky Green, Rory Barbot, Christopher A. Payson, Kenneth D. Preston, A. Rick Saheb, David Crombie, Cody Joe Ortowski, Christopher Cole Ortowski and Buddy Wood.

"**Material Adverse Change**" means any event, development or circumstance that has had or would reasonably be expected to have a material adverse effect on (a) the business, operations, property or financial condition of the Company and its Restricted Subsidiaries, taken as a whole; or (b) the validity or enforceability of any Credit Document or any right or remedy of any Secured Party under any Credit Document.

"**Material Real Property**" means, as of any date of determination, any real property owned by the US Borrower or any Domestic Restricted Subsidiary that (a) has a net book value equal to or greater than 10% of the aggregate net book value of the US Borrower' s and the Domestic Restricted Subsidiaries' property, plant and equipment or (b) when taken together with all other real property owned by the US Borrower or any Domestic Restricted Subsidiary has an aggregate net book value equal to or greater than 10% of the aggregate net book value of the US Borrower' s and the Domestic Restricted Subsidiaries' property, plant and equipment.

"**Maturity Date**" means the earlier of (a) five (5) years from the Effective Date or (b) the earlier termination in whole of the Commitments pursuant to Section 2.1(d) or Article VII.

"**Maximum Exposure Amount**" means, at any time for each Lender, the sum of (a) the unfunded US Commitment and the Canadian Commitment held by such Lender at such time, if any, plus (b) the Total Outstandings held by such Lender at such time (with the aggregate amount of such Lender' s risk participation and funded participation in the Letter of Credit Obligations and Swingline Advances being deemed "held" by such Lender for purposes of this definition).

"**Maximum Rate**" means the maximum nonusurious interest rate under applicable Legal Requirements.

"**Moody' s**" means Moody' s Investors Service, Inc. and any successor thereto which is a nationally recognized statistical rating organization.

"**Multiemployer Plan**" means a "**multiemployer plan**" as defined in Section 4001(a)(3) of ERISA to which the Company or any member of the Controlled Group is making or accruing an obligation to make contributions.

"**Net Income**" means, for any period and with respect to any Person, the net income for such period for such Person after taxes as determined in accordance with GAAP, excluding, however, (a) extraordinary items, including (i) any net non-cash gain or loss during such period arising from the sale, exchange, retirement or other disposition of capital assets (such term to include all fixed assets and all securities) other than in the ordinary course of business, and (ii) any write-up or write-down of assets and (b) the cumulative effect of any change in GAAP. For the avoidance of doubt, in determining net income, gross interest income shall be applied to increase income or decrease interest expense but not both.

"**Non-Consenting Lender**" means any Lender who does not agree to a consent, waiver or amendment which (a) requires the agreement of all Lenders or all affected Lenders in accordance with the terms of 1.1 and (b) has been agreed by the Majority Lenders.

"**Non-Defaulting Lender**" means any Lender that is not then a Defaulting Lender or a Potential Defaulting Lender.

"**Nonordinary Course Asset Sales**" means, any sales, conveyances, or other transfers of Property made by any Restricted Entity (a) of any division of any Restricted Entity, (b) of an Equity Interest in any Restricted Subsidiary by a Borrower or any Restricted Subsidiary or (c) outside the ordinary course of business of any assets of any Restricted Entity, whether in a single transaction or related series of transactions.

"**Notes**" means the US Notes, the Term Loan Notes, the Canadian Notes, and the Swingline Note.

"**Notice**" shall have the meaning set forth in Section 9.9(b)(ii).

"**Notice of Borrowing**" means a notice of borrowing signed by the Applicable Borrower in substantially the same form as Exhibit E-1 or Exhibit E-2, as applicable, or such other form as shall be reasonably approved by the Applicable Administrative Agent.

"**Notice of Continuation or Conversion**" means a notice of continuation or conversion signed by the Applicable Borrower in substantially the same form as Exhibit F-1 or Exhibit F-2, as applicable.

"**Obligations**" means all principal, interest (including post-petition interest), fees, reimbursements, indemnifications, and other amounts now or hereafter owed by any of the Credit Parties to the Lenders, the Swingline Lenders, the Issuing Lenders, or the Administrative Agents under this Agreement and the Credit Documents, including the Letter of Credit Obligations and any increases, extensions, and rearrangements of those obligations under any amendments, supplements, and other modifications of the documents and agreements creating those obligations.

"**OFAC**" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"**Offering**" means a public offering and sale of Equity Interests in the Company.

"**Other Taxes**" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies imposed by any Governmental Authority arising from any payment made hereunder or under any other Credit Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Credit Document, except any such taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such tax (other than connections arising

from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document or sold or assigned an interest in any Note or Credit Document) that are imposed with respect to an assignment.

"**Overnight Rate**" means, for any day, (a) with respect to any amount denominated in Dollars, the Federal Funds Rate and (b) with respect to any amount denominated in Canadian Dollars, the rate of interest per annum at which overnight deposits in Canadian Dollars, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of the Applicable Administrative Agent in the applicable offshore interbank market for Canadian Dollars to major banks in such interbank market.

"**Participant**" has the meaning assigned to such term in Section 9.7.

"**Participant Register**" has the meaning assigned to such term in Section 9.7.

"**Patriot Act**" means the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"**PBGC**" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"**Permitted Acquisition**" means the Crest Acquisition or an Acquisition that is permitted under Section 6.3.

"**Permitted Debt**" has the meaning set forth in Section 6.1.

"**Permitted Investments**" has the meaning set forth in Section 6.2.

"**Permitted Liens**" has the meaning set forth in Section 6.2.

"**Person**" means any natural person, partnership, corporation (including a business trust), joint stock company, trust, limited liability company, unlimited liability company, limited liability partnership, unincorporated association, joint venture, or other entity, or Governmental Authority, or any trustee, receiver, custodian, or similar official.

"**Plan**" means an employee benefit plan (other than a Multiemployer Plan) maintained for employees of the Company or any member of the Controlled Group and covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code.

"**Platform**" shall have the meaning set forth in Section 9.9(b)(i).

"**Potential Defaulting Lender**" means, at any time, a Lender (a) as to which the Applicable Administrative Agent has notified the Applicable Borrower that an event of the kind referred to in clause (d) of the definition of "Defaulting Lender" has occurred in respect of any financial institution affiliate of such Lender, or (b) as to which the Applicable Administrative Agent or Applicable Issuing Lender has in good faith determined and notified the Company and,

in the case of any good faith determination and notification made by any Issuing Lender, the Applicable Administrative Agent, that such Lender or its direct or indirect parent company or a financial institution affiliate thereof has notified the Applicable Administrative Agent or such Issuing Lender, or has stated publicly, that it will not comply with its funding obligations under any other loan agreement or credit agreement or other similar financing agreement. Any determination that a Lender is a Potential Defaulting Lender under any of clauses (a) or (b) above will be made by the Applicable Administrative Agent or, in the case of clause (b), any Issuing Lender, in its sole discretion acting in good faith.

"**PPSA**" means the Personal Property Security Act (Alberta), as amended from time to time, and any other similar legislation of any Canadian province or territory.

"**Prime Rate**" means the per annum rate of interest established from time to time by HSBC or HSBC Canada, as applicable, as its prime rate for Dollar loans, which rate may not be the lowest rate of interest charged by such Lender to its customers.

"**Property**" of any Person means any property or assets (whether real, personal, or mixed, tangible or intangible) of such Person.

"**Ratification Agreements**" means those documents executed of even date herewith that ratify the security documents and guaranties executed in connection with the Existing Credit Agreement.

"**Registers**" has the meaning set forth in Section 9.7(b).

"**Regulations T, U, and X**" means Regulations T, U, and X of the Federal Reserve Board, as each is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"**Related Parties**" means, with respect to any Person, such Person' s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person' s Affiliates.

"**Release**" shall have the meaning set forth in CERCLA or under any other applicable Environmental Law.

"**Removal Effective Date**" has the meaning set forth in Section 8.6(b).

"**Reportable Event**" means any of the events set forth in Section 4043(c) of ERISA (other than any such event not subject to the provision for 30-day notice to the PBGC under the regulations issued under such section).

"**Resignation Effective Date**" has the meaning set forth in Section 8.6(a).

"**Response**" shall have the meaning set forth in CERCLA or under any other applicable Environmental Law.

"**Responsible Officer**" means (a) with respect to any Person that is a corporation, such Person' s chief executive officer, president, chief financial officer, chief operating officer, general counsel, director of finance, controller, or vice president, (b) with respect to any Person that is a limited liability company, if such Person has officers, then such Person' s chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president, and if such Person is managed by members, then a chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president of such Person' s managing member, and if such Person is managed by managers, then a manager (if such manager is an individual) or a chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president of such manager (if such manager is an entity), and (c) with respect to any Person that is a general partnership, limited partnership or a limited liability partnership, the chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president of such Person' s general partner or partners.

"**Restricted Entity**" means (a) each Borrower and (b) each Restricted Subsidiary.

"**Restricted Payment**" means, with respect to any Person, any direct or indirect dividend or distribution (whether in cash, securities or other Property) or any direct or indirect payment of any kind or character (whether in cash, securities or other Property) in consideration for or otherwise in connection with any retirement, purchase, redemption or other acquisition of any Equity Interest of such Person, or any options, warrants or rights to purchase or acquire any such Equity Interest of such Person; provided that the term "Restricted Payment" shall not include any dividend or distribution payable solely in Equity Interests of such Person or warrants, options or other rights to purchase such Equity Interests.

"**Restricted Subsidiary**" means (a) each Subsidiary of the Company on the Effective Date, including the Canadian Borrower, and (b) each other Subsidiary of the Company that is not an Unrestricted Subsidiary.

"**Same Day Funds**" means (a) with respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in Canadian Dollars, same day or other funds as may be determined by the Applicable Administrative Agent or Applicable Issuing Lender, as the case may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in Canadian Dollars.

"**Sanctioned Entity**" means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, (d) a Person resident in a country, in each case, that is subject to a country sanctions program administered and enforced by OFAC.

"**Sanctioned Person**" means a person named on the list of Specially Designated Nationals maintained by OFAC.

"**S&P**" means Standard & Poor' s Ratings Service, a division of The McGraw-Hill Companies, Inc., or any successor thereof which is a nationally recognized statistical rating organization.

"**SCF**" means, SCF-VII, L.P., a Delaware limited partnership.

"**Schedule I Bank**" means a bank that is a Canadian chartered bank listed on Schedule I under the Bank Act (Canada).

"**Schedule II Bank**" means a bank that is a Canadian chartered bank listed on Schedule II under the Bank Act (Canada).

"**Schedule II/III Reference Banks**" means HSBC Canada and such other Schedule II Banks and/or Schedule III Banks as are agreed to from time to time by the Canadian Borrower and the Canadian Administrative Agent; provided that there shall be no more than three Schedule II/III Reference Banks at any time.

"**Schedule III Bank**" means a bank that is a Canadian bank listed on Schedule III under the Bank Act (Canada).

"**SEC**" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"**Secured Obligations**" means (a) the Obligations, (b) the Banking Services Obligations owing by Credit Parties, and (c) obligations of any Credit Party owing to Swap Counterparties under any Hedging Arrangements, provided, to the extent that any Credit Party that is executing a Security Agreement or a Guaranty, other than a Borrower, as of the Effective Date or at any time thereafter when such Security Agreement or Guaranty is executed, does not qualify as an "eligible contract participant" (as such term is defined in the Commodity Exchange Act (7 U.S.C. § 1 et seq.) or any rule, regulation or order of the Commodity Futures Trading Commission or the application or official interpretation of any thereof), as in effect at the time that such Security Agreement or Guaranty becomes effective, the term "Secured Obligations", shall, with respect to such Security Agreement or Guaranty only, exclude the obligations described in this subsection (c).

"**Secured Parties**" means, collectively, the US Secured Parties and the Canadian Secured Parties.

"**Security Agreements**" means, collectively, the US Security Agreement and the Canadian Security Agreement.

"**Security Documents**" means the Security Agreements, including any supplements thereto, the Ratification Agreements and any and all other instruments, documents or agreements, now or hereafter executed by any Credit Party or any other Person to secure the Obligations.

"**Solvent**" means, as to any Person, on the date of any determination (a) the fair value of the Property of such Person is greater than the total amount of debts and other liabilities (including without limitation, contingent liabilities) of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts and other liabilities (including, without limitation, contingent liabilities) as they become absolute and matured, (c) such Person is able to realize upon its assets and pay its debts and other liabilities (including, without limitation, contingent liabilities) as they mature in the normal course of business, (d) such Person does not intend to,

and does not believe that it will, incur debts or liabilities (including, without limitation, contingent liabilities) beyond such Person' s ability to pay as such debts and liabilities mature, (e) such Person is not engaged in, and is not about to engage in, business or a transaction for which such Person' s Property would constitute unreasonably small capital, and (f) such Person has not transferred, concealed or removed any Property with intent to hinder, delay or defraud any creditor of such Person.

"**Subject Lender**" has the meaning set forth in Section 2.16.

"**Subsidiary**" means, with respect to any Person (the "holder") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the holder in the holder' s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity, a majority of whose outstanding Voting Securities shall at any time be owned by the holder or one more Subsidiaries of the holder. Unless expressly provided otherwise, all references herein and in any other Credit Document to any "Subsidiary" or "Subsidiaries" means a Subsidiary or Subsidiaries of the Company.

"**Swap Counterparty**" means a Lender or an Affiliate of a Lender that has entered into a Hedging Arrangement with a Credit Party.

"**Swingline Advance**" means an advance by a Swingline Lender to the US Borrower as part of a Swingline Borrowing.

"**Swingline Borrowing**" means the Borrowing consisting of a Swingline Advance made by the Swingline Lender pursuant to Section 2.4 or, if an AutoBorrow Agreement is in effect, any transfer of funds pursuant to such AutoBorrow Agreement.

"**Swingline Lender**" means Wells Fargo or any other Lender that agrees to act as a "Swingline Lender" hereunder at the request of US Borrower so long as either (a) such Lender is also then the US Administrative Agent or (b) such new Swingline Lender is appointed pursuant to Section 8.6(d).

"**Swingline Note**" means the promissory note made by the US Borrower payable to the Swingline Lender evidencing the indebtedness of the US Borrower to the Swingline Lender resulting from Swingline Advances made by the Swingline Lender in the form provided by the Swingline Lender and acceptable to the US Borrower.

"**Swingline Payment Date**" means (a) if an AutoBorrow Agreement is in effect, the earliest to occur of (i) the date required by such AutoBorrow Agreement, (ii) demand is made by the Swingline Lender and (iii) the Maturity Date, or (b) if an AutoBorrow Agreement is not in effect, the earlier to occur of (i) three (3) Business Days after demand is made by the Swingline Lender if no Default exists, and otherwise upon demand by the Swingline Lender and (ii) the Maturity Date.

"**Swingline Sublimit Amount**" means $25,000,000; provided that, (a) such Swingline Sublimit Amount may be adjusted as provided in Section 2.4(h) and (b) on and after the Maturity Date, the Swingline Sublimit Amount for all purposes shall be zero.

"**Tangible Net Assets**" means (a) the consolidated net book value of all assets of the US Borrower and its consolidated Restricted Subsidiaries minus (b) the consolidated net book value of all intangible assets of the US Borrower and its consolidated Restricted Subsidiaries.

"**Tax Group**" has the meaning set forth in Section 4.13.

"**Taxes**" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Term Loan Advance**" means an advance by a Lender to the US Borrower pursuant to Section 2.1(c).

"**Term Loan Borrowing**" means a borrowing consisting of simultaneous Term Loan Advances of the same Type made by the Term Loan Lenders pursuant to Section 2.1

"**Term Loan Commitment**" means for each Lender, the obligation of such Lender to advance to US Borrower the amount set forth opposite such Lender' s name on Schedule II as its Term Loan Commitment; provided that (a) immediately upon the funding of the Term Loan Advance on the Effective Date, the Term Loan Commitment for each Lender shall be zero, and (b) the aggregate amount of the Term Loan Commitments is $85,000,000.

"**Term Loan Facility**" means the Term Loan Commitments and the extensions of credit thereunder.

"**Term Loan Lender**" means a Lender having a Term Loan Commitment on the Effective Date and thereafter, each Lender holding a Term Loan Advance.

"**Term Loan Majority Lenders**" means (a) at any time when there are three (3) or more Term Loan Lenders, three or more Term Loan Lenders holding at least 51% of the sum of the Term Loan, and (b) at any time when there are one to two Term Loan Lenders, all Term Loan Lenders; provided that, in any event, if there are two or more Term Loan Lenders, the portion of the Term Loan Advances held or deemed held by any Defaulting Lender shall be excluded for purposes of making a determination of Term Loan Majority Lenders unless all Term Loan Lenders are Defaulting Lenders.

"**Term Loan Note**" means a promissory note of the US Borrower payable to a Term Loan Lender in the amount of such Lender' s Term Loan Commitment, in the form provided by the US Administrative Agent and acceptable to the US Borrower.

"**Term Loan Outstandings**" means, as of the date of determination, the aggregate outstanding amount of all Term Loan Advances.

"**Termination Event**" means (a) a Reportable Event with respect to a Plan, (b) the withdrawal of the Company or any member of the Controlled Group from a Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA, (c) the filing of a notice of intent to terminate a Plan or the treatment of a Plan amendment as a termination under Section 4041(c) of ERISA, (d) the institution of proceedings to terminate a Plan by the PBGC, or (e) any other event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan.

"**Total Availability**" means an amount equal to (a) the aggregate Commitments in effect at such time minus (b) the aggregate US Outstandings and Canadian Outstandings.

"**Total Outstandings**" means the aggregate US Outstandings, Term Loan Outstandings and Canadian Outstandings.

"**Transactions**" means, collectively, (a) the initial borrowings and other extensions of credit under this Agreement, (b) the Crest Acquisition, (c) the modification and extension of existing debt under the Existing Credit Agreement and the refinancing of Existing Crest Debt and (d) the payment of fees, commissions and expenses in connection with each of the foregoing.

"**Type**" has the meaning set forth in Section 1.4.

"**UCC**" means the Uniform Commercial Code as in effect in the State of New York from time to time.

"**US Borrower**" has the meaning set forth in the preamble to this Agreement.

"**Unfunded Advances**" has the meaning set forth in Section 2.14(a).

"**United States**" means the United States of America.

"**Unrestricted Subsidiaries**" means any Subsidiary of the Company that has been designated as an Unrestricted Subsidiary in compliance with Section 5.7.

"**US Administrative Agent**" means HSBC in its capacity as agent for the Lenders pursuant to and any successor agent pursuant to Section 8.5.

"**US Advance**" means an advance by a US Lender to the US Borrower as a part of a Borrowing pursuant to Section 2.1(a) and refers to either a US Base Rate Advance or a Eurocurrency Advance.

"**US Availability**" means an amount equal to (a) the aggregate US Commitments in effect at such time minus (b) the US Outstandings.

"**US Base Rate Advance**" means a US Advance or a Term Loan Advance, each in Dollars, that bears interest as provided in Section 2.10(a).

"**US Borrowing**" means a borrowing consisting of simultaneous US Advances or Term Loan Advances of the same Type made by the US Lenders pursuant to Section 2.1(a) or Term Loan Lenders pursuant to Section 2.1(c) or Converted by each US Lender or Term Loan Lender to US Advances or Term Loan Advances of a different Type pursuant to Section 2.6(b).

"**US Cash Collateral Account**" means a special cash collateral account pledged to the US Administrative Agent containing cash deposited pursuant to the terms hereof to be maintained with the US Administrative Agent in accordance with the terms hereof.

"**US Collateral**" means all "**Collateral**" (as defined in the US Security Agreement) or similar terms used in the US Security Documents. The US Collateral shall not include any Excluded Properties (US).

"**US Commitment**" means, for each Lender, the obligation of such Lender to advance to US Borrower the amount set opposite such Lender' s name on Schedule II as its US Commitment, or if such Lender has entered into any Assignment and Assumption, set forth for such Lender as its US Commitment in the applicable Register, as such amount may be reduced pursuant to Section 2.1 or increased pursuant to Section 2.17; provided that, after the Maturity Date, the US Commitment for each Lender shall be zero.

"**US Commitment Fee**" means the fees required under Section 2.9(a).

"**US Credit Parties**" means the US Borrower and the US Guarantors.

"**US Facility**" means, collectively, (a) the revolving credit facility described in Section 2.1(a), (b) the Swingline subfacility provided by the Swingline Lender described in Section 2.4 and (c) the letter of credit subfacility provided by the US Issuing Lender described in Section 2.3.

"**US Guarantor**" means any Person that now or hereafter executes a US Guaranty, including (a) the US Borrower, (b) the Wholly-Owned Domestic Restricted Subsidiaries of the Company listed on Schedule 4.11; and (c) each Wholly-Owned Domestic Restricted Subsidiary of the Company that becomes a guarantor of all or a portion of the Secured Obligations and which has entered into either a joinder agreement substantially in the form attached to the Guaranty or a new Guaranty.

"**US Guaranty**" means the Guaranty Agreement, dated February 28, 2013, among the US Guarantors and the US Administrative Agent for the benefit of the Secured Parties.

"**US Issuing Lender**" means HSBC, in its capacity as the US Lender that issues US Letters of Credit pursuant to the terms of this Agreement.

"**US Lender**" means a Lender having a US Commitment or if such US Commitments have been terminated, a Lender that is owed US Advances.

"**US Letter of Credit**" means any standby or commercial letter of credit issued by the US Issuing Lender for the account of the US Borrower or any US Guarantor in Dollars or Canadian Dollars pursuant to the terms of this Agreement, in such form as may be agreed by the US Borrower, such US Guarantor and the US Issuing Lender.

"**US Letter of Credit Application**" means the US Issuing Lender' s standard form letter of credit application for standby or commercial letters of credit which has been executed by the US Borrower, the applicable US Guarantor and accepted by the US Issuing Lender in connection with the issuance of a US Letter of Credit.

"**US Letter of Credit Documents**" means all US Letters of Credit, US Letter of Credit Applications and amendments thereof, and agreements, documents, and instruments entered into in connection therewith or relating thereto.

"**US Letter of Credit Exposure**" means, at the date of its determination by the US Administrative Agent, the aggregate Dollar or Dollar Equivalent outstanding undrawn amount of US Letters of Credit plus the aggregate unpaid amount of all of the US Borrower' s payment obligations under drawn US Letters of Credit.

"**US Letter of Credit Extension**" means, with respect to any US Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"**US Letter of Credit Maximum Amount**" means $50,000,000, or the Dollar Equivalent thereof; provided that, on and after the Maturity Date, the US Letter of Credit Maximum Amount shall be zero.

"**US Letter of Credit Obligations**" means any obligations of the US Borrower under this Agreement in connection with the US Letters of Credit.

"**US Majority Lenders**" means (a) at any time when there are three (3) or more US Lenders, three or more US Lenders holding at least 51% of the sum of the unutilized US Commitments plus the US Outstandings (with the aggregate amount of each US Lender' s risk participation and funded participation in the US Letter of Credit Obligations and Swingline Advances being deemed "held" by such US Lender for purposes of this definition), and (b) at any time when there are one to two US Lenders, all US Lenders; provided that, (i) in any event, if there are two or more US Lenders, the US Commitment of, and the portion of the Advances and Letter of Credit Exposure held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of US Majority Lenders unless all US Lenders are Defaulting Lenders, and (ii) for purposes of this definition, Fronting Exposure as to Letters of Credit or Swingline Advances which has not been reallocated or Cash Collateralized in accordance with Section 2.18 shall be deemed to be held by the Lender that is the US Issuing Lender in the case of the Letters of Credit and by the Lender that is the Swingline Lender in the case of Swingline Advances.

"**US Note**" means a promissory note of the US Borrower payable to a US Lender in the amount of such Lender' s US Commitment, in the form provided by the US Administrative Agent and acceptable to the US Borrower.

"**US Outstandings**" means, as of any date of determination, the sum of (a) the aggregate outstanding amount of all US Advances plus (b) the US Letter of Credit Exposure plus (c) the aggregate outstanding amount of all Swingline Advances.

"**US Register**" has the meaning set forth in Section 9.7(b).

"**US Secured Parties**" means the Lender Parties, the Banking Services Providers who are owed Banking Services Obligations and Swap Counterparties who are owed any Obligations.

"**US Security Agreement**" means the Pledge and Security Agreement, dated February 28, 2013, among the US Borrower, the Domestic Subsidiaries party thereto and the US Administrative Agent for the benefit of the Secured Parties.

"**US Security Documents**" means the US Security Agreement, and each other Security Document to which the US Borrower or any Domestic Subsidiary is a party and that purports to grant a Lien in the assets of any such Person in favor of the US Administrative Agent for the benefit of the Secured Parties.

"**Voting Securities**" means (a) with respect to any corporation (including any unlimited liability company), capital stock of such corporation having general voting power under ordinary circumstances to elect directors of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have special voting power or rights by reason of the happening of any contingency), (b) with respect to any partnership, any partnership interest or other ownership interest having general voting power to elect the general partner or other management of the partnership or other Person, and (c) with respect to any limited liability company, membership certificates or interests having general voting power under ordinary circumstances to elect managers of such limited liability company.

"**Wells Fargo**" means Wells Fargo Bank, National Association.

"**Wholly-Owned**" means, as used in reference to a Restricted Subsidiary, any Restricted Subsidiary whose Equity Interest is owned 100%, either directly or indirectly, by the Company.

Section 1.2 Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

Section 1.3 Accounting Terms; Changes in GAAP.

(a) All accounting terms not specifically defined in this Agreement shall be construed in accordance with GAAP applied on a consistent basis with those applied in the preparation of the audited financial statements delivered to the US Administrative Agent for the fiscal year ended December 31, 2013 pursuant to Section 3.1(j), except as provided in Section 6.6.

(b) Unless otherwise indicated, all financial statements of the Company, all calculations for compliance with covenants in this Agreement, all determinations of the Applicable Margin, and all calculations of any amounts to be calculated under the definitions in

Section 1.1 shall be based upon the consolidated accounts of the Company and its Restricted Subsidiaries in accordance with GAAP and consistent with the principles of consolidation applied in preparing the Company financial statements referred to in Section 4.4. For the avoidance of doubt, references in this Agreement or in any other Credit Document to a Person' s consolidated financial statements, financial position, financial condition, liabilities, etc. refer to the consolidated financial statements, financial position, financial condition, liabilities, etc. of such Person and its properly consolidated Subsidiaries (or subset thereof if expressly provided herein) which eliminate offsetting intercompany transactions.

(c) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Credit Document, and either the Company or the Majority Lenders shall so request, the Administrative Agents, the Lenders and the Company shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Company and the Majority Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Company shall provide to the Administrative Agents and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

Section 1.4 Classes and Types of Advances. Advances are distinguished by "Class" and "Type". The "Class", when used in reference to any Advance or Borrowing, refers to whether such Advance, or the Advances comprising such Borrowing, are Canadian Advances, US Advances, Term Loan Advances or Swingline Advances. The "Type", when used in respect of any Advance or Borrowing, refers to the Rate (as defined below) by reference to which interest on such Advances or on the Advances comprising such Borrowing is determined. For purposes hereof, the term "Rate" shall include the Eurocurrency Rate, the Adjusted Base Rate, the Canadian Prime Rate, and the Discount Rate applicable to Bankers' Acceptances and B/A Equivalent Advances.

Section 1.5 Other Interpretive Provisions. Article, Section, Schedule, and Exhibit references are to this Agreement, unless otherwise specified. All references to instruments, documents, contracts, and agreements (including this Agreement) are references to such instruments, documents, contracts, and agreements as the same may be amended, supplemented, and otherwise modified from time to time, unless otherwise specified and shall include all schedules and exhibits thereto unless otherwise specified. Any reference herein to any law shall be construed as referring to such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time. Any reference herein to any Person shall be construed to include such Person' s successors and assigns (subject to the restrictions contained herein). The words "hereof", "herein", and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The term "including" means "including, without limitation,". Paragraph headings

have been inserted in this Agreement as a matter of convenience for reference only and it is agreed that such paragraph headings are not a part of this Agreement and shall not be used in the interpretation of any provision of this Agreement:

Section 1.6 Exchange Rates; Currency Equivalents.

(a) On each Computation Date, the US Administrative Agent shall determine the Exchange Rate as of such Computation Date and deliver to the Canadian Administrative Agent in writing the Canadian Dollar Equivalent amount of such determination on or prior to such Computation Date. The Exchange Rate so determined shall become effective on the first Business Day after such Computation Date and shall remain effective through the next succeeding Computation Date. Except for purposes of financial statements delivered by Credit Parties hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Credit Documents shall be such Dollar Equivalent amount as so determined by the Applicable Administrative Agent or the US Issuing Lender or Canadian Issuing Lender, as applicable.

(b) Wherever in this Agreement in connection with a Borrowing, Conversion, continuation or prepayment of a Eurocurrency Advance or the issuance, amendment or extension of a Letter of Credit, an amount (such as a required minimum or multiple amount) is expressed in Dollars, but such Borrowing, Eurocurrency Advance or Letter of Credit is denominated in Canadian Dollars, such amount shall be the Canadian Dollar Equivalent of such Dollar amount (rounded to the nearest Canadian cent, with 0.5 of Canadian cent being rounded upward), as determined by the Applicable Administrative Agent or Issuing Lender, as the case may be.

Section 1.7 Agreed Currencies. If, after the date hereof, (a) currency control or other exchange regulations are imposed by Canada with the result that different types of Canadian Dollars are introduced, (b) Canadian Dollars, in the reasonable determination of the US Administrative Agent, no longer qualifies as an "Eligible Currency" or (c) in the reasonable determination of the US Administrative Agent, a Dollar Equivalent or the Canadian Dollar Equivalent, as applicable, of such currency is not readily calculable, then the US Administrative Agent shall promptly notify the US Lenders and the Company, and no Credit Extensions may be made under the US Facility in Canadian Dollars until such time as the US Administrative Agent and the US Lenders, as provided herein, agree to reinstate Canadian Dollars as an Agreed Currency.

Section 1.8 Change of Currency. Each provision of this Agreement also shall be subject to such reasonable changes of construction as the US Administrative Agent may from time to time specify to be appropriate to reflect a change in currency of any other country other than the United States and any relevant market conventions or practices relating to the change in currency.

Section 1.9 Several Obligations of Borrowers. Subject to the US Borrower' s guaranty obligations under the Canadian Guaranty, which shall be joint and several, the other obligations of the Borrowers to pay the principal of, interest on, and fees associated with each Credit Extension are several and not joint, and the Canadian Borrower and the other Foreign Subsidiaries shall not be liable for the payment obligations of the US Borrower hereunder.

ARTICLE II
CREDIT FACILITIES

Section 2.1 Commitments.

(a) US Commitment. Each US Lender severally agrees, on the terms and conditions set forth in this Agreement, to make US Advances to the US Borrower from time to time on any Business Day during the period from the Effective Date until the Business Day immediately preceding the Maturity Date; provided that, after giving effect to such US Advances, the US Outstandings shall not exceed the aggregate US Commitments. Each US Borrowing shall (i) if comprised of US Base Rate Advances be in an aggregate amount not less than $500,000 and in integral multiples of $100,000 in excess thereof, (ii) if comprised of Eurocurrency Advances be in an aggregate amount not less than $1,000,000 and in integral multiples of $500,000 in excess thereof, and (iii) consist of US Advances of the same Type made on the same day by the US Lenders ratably according to their respective US Commitments. Within the limits of each Lender' s US Commitment, the US Borrower may from time to time borrow, prepay pursuant to Section 2.7, and reborrow under this (a).

(b) Canadian Commitment. Each Canadian Lender severally agrees, on the terms and conditions set forth in this Agreement, to make Canadian Advances to the Canadian Borrower from time to time on any Business Day during the period from the Effective Date until the Business Day immediately preceding the Maturity Date; provided that after giving effect to such Canadian Advances, the Canadian Outstandings shall not exceed the aggregate Canadian Commitments in effect at such time. Within the limits of each Canadian Lender' s Canadian Commitment, the Canadian Borrower may from time to time borrow, prepay pursuant to Section 2.7, and reborrow under this (b).

(c) Term Loan Commitments. Each Term Loan Lender severally agrees, on the terms and conditions set forth in this Agreement, to make a single Term Loan Advance to US Borrower on or about the Effective Date in a principal amount equal to such Lender' s Term Loan Commitment. Immediately upon the making of a Term Loan Advance by any Lender having a Term Loan Commitment, such Lender' s Term Loan Commitment will be permanently reduced to zero. Term Loan Advances that are repaid or prepaid by US Borrower may not be reborrowed.

(d) Change in Commitments.

(i) US Commitments. The US Borrower shall have the right, upon at least three Business Days' notice to the US Administrative Agent, to terminate in whole or reduce ratably in part the unused portion of the US Commitments; provided that each partial reduction shall be in the aggregate amount of $1,000,000 and in integral multiples of $1,000,000 in excess thereof. Any reduction or termination of the US Commitments pursuant to this Section shall be permanent, with no obligation of the US Lenders to reinstate such US Commitments, and the Commitment Fees shall thereafter be computed on the basis of the US Commitments, as so reduced.

(ii) Canadian Commitments. The Canadian Borrower shall have the right, upon at least three Business Days' notice to the Canadian Administrative Agent, to terminate in whole or reduce ratably in part the unused portion of the Canadian Commitments; provided that each partial reduction shall be in the aggregate amount of $500,000 and in integral multiples of $100,000 in excess thereof. Any reduction or termination of the Canadian Commitments pursuant to this Section shall be permanent, with no obligation of the Canadian Lenders to reinstate such Canadian Commitments, and the Commitment Fees shall thereafter be computed on the basis of the Canadian Commitments, as so reduced.

(iii) Defaulting Lender. At any time when a Lender is then a Defaulting Lender, the Applicable Borrower, at such Borrower' s election, may elect to terminate such Defaulting Lender' s Commitment hereunder; provided that (A) such termination must be of all of the Defaulting Lender' s Commitments, (B) the Applicable Borrower shall pay all amounts owed by the Applicable Borrower to such Defaulting Lender in such Lender' s capacity as a Lender under this Agreement and under the other Credit Documents (including principal of and interest on the Advances owed to such Defaulting Lender, accrued Commitment Fees (subject to Section 2.18(a)(iii)), and letter of credit fees (subject to Section 2.18(a)(iii) but specifically excluding any amounts owing under Section 2.12 as result of such payment of such Advances) and shall deposit with the Applicable Administrative Agent into the Cash Collateral Account cash collateral in the amount equal to such Defaulting Lender' s ratable share of the Dollar Equivalent of the Letter of Credit Exposure (including any such portion thereof that has been reallocated pursuant to Section 2.18), (C) a Defaulting Lender' s Commitments may be terminated by the Applicable Borrower under this Section 2.1(d) if and only if at such time, such Borrower has elected, or is then electing, to terminate the Commitments of all then existing Defaulting Lenders, and (D) no Default has occurred and is continuing at the time of such election and termination. Upon written notice to the Defaulting Lender and Applicable Administrative Agent of the Applicable Borrower' s election to terminate a Defaulting Lender' s Commitments pursuant to this clause (iii) and the payment and deposit of amounts required to be made by the Applicable Borrower under clause (B) and (C) above, (1) such Defaulting Lender shall cease to be a "Lender" hereunder for all purposes except that such Lender' s rights and obligations as a Lender under Section 2.11, Section 2.13, Section 2.15, Section 8.3 and Section 9.1 shall continue with respect to events and occurrences occurring before or concurrently with its ceasing to be a "Lender" hereunder, (2) such Defaulting Lender' s Commitments shall be deemed terminated, and (3) such Defaulting Lender shall be relieved of its obligations hereunder as a "Lender" except as to its obligations under Section 8.3 and Section 9.1 and any other obligations that expressly survive, which obligations shall continue with respect to events and occurrences occurring before or concurrently with its ceasing to be a "Lender" hereunder, provided that, any such termination will not be deemed to be a waiver or release of any claim by the Borrowers, the Administrative Agents, the Swingline Lender, Issuing Lenders or any Lender may have against such Defaulting Lender.

(iv) All notices for a complete termination under clauses (i)-(iii) above delivered by the Applicable Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by such Applicable Borrower (by notice to the both Administrative Agents on or prior to the specified effective date) if such condition is not satisfied.

Section 2.2 Evidence of Indebtedness. The Advances made by each Lender, and the Swingline Advances made by the Swingline Lender, shall be evidenced by one or more accounts or records maintained by such Lender or the Swingline Lender and by the Applicable Administrative Agent in the ordinary course of business. The accounts or records maintained by the Applicable Administrative Agent, the Swingline Lender and the Lenders shall be conclusive absent manifest error of the amount of the Advances made by such Lenders and Swingline Lender to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Applicable Administrative Agent in respect of such matters, the accounts and records of the Applicable Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender to the Borrowers made through the Applicable Administrative Agent, the Borrowers shall execute and deliver to such Lender (through the Applicable Administrative Agent) the applicable Notes which shall evidence such Lender' s Advances to the Applicable Borrower in addition to such accounts or records. Upon the request of the Swingline Lender to the US Borrower, the US Borrower shall execute and deliver to the Swingline Lender a Swingline Note which shall evidence the applicable Swingline Advances to the US Borrower in addition to such accounts or records. Each Lender and the Swingline Lender may attach schedules to such Notes and endorse thereon the date, Type (if applicable), amount, and maturity of its Advances and payments with respect thereto. In addition to the accounts and records referred to in the immediately preceding sentences, each Lender, each Issuing Lender and each Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit. In the event of any conflict between the accounts and records maintained by the Applicable Administrative Agent and the accounts and records of any Lender (other than the respective Issuing Lenders) in respect of such matters, the accounts and records of the Applicable Administrative Agent shall control in the absence of manifest error. In the event of any conflict among the accounts and records maintained by the Applicable Administrative Agent, the accounts and records maintained by an Issuing Lender as to Letters of Credit issued by it, and the accounts and records of any other Lender in respect of such matters, the accounts and records of such Issuing Lender shall control in the absence of manifest error.

Section 2.3 Letters of Credit.

(a) Commitment for Letters of Credit. Subject to the terms and conditions set forth in this Agreement and in reliance upon the agreements of the other Lenders set forth in this Section, (x) the US Issuing Lender agrees to, from time to time on any Business Day during the period from the Effective Date until the Business Day immediately preceding the Maturity Date, issue, increase or extend the expiration date of US Letters of Credit denominated in Dollars or Canadian Dollars for the account of the US Borrower or a US Guarantor; and (y) the Canadian Issuing Lender agrees to, from time to time on any Business Day during the period from the Effective Date until the Business Day immediately preceding the Maturity Date, issue, increase or extend the expiration date of Canadian Letters of Credit denominated in Canadian Dollars for

the account of the Canadian Borrower or a Guarantor; provided that, in any event, no Letter of Credit will be issued, increased, or extended:

(i) if such issuance, increase, or extension would cause the Dollar Equivalent of the US Letter of Credit Exposure to exceed the lesser of (A) the US Letter of Credit Maximum Amount and (B) an amount equal to (1) the aggregate US Commitments in effect at such time minus (2) the aggregate outstanding amount of US Advances minus (3) the aggregate outstanding amount of Swingline Advances;

(ii) if such issuance, increase, or extension would cause the Dollar Equivalent of the Canadian Letter of Credit Exposure to exceed the lesser of (A) the Dollar Equivalent of the Canadian Letter of Credit Maximum Amount and (B) an amount equal to (1) the aggregate Canadian Commitments in effect at such time minus (2) the Dollar Equivalent of the aggregate outstanding Canadian Advances;

(iii) unless such Letter of Credit has an expiration date not later than the earlier of (A) one year after the issuance or extension and (B) the Letter of Credit Termination Date; provided that, (1) if Commitments are terminated in whole pursuant to Section 2.1(d), the Applicable Borrower shall either (A) deposit into the applicable Cash Collateral Account cash in an amount equal to 103% of the Dollar Equivalent of the applicable Letter of Credit Exposure for the Letters of Credit which have an expiry date beyond such termination date or (B) provide a replacement letter of credit (or other security) reasonably acceptable to the Applicable Administrative Agent and the Applicable Issuing Lender in an amount equal to 103% of the Dollar Equivalent of such Letter of Credit Exposure and (2) any such Letter of Credit with a one-year tenor (or shorter tenor) may expressly provide for an automatic extension of additional periods up to one additional year so long as such Letter of Credit expressly allows the Applicable Issuing Lender, at its sole discretion, to elect not to provide such extension; provided that, in any event, such automatic extension may not result in an expiration date that occurs after the Letter of Credit Termination Date;

(iv) unless such Letter of Credit is (A) a standby letter of credit, or (B) with the consent of the Applicable Issuing Lender, a commercial letter of credit;

(v) unless such Letter of Credit is in form and substance acceptable to the Applicable Issuing Lender in its sole discretion;

(vi) unless the Applicable Borrower has delivered to the Applicable Issuing Lender a completed and executed Letter of Credit Application; provided that, if the terms of any Letter of Credit Application conflicts with the terms of this Agreement, the terms of this Agreement shall control;

(vii) unless such Letter of Credit is governed by (A) the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600, or (B) the ISP, in either case, including any subsequent revisions thereof approved by a Congress of the International Chamber of Commerce;

(viii) if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Applicable Issuing Lender from issuing, increasing or extending such Letter of Credit, or any Legal Requirement applicable to the Applicable Issuing Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Applicable Issuing Lender shall prohibit, or request that such Issuing Lender refrain from, the issuance, increase or extension of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuing Lender with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Lender is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon such Issuing Lender any unreimbursed loss, cost or expense which was not applicable on the Effective Date and which such Issuing Lender in good faith deems material to it;

(ix) if the issuance, increase or extension of such Letter of Credit would violate one or more policies of such Issuing Lender that are generally applicable to letters of credit;

(x) if such Letter of Credit supports the obligations of any Person in respect of (A) a lease of real property, or (B) an employment contract if the Applicable Issuing Lender reasonably determines that the Applicable Borrower' s obligation to reimburse any draws under such Letter of Credit may be limited; or

(xi) any Lender is at such time a Defaulting Lender or a Potential Defaulting Lender hereunder, unless the Applicable Issuing Lender has entered into satisfactory arrangements with the Applicable Borrower or such Lender to eliminate such Issuing Lender' s Fronting Exposure with respect to such Lender.

(b) Requesting Letters of Credit. Each Letter of Credit Extension shall be made pursuant to a Letter of Credit Application, or if applicable, amendments to such Letter of Credit Applications, given by the Applicable Borrower to the Applicable Administrative Agent for the benefit of the Applicable Issuing Lender by telecopy or in writing not later than (i) 12:00 noon (New York City time) on the third Business Day before the proposed date of the US Letter of Credit Extension and (ii) 12:00 noon (Calgary, Alberta, Canada, time) on the third Business Day before the proposed date of the Canadian Letter of Credit Extension. Each Letter of Credit Application, or if applicable, amendments to the Letter of Credit Applications, shall be fully completed and shall specify the information required therein. Each Letter of Credit Application, or if applicable, amendments to the Letter of Credit Applications, shall be irrevocable and binding on the Applicable Borrower.

(c) Reimbursements for Letters of Credit; Funding of Participations.

(i) In accordance with the related Letter of Credit Application, the US Borrower with respect to a US Letter of Credit, and the Canadian Borrower with respect to Canadian Letters of Credit, agrees to pay on demand to the Applicable Administrative Agent on behalf of the Applicable Issuing Lender an amount equal to any amount paid by such Applicable Issuing Lender under such Letter of Credit. Upon the Applicable Issuing

Lender' s demand for payment under the terms of a Letter of Credit Application, the Applicable Borrower may request that such Borrower' s obligations to the Applicable Issuing Lender thereunder be satisfied with the proceeds of (A) a US Base Rate Advance under the US Facility in the same amount with respect to any US Letter of Credit, and (B) a Canadian Prime Rate Advance in the same amount with respect to any Canadian Letter of Credit, in each case, notwithstanding any minimum size or increment limitations on individual Advances. If the Applicable Borrower does not make such request and does not otherwise make the payments demanded by the Applicable Issuing Lender as required under this Agreement or the applicable Letter of Credit Application, then upon such notice by the Applicable Issuing Lender to the Applicable Administrative Agent (which notice is not required when such Issuing Lender and such Administrative Agent are the same Person), the Applicable Borrower shall be deemed for all purposes of this Agreement to have requested such US Advance, or such Canadian Advance, as the case may be, in the same amount and the transfer of the proceeds thereof to satisfy such Borrower' s obligations to the Applicable Issuing Lender. If such Applicable Borrower is the US Borrower, the US Borrower hereby unconditionally and irrevocably authorizes, empowers, and directs the US Lenders to make such US Base Rate Advances, to transfer the proceeds thereof to the US Issuing Lender in satisfaction of such obligations, and to record and otherwise treat such payments as a US Base Rate Advance under the US Facility to the US Borrower. If such Applicable Borrower is the Canadian Borrower, the Canadian Borrower hereby unconditionally and irrevocably authorizes, empowers, and directs the Canadian Lenders to make such Canadian Prime Rate Advances, to transfer the proceeds thereof to Canadian Issuing Lender in satisfaction of such obligations, and to record and otherwise treat such payments as a Canadian Prime Rate Advance to the Canadian Borrower. The Applicable Administrative Agent and each Applicable Lender may record and otherwise treat the making of such Borrowings as the making of (1) a US Borrowing to the US Borrower under this Agreement as if requested by the US Borrower with respect to US Letter of Credit Obligations or (2) a Canadian Borrowing to the Canadian Borrower under this Agreement as if requested by the Canadian Borrower with respect to Canadian Letter of Credit Obligations. Nothing herein is intended to release any Borrower' s obligations under any Letter of Credit Application, but only to provide an additional method of payment therefor. The making of any Borrowing under this Section 2.3(c) shall not constitute a cure or waiver of any Default or Event of Default, other than the payment Default or Event of Default which is satisfied by the application of the amounts deemed advanced hereunder, caused by a Borrower' s failure to comply with the provisions of this Agreement or the applicable Letter of Credit Application.

(ii) Each US Lender and each Canadian Lender (including each Lender acting as an Issuing Lender) shall, upon notice from the Applicable Administrative Agent that the Applicable Borrower has requested or is deemed to have requested an Advance pursuant to Section 2.6 and regardless of whether (A) the conditions in Section 3.2 have been met, (B) such notice complies with Section 2.6, or (C) a Default exists, make funds available to the Applicable Administrative Agent for the account of the Applicable Issuing Lender in an amount equal to such Lender' s Applicable Percentage of the amount of such Advance not later than 1:00 p.m. (New York City time or Calgary, Alberta, Canada, time, as applicable) on the Business Day specified in such notice by the Applicable Administrative Agent, whereupon (i) each US Lender that so

makes funds available shall be deemed to have made a US Base Rate Advance under the US Facility to the US Borrower in such amount, and (ii) each Canadian Lender that so makes funds available shall be deemed to have made a Canadian Prime Rate Advance to the Canadian Borrower in such amount. The Applicable Administrative Agent shall remit the funds so received to the Applicable Issuing Lender.

(iii) If any such Lender shall not have so made such Advance available to the Applicable Administrative Agent pursuant to this Section 2.3, such Lender agrees to pay interest thereon for each day from such date until the date such amount is paid at the lesser of (A) the Overnight Rate for such day for the first three days and thereafter the interest rate applicable to such US Base Rate Advances, or if applicable, the Canadian Prime Rate Advances and (B) the Maximum Rate. Whenever, at any time after the Applicable Administrative Agent has received from any Lender such Lender' s Advance, the Applicable Administrative Agent receives any payment on account thereof, the Applicable Administrative Agent will pay to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender' s Advance was outstanding and funded), which payment shall be subject to repayment by such Lender if such payment received by the Applicable Administrative Agent is required to be returned. Each Lender' s obligation to make the Advances pursuant to this Section 2.3 shall be absolute and unconditional and shall not be affected by any circumstance, including (1) any set-off, counterclaim, recoupment, defense or other right which such Lender or any other Person may have against any Issuing Lender, either Administrative Agent or any other Person for any reason whatsoever; (2) the occurrence or continuance of a Default or the termination of the Commitments; (3) any breach of this Agreement by a Borrower or any other Lender; or (4) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(iv) If at any time, the US Commitments shall have expired or been terminated while any US Letter of Credit Exposure is outstanding, then each US Lender, at the sole option of the US Issuing Lender, shall fund its participation in such US Letters of Credit in an amount equal to such Lender' s Applicable Percentage of the unpaid amount of the US Borrower' s payment obligations under drawn US Letters of Credit. If at any time, the Canadian Commitments shall have expired or been terminated while any Canadian Letter of Credit Exposure is outstanding, then each Canadian Lender, at the sole option of the Canadian Issuing Lender, shall fund its participation in such Letters of Credit in an amount equal to such Lender' s Applicable Percentage of the unpaid amount of the Canadian Borrower' s payment obligations under drawn Canadian Letters of Credit. The Applicable Issuing Lender shall notify the Applicable Administrative Agent, and in turn, the Applicable Administrative Agent shall notify each such applicable Lender of the amount of such participation, and such Lender will transfer to the Applicable Administrative Agent for the account of the Applicable Issuing Lender on the next Business Day following such notice, in Same Day Funds, the amount of such participation. At any time after an Applicable Issuing Lender has made a payment under any Letter of Credit and has received from any Lender funding of its participation in respect of such payment in accordance with this clause (iv), if the Applicable Administrative Agent receives for the account of such Applicable Issuing Lender any

payment in respect of the related Letter of Credit Exposure or interest thereon (whether directly from a Borrower or otherwise, including proceeds of cash collateral applied thereto by the Applicable Administrative Agent), the Applicable Administrative Agent shall distribute to such Lender its Applicable Percentage thereof in the same funds as those received by the Applicable Administrative Agent.

(v) If any payment received by the Administrative Agents for the account of any Applicable Issuing Lender pursuant to this Section 2.3(c) is required to be returned under any of the circumstances described in Section 9.13 (including pursuant to any settlement entered into by such Issuing Lender in its discretion), each Lender shall pay to the Applicable Administrative Agent for the account of such Applicable Issuing Lender its Applicable Percentage thereof on demand of the Applicable Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Overnight Rate in effect from time to time. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(d) Participations. Upon the date of the issuance or increase of a Letter of Credit, (i) the US Issuing Lender shall be deemed to have sold to each other US Lender and each other US Lender shall have been deemed to have purchased from the US Issuing Lender a participation in the related US Letter of Credit Obligations equal to such US Lender' s Applicable Percentage at such date, and (ii) the Canadian Issuing Lender shall be deemed to have sold to each other Canadian Lender and each other Canadian Lender shall have been deemed to have purchased from the Canadian Issuing Lender a participation in the related Canadian Letter of Credit Obligations equal to such Canadian Lender' s Applicable Percentage at such date, and, in either case, such sale and purchase shall otherwise be in accordance with the terms of this Agreement. The Applicable Issuing Lender shall promptly notify each such participant Lender by telex, telephone, or telecopy of each Letter of Credit issued or increased and the actual dollar amount of such Lender' s participation in such Letter of Credit.

(e) Obligations Unconditional. The obligations of the US Borrower under this Agreement in respect of each US Letter of Credit, and the obligations of the Canadian Borrower under this Agreement in respect of each Canadian Letter of Credit, shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, notwithstanding the following circumstances:

(i) any lack of validity or enforceability of any Letter of Credit Documents;

(ii) any amendment or waiver of or any consent to departure from any Letter of Credit Documents;

(iii) the existence of any claim, set-off, defense or other right which any Restricted Entity may have at any time against any beneficiary or transferee of such Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), any Issuing Lender, any Lender or any other person or entity, whether in connection with this Agreement, the transactions contemplated in this Agreement or in any Letter of Credit Documents or any unrelated transaction;

(iv) any statement or any other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect to the extent the Applicable Issuing Lender would not be liable therefor pursuant to the following paragraph (g);

(v) payment by any Issuing Lender under such Letter of Credit against presentation of a draft or certificate which does not comply with the terms of such Letter of Credit; or

(vi) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing;

provided, however, that nothing contained in this paragraph (e) shall be deemed to constitute a waiver of any remedies of the Borrowers in connection with the Letters of Credit.

(f) Prepayments of Letters of Credit. In the event that any US Letter of Credit shall be outstanding or shall be drawn and not reimbursed after the Maturity Date, the US Borrower shall pay to the US Administrative Agent an amount equal to 103% of the US Letter of Credit Exposure allocable to such Letter of Credit to be held in the US Cash Collateral Account and applied in accordance with paragraph (h) below. In the event that any Canadian Letter of Credit shall be outstanding or shall be drawn and not reimbursed after the Maturity Date, the Canadian Borrower shall pay to the Canadian Administrative Agent an amount equal to 103% of the Dollar Equivalent of the Canadian Letter of Credit Exposure allocable to such Letter of Credit to be held in the Canadian Cash Collateral Account and applied in accordance with paragraph (h) below.

(g) Liability of Issuing Lenders. The US Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any US Letter of Credit with respect to its use of such Letter of Credit. The Canadian Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Canadian Letter of Credit with respect to its use of such Letter of Credit. Neither Issuing Lender nor any of its respective officers or directors shall be liable or responsible for:

(i) the use which may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith;

(ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged;

(iii) payment by any Issuing Lender against presentation of documents which do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to the relevant Letter of Credit; or

(iv) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit (**INCLUDING AN ISSUING LENDER' S OWN NEGLIGENCE**);

except that the Applicable Borrower shall have a claim against the Applicable Issuing Lender, and the Applicable Issuing Lender shall be liable to, and shall promptly pay to, the Applicable Borrower, to the extent of any direct, as opposed to consequential, damages suffered by such Borrower which a court in a final, non-appealable finding rules were caused by such Issuing Lender' s willful misconduct or gross negligence in determining whether documents presented under a Letter of Credit comply with the terms of such Letter of Credit. In furtherance and not in limitation of the foregoing, the Issuing Lenders may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

(h) Cash Collateral – General.

(i) If the US Borrower is required to deposit funds in the US Cash Collateral Account pursuant to the terms hereof, then the US Borrower and the US Administrative Agent shall establish the US Cash Collateral Account and the US Borrower shall execute any documents and agreements, including the US Administrative Agent' s standard form assignment of deposit accounts, that the US Administrative Agent reasonably requests in connection therewith to establish the US Cash Collateral Account and grant the US Administrative Agent an Acceptable Security Interest in such account and the funds therein. The US Borrower hereby pledges to the US Administrative Agent and grants the US Administrative Agent a security interest in the US Cash Collateral Account, whenever established, all funds held in the US Cash Collateral Account from time to time, and all proceeds thereof as security for the payment of the Secured Obligations.

(ii) If the Canadian Borrower is required to deposit funds in the Canadian Cash Collateral Account pursuant to the terms hereof, then the Canadian Borrower and the Canadian Administrative Agent shall establish the Canadian Cash Collateral Account and the Canadian Borrower shall execute any documents and agreements, including the Canadian Administrative Agent' s standard form assignment of deposit accounts, that the Canadian Administrative Agent reasonably requests in connection therewith to establish the Canadian Cash Collateral Account and grant the Canadian Administrative Agent an Acceptable Security Interest in such account and the funds therein. The Canadian Borrower hereby pledges to the Canadian Administrative Agent and grants the Canadian Administrative Agent a security interest in the Canadian Cash Collateral Account, whenever established, all funds held in the Canadian Cash Collateral Account from time to time, and all proceeds thereof as security for the payment of the Canadian Obligations.

(iii) If a Defaulting Lender or a Potential Defaulting Lender deposits funds in a deposit account with an Applicable Administrative Agent pursuant to the terms of this Section 2.3(h)(iii) and Section 2.3(j), then such Lender and the Applicable Administrative Agent shall establish such cash collateral account and such Lender shall

execute any documents and agreements, including the Applicable Administrative Agent' s standard form assignment of deposit accounts, that the Applicable Administrative Agent requests in connection therewith to establish such account and grant the Applicable Administrative Agent a first priority security interest in such account and the funds therein. Such Defaulting Lender hereby pledges to the Applicable Administrative Agent and grants the Applicable Administrative Agent a security interest in such collateral account, whenever established, all funds held in such account from time to time, and all proceeds thereof as security for the payment of the Letter of Credit Obligations of the Applicable Borrowers to be applied as provided in Section 2.3(j) below.

(iv) Funds held in the Cash Collateral Accounts shall be held as cash collateral for obligations with respect to US Letters of Credit in the case of the US Cash Collateral Account and the Canadian Letters of Credit in the case of the Canadian Cash Collateral Account. Such funds shall be promptly applied by the Applicable Administrative Agent at the request of the Applicable Issuing Lender to any reimbursement or other obligations under the applicable Letters of Credit that exist or occur. To the extent that any surplus funds are held in the US Cash Collateral Account above the US Letter of Credit Exposure during the existence of an Event of Default the US Administrative Agent may (A) hold such surplus funds in the US Cash Collateral Account as cash collateral for the Secured Obligations or (B) apply such surplus funds to any Secured Obligations in any manner directed by the US Majority Lenders. To the extent that any surplus funds are held in the Canadian Cash Collateral Account above the Canadian Letter of Credit Exposure during the existence of an Event of Default the Canadian Administrative Agent may (A) hold such surplus funds in the Canadian Cash Collateral Account as cash collateral for the Canadian Obligations or (B) apply such surplus funds to any such Secured Obligations in any manner directed by the Canadian Majority Lenders. If no Default exists, the Administrative Agents shall release to the Applicable Borrower at such Borrower' s written request any funds held in the applicable Cash Collateral Account above the amounts required by Section 2.3(j), subject to the requirements of Section 2.3(j) below and Section 2.18(a)(ii).

(v) Funds held in the US Cash Collateral Account shall be invested in Liquid Investments maintained with, and under the sole dominion and control of, the US Administrative Agent or in another investment if mutually agreed upon by the US Borrower and the US Administrative Agent, but the US Administrative Agent shall have no obligation to make any other investment of the funds therein. Funds held in the Canadian Cash Collateral Account shall be invested in Liquid Investments maintained with, and under the sole dominion and control of, the Canadian Administrative Agent or in another investment if mutually agreed upon by the Canadian Borrower and the Canadian Administrative Agent, but the Canadian Administrative Agent shall have no obligation to make any other investment of the funds therein. The Administrative Agents shall exercise reasonable care in the custody and preservation of any funds held in the Cash Collateral Accounts and shall be deemed to have exercised such care if such funds are accorded treatment substantially equivalent to that which each such Administrative Agent accords its own property, it being understood that neither Administrative Agent shall have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any such funds.

(i) Defaulting Lender – Cash Collateral. Subject to Section 2.18, if, at any time, a Defaulting Lender or a Potential Defaulting Lender exists hereunder, then, at the request of any Issuing Lender, the Applicable Borrower shall fully Cash Collateralize such Issuing Lender' s Fronting Exposure with respect to such Defaulting Lender or Potential Defaulting Lender (determined after giving effect to Section 2.18 and any Cash Collateral provided by such Defaulting Lender). Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 2.3(j) or Section 2.18 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender' s obligation to fund participations in respect of Letter of Credit Obligations (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein. Cash Collateral (or the appropriate portion thereof) provided to reduce any Issuing Lender' s Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 2.3(j) following (a) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (b) the determination by the Applicable Administrative Agent and Applicable Issuing Lender that there exists excess Cash Collateral; provided that, (1) subject to Section 2.18, the Person providing Cash Collateral and the Applicable Issuing Lender may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations, (2) to the extent that such Cash Collateral was provided by a Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to the Credit Documents, and (3) to the extent that such Cash Collateral was provided by a Borrower, during the existence of an Event of Default the application of such Cash Collateral shall be subject to Section 2.3(h)(iv) and (v) above, the second sentence in this Section 2.3(j) and Section 2.18(a)(ii).

(j) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, any Restricted Subsidiary, (i) the US Borrower shall be obligated to reimburse the US Issuing Lender hereunder for any and all drawings under such Letter of Credit issued under the US Facility by the US Issuing Lender and (ii) the Canadian Borrower shall be obligated to reimburse the Canadian Issuing Lender hereunder for any and all drawings under such Letter of Credit issued under the Canadian Facility by the Canadian Issuing Lender. The US Borrower hereby acknowledges that the issuance of Letters of Credit for the account of its Restricted Subsidiaries inures to the benefit of the US Borrower, and that the US Borrower' s business derives substantial benefits from the businesses of such Restricted Subsidiaries. The Canadian Borrower hereby acknowledges that the issuance of Letters of Credit for the account of its Restricted Subsidiaries inures to the benefit of the Canadian Borrower, and that the Canadian Borrower' s business derives substantial benefits from the businesses of such Restricted Subsidiaries.

Section 2.4 Swingline Advances.

(a) Facility. On the terms and conditions set forth in this Agreement, and if an AutoBorrow Agreement is in effect, subject to the terms and conditions of such AutoBorrow Agreement, the Swingline Lender shall, from time-to-time on any Business Day during the period from the date of this Agreement until the Business Day immediately preceding the Maturity Date, make Swingline Advances to the US Borrower which shall be due and payable on the Swingline Payment Date, bearing interest at the Adjusted Base Rate plus the Applicable

Margin for US Base Rate Advances or such other per annum rate as agreed to between the US Borrower and the Swingline Lender; provided that (i) after giving effect to such Swingline Advance, the aggregate outstanding principal amount of all Swingline Advances advanced by the Swingline Lender shall not exceed the Swingline Sublimit Amount; (ii) after giving effect to such Swingline Advance, the US Outstandings shall not exceed the aggregate US Commitments then in effect; (iii) no Swingline Advance shall be made by the Swingline Lender if the conditions set forth in Section 3.2 have not been met as of the date of such Swingline Advance, it being agreed by the US Borrower that the giving of the applicable Notice of Borrowing and the acceptance by the US Borrower of the proceeds of such Swingline Advance shall constitute a representation and warranty by the US Borrower that on the date of such Swingline Advance such conditions have been met; (iv) each Swingline Advance shall be in an aggregate amount not less than $100,000.00 and in integral multiples of $50,000.00 in excess thereof, except as otherwise set forth in any AutoBorrow Agreement; (v) if an AutoBorrow Agreement is in effect, such additional terms and conditions of such AutoBorrow Agreement shall have been satisfied, and in the event that any of the terms of this (a) conflict with such AutoBorrow Agreement, the terms of the AutoBorrow Agreement shall govern and control; and (vi) if any Lender is at such time a Defaulting Lender or a Potential Defaulting Lender hereunder, the Swingline Lender shall not be obligated to make any Swingline Advances unless the US Borrower shall have deposited with the US Administrative Agent into the Cash Collateral Account cash collateral in an amount equal to such Defaulting Lender' s or Potential Defaulting Lender' s Applicable Percentage of the aggregate Swingline Sublimit Amount; provided that, in the event that the US Administrative Agent, the US Borrower, and the Swingline Lender each agrees that a Defaulting Lender or a Potential Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender or a Potential Defaulting Lender, then if no Default exists, any cash collateral posted by the US Borrower pursuant to this clause (vi) with respect to such Lender shall be returned to the US Borrower. No Lender shall have any rights or obligations under any AutoBorrow Agreement, but each Lender shall have the obligation to purchase and fund risk participations in the Swingline Advances and to refinance Swingline Advances as provided below and as provided in Section 2.18.

(b) Evidence of Indebtedness. The indebtedness of the US Borrower to the Swingline Lender resulting from Swingline Advances shall be evidenced as set forth in Section 2.2.

(c) Prepayment. Within the limits expressed in this Agreement, amounts advanced pursuant to Section 2.4(a) may from time to time be borrowed, prepaid without penalty, and reborrowed. If the aggregate outstanding principal amount of the Swingline Advances advanced by the Swingline Lender ever exceeds the Swingline Sublimit Amount, the US Borrower shall, upon receipt of written notice of such condition from the Swingline Lender and to the extent of such excess, prepay to the Swingline Lender outstanding principal of the Swingline Advances such that such excess is eliminated. If an AutoBorrow Agreement is in effect, each prepayment of a Swingline Borrowing shall be made as provided in such AutoBorrow Agreement.

(d) Refinancing of Swingline Advances.

(i) With respect to the Swingline Advances and the interest, premium, fees, and other amounts owed by the US Borrower to the Swingline Lender in connection with the Swingline Advances, the US Borrower agrees to pay to the Swingline Lender such amounts when due and payable to the Swingline Lender under the terms of this Agreement and, if an AutoBorrow Agreement is in effect, in accordance with the terms of such AutoBorrow Agreement. If the US Borrower does not pay to the Swingline Lender any such amounts when due and payable to such Swingline Lender, the Swingline Lender may upon notice to the US Administrative Agent request the satisfaction of such obligation by the making of a US Borrowing in the amount of any such amounts not paid when due and payable. Upon such request, the US Borrower shall be deemed to have requested the making of a US Borrowing in the amount of such obligation and the transfer of the proceeds thereof to the Swingline Lender. Such US Borrowing shall bear interest based upon the Adjusted Base Rate plus the Applicable Margin for US Base Rate Advances. The US Administrative Agent shall promptly forward notice of such US Borrowing to the US Borrower and the US Lenders, and each US Lender shall, regardless of whether (A) the conditions in Section 3.2 have been met, (B) such notice complies with Section 2.6, or (C) a Default exists, make available such US Lender' s ratable share of such US Borrowing to the US Administrative Agent, and the US Administrative Agent shall promptly deliver the proceeds thereof to the Swingline Lender for application to such amounts owed to the Swingline Lender. The US Borrower hereby unconditionally and irrevocably authorizes, empowers, and directs the Swingline Lender to make such requests for US Borrowings on behalf of the US Borrower in accordance with this Section, and the US Lenders to make US Advances to the US Administrative Agent for the benefit of the Swingline Lender in satisfaction of such obligations. The US Administrative Agent and each US Lender may record and otherwise treat the making of such US Borrowings as the making of a US Borrowing to the US Borrower under this Agreement as if requested by the US Borrower.

Nothing herein is intended to release the US Borrower' s obligations with respect to Swingline Advances, but only to provide an additional method of payment therefor. The making of any Borrowing under this Section 2.4(d) shall not constitute a cure or waiver of any Default or Event of Default, other than the payment Default or Event of Default which is satisfied by the application of the amounts deemed advanced hereunder, caused by the US Borrower' s failure to comply with the provisions of this Agreement or any AutoBorrow Agreement.

(ii) If at any time, the US Commitments shall have expired or been terminated while any Swingline Advance is outstanding, each US Lender, at the sole option of the Swingline Lender, shall either (A) notwithstanding the expiration or termination of the US Commitments, make a US Advance as a US Base Rate Advance, or (B) be deemed, without further action by any Person, to have purchased from the Swingline Lender a participation in such Swingline Advance, in either case in an amount equal to the product of such US Lender' s Applicable Percentage times the outstanding aggregate principal balance of the Swingline Advances made by the Swingline Lender. The Swingline Lender shall notify the US

Administrative Agent, and in turn, the US Administrative Agent shall notify each such US Lender of the amount of such US Advance or participation, and such US Lender will transfer to the US Administrative Agent for the account of the Swingline Lender on the next Business Day following such notice, in Same Day Funds, the amount of such US Advance or participation.

(iii) If any such US Lender shall not have so made its US Advance or its percentage participation available to the US Administrative Agent pursuant to this Section 2.4, such US Lender agrees to pay interest thereon for each day from such date until the date such amount is paid at the lesser of (A) the Overnight Rate for such day for the first three days and thereafter the interest rate applicable to the US Advance and (B) the Maximum Rate. Whenever, at any time after the US Administrative Agent has received from any US Lender such Lender' s US Advance or participating interest in a Swingline Advance, the US Administrative Agent receives any payment on account thereof, the US Administrative Agent will pay to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender' s US Advance or participating interest was outstanding and funded), which payment shall be subject to repayment by such Lender if such payment received by the US Administrative Agent is required to be returned. Each US Lender' s obligation to make the US Advance or purchase such participating interests pursuant to this Section 2.4 shall be absolute and unconditional and shall not be affected by any circumstance, including (1) any set-off, counterclaim, recoupment, defense or other right which such Lender or any other Person may have against the Swingline Lender, the US Administrative Agent or any other Person for any reason whatsoever; (2) the occurrence or continuance of a Default or the termination of the US Commitments; (3) any breach of this Agreement by the US Borrower or any other Lender; or (4) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. Each Swingline Advance, once so participated by any US Lender, shall cease to be a Swingline Advance with respect to that amount for purposes of this Agreement, but shall continue to be a US Advance.

(e) Method of Borrowing. If an AutoBorrow Agreement is in effect, each Swingline Borrowing shall be made as provided in such AutoBorrow Agreement. Otherwise, each request for a Swingline Advance shall be made pursuant to telephone notice to the Swingline Lender given no later than 1:00 p.m. (New York City time)(or such later time as accepted by the Swingline Lender) on the date of the proposed Swingline Advance, promptly confirmed by a completed and executed Notice of Borrowing telecopied or facsimiled to the US Administrative Agent and the Swingline Lender. The Swingline Lender will promptly make the Swingline Advance available to the US Borrower at the US Borrower' s account with the US Administrative Agent or as otherwise directed by the US Borrower with written notice to the US Administrative Agent.

(f) Interest for Account of Swingline Lender. The Swingline Lender shall be responsible for invoicing the US Borrower for interest on the Swingline Advances (provided that any failure of the Swingline Lender to provide such invoice shall not release the US Borrower from its obligation to pay such interest). Until each US Lender funds its US Advance or risk participation pursuant to clause (d) above, interest in respect of each US Lender' s Applicable Percentage of the Swingline Advances shall be solely for the account of the Swingline Lender.

(g) Payments Directly to Swingline Lender. The US Borrower shall make all payments of principal and interest in respect of the Swingline Advances directly to the Swingline Lender.

(h) Adjustments to Swingline Sublimit Amount. If any US Lender becomes a Defaulting Lender or a Potential Defaulting Lender hereunder, at the US Borrower' s option and with at least one Business Day' s prior written notice to the US Administrative Agent and the Swingline Lender, the US Borrower may decrease the Swingline Sublimit Amount to such lesser amount notified to the US Administrative Agent and the Swingline Lender. If such election is made, then in the event that the US Administrative Agent, the US Borrower, and the Swingline Lender agree that all existing Defaulting Lenders and Potential Defaulting Lenders have adequately remedied all matters that caused such US Lenders to be Defaulting Lenders or Potential Defaulting Lenders, the Swingline Sublimit Amount shall automatically, without further notice or action to be taken by any party hereto, be increased back up to the Swingline Sublimit Amount that was in effect prior to the US Borrower' s election made pursuant to this clause (h).

(i) The Swingline Lender will report to the US Administrative Agent, no less often than weekly, the amount of Swingline Loans outstanding.

Section 2.5 Bankers' Acceptances.

(a) Subject to the terms and conditions of this Agreement, the Canadian Borrower may request a Borrowing denominated in Canadian Dollars by presenting drafts for acceptance and, if applicable, purchase as B/As by the Canadian Lenders.

(b) No Contract Period with respect to a B/A to be accepted and, if applicable, purchased as an Advance shall extend beyond the Maturity Date. All B/A Borrowings shall be denominated in Canadian Dollars.

(c) To facilitate availment of the B/A Advances, the Canadian Borrower hereby appoints each Canadian Lender as its attorney to sign and endorse on its behalf, in handwriting or by facsimile or mechanical signature as and when deemed necessary by such Canadian Lender, blank forms of B/As in the form requested by such Canadian Lender. The Canadian Borrower recognizes and agrees that all B/As signed and/or endorsed on its behalf by a Canadian Lender shall bind the Canadian Borrower as fully and effectually as if signed in the handwriting of and duly issued by the proper signing officers of the Canadian Borrower. Each Canadian Lender is hereby authorized to issue such B/As endorsed in blank in such face amounts as may be determined by such Canadian Lender; provided that the aggregate amount thereof is equal to the aggregate amount of B/As required to be accepted and purchased by such Canadian Lender. No Canadian Lender shall be liable for any damage, loss or other claim arising by reason of any loss or improper use of any such instrument except the gross negligence or willful misconduct of such Canadian Lender or its officers, employees, agents or representatives as determined by a court of competent jurisdiction by final and nonappealable judgment. Each Canadian Lender shall maintain a record with respect to B/As (i) voided by it for any reason, (ii) accepted and purchased by it hereunder and (iii) canceled at their respective maturities. Each Canadian Lender further agrees to retain such records in the manner and for the statutory periods

provided in the various provincial or federal statutes and regulations which apply to such Canadian Lender. On request by or on behalf of the Canadian Borrower, a Canadian Lender shall cancel all forms of B/A which have been pre-signed or pre-endorsed on behalf of the Canadian Borrower and which are held by such Canadian Lender and are not required to be issued in accordance with the Canadian Borrower' s irrevocable notice. At the discretion of a Canadian Lender, B/As to be accepted by such Canadian Lender may be issued in the form of "Depository Bills" within the meaning of the Depository Bills and Notes Act (Canada) and deposited with the Canadian Depository for Securities Limited ("**CDS**") and may be made payable to "CDS & Co." or in such other name as may be acceptable to CDS and thereafter dealt with in accordance with the rules and procedures of CDS, consistent with the terms of this Agreement and the Depository Bills and Notes Act (Canada). All Depository Bills so issued shall be governed by the provisions of this Section 2.5.

(d) Drafts of the Canadian Borrower to be accepted as B/As hereunder shall be signed as set forth in this Section 2.5. Notwithstanding that any Person whose signature appears on any B/A may no longer be an authorized signatory for any of the Canadian Lenders or the Canadian Borrower at the date of issuance of a B/A, such signature shall nevertheless be valid and sufficient for all purposes as if such authority had remained in force at the time of such issuance and any such B/A so signed shall be binding on the Canadian Borrower.

(e) Promptly following receipt of a Notice of Borrowing or a Notice of Continuation or Conversion of B/As, the Canadian Administrative Agent shall so advise the Canadian Lenders and shall advise each Canadian Lender of the aggregate face amount of the B/As to be accepted by it and the applicable Contract Period (which shall be identical for all Canadian Lenders). The aggregate face amount of the B/As to be accepted by a Canadian Lender shall be in an integral multiple of C$100,000 and such face amount shall be in each Canadian Lender' s Applicable Percentage of such Canadian Borrowing, and each such Canadian Borrowing shall be no less than C$500,000; provided, that the Canadian Administrative Agent may, in its sole discretion, increase or reduce any Canadian Lender' s portion of such B/A to the nearest C$100,000.

(f) The Canadian Borrower may specify in a Notice of Borrowing or a Notice of Continuation or Conversion pursuant to Section 2.6(a) or Section 2.6(b), respectively, that it desires that any B/As requested by such notice be purchased by the Canadian Lenders, in which case the Canadian Lenders shall purchase, or arrange the purchase of, each B/A from the Canadian Borrower at the Discount Rate for such Canadian Lender applicable to such B/A accepted by it and provide to the Canadian Administrative Agent the Discount Proceeds for the account of the Canadian Borrower. The Acceptance Fee payable by the Canadian Borrower to a Canadian Lender under Section 2.10(e) in respect of each B/A accepted by such Canadian Lender shall be set off against the Discount Proceeds payable by such Canadian Lender under this Section 2.5.

(g) Each Canadian Lender may at any time and from time to time hold, sell, rediscount or otherwise dispose of any or all B/As accepted and purchased by it.

(h) In respect of Conversions into B/As, in order to satisfy the continuing liability of the Canadian Borrower to the Canadian Lenders for the amount of the converted

Canadian Borrowing, each Canadian Lender shall receive and retain for its own account the Discount Proceeds of the B/As issued upon such Conversion, and the Canadian Borrower shall on the Conversion Date pay to the Canadian Administrative Agent for the account of the Canadian Lenders an amount equal to the difference between the principal amount of the converted Canadian Borrowing and the aggregate Discount Proceeds from the B/As issued on such Conversion, together with the acceptance fees to which the Lenders are entitled pursuant to Section 2.5. In order to satisfy the continuing liability of the Canadian Borrower to the Canadian Lenders for an amount equal to the aggregate face amount of the maturing B/As converted to another type of Borrowing, the Canadian Administrative Agent shall record the obligation of the Canadian Borrower to the Canadian Lenders as a Canadian Borrowing of the type into which such continuing liability has been converted.

(i) If a Canadian Lender notifies the Canadian Administrative Agent in writing that it is unable to accept Bankers' Acceptances, such Canadian Lender will, instead of accepting and, if applicable, purchasing Bankers' Acceptances, make an advance (a "**B/A Equivalent Advance**") to the Canadian Borrower in the amount and for the same term as the draft that such Canadian Lender would otherwise have been required to accept and purchase hereunder. Each such Canadian Lender will provide to the Canadian Administrative Agent the Discount Proceeds of such B/A Equivalent Advance for the account of the Canadian Borrower. Each such B/A Equivalent Advance will bear interest at the same rate that would result if such Lender had accepted (and been paid an Acceptance Fee) and purchased (on a discounted basis at the Discount Rate) a Bankers' Acceptance for the relevant Contract Period (it being the intention of the parties that each such B/A Equivalent Advance shall have the same economic consequences for the Lenders and the Canadian Borrower as the Bankers' Acceptance which such B/A Equivalent Advance replaces). All such interest shall be paid in advance on the date such B/A Equivalent Advance is made, and will be deducted from the principal amount of such B/A Equivalent Advance in the same manner in which the Discount Proceeds of a Bankers' Acceptance would be deducted from the face amount of the Bankers' Acceptance.

(j) The Canadian Borrower waives presentment for payment and any other defense to payment of any amounts due to a Canadian Lender in respect of a B/A accepted and purchased by it pursuant to this Agreement which might exist solely by reason of such B/A being held, at the maturity thereof, by such Canadian Lender in its own right and the Canadian Borrower agrees not to claim any days of grace if such Canadian Lender as holder sues the Canadian Borrower on the B/A for payment of the amount payable by the Canadian Borrower thereunder. On the last day of the Contract Period of a B/A, or such earlier date as may be required or permitted pursuant to the provisions of this Agreement, the Canadian Borrower shall pay the Canadian Lender that has accepted and purchased such B/A the full face amount of such B/A (subject to Section 2.5(j) below and Section 2.7(b)), and after such payment, the Canadian Borrower shall have no further liability in respect of such B/A and such Canadian Lender shall be entitled to all benefits of, and be responsible for all payments due to third parties under, such B/A.

(k) Except as required by any Canadian Lender upon the occurrence of an Event of Default, no B/A Advance may be repaid by the Canadian Borrower prior to the expiry date of the Contract Period applicable to such B/A Advance; provided, however, that any B/A or B/A Equivalent Advance may be defeased as provided in Section 2.7(b)(ii).

Section 2.6 Borrowings; Procedures and Limitations.

(a) Notice. Each Borrowing shall be made pursuant to a Notice of Borrowing (other than the Borrowings to be made on the Effective Date and Swingline Borrowings) and given:

(i) by the US Borrower to the US Administrative Agent not later than 12:00 noon (New York City time) on the third Business Day before the date of the proposed Borrowing in the case of a Eurocurrency Advance under the US Facility;

(ii) by the US Borrower to the US Administrative Agent not later than 12:00 noon (New York City time) on the date of the proposed Borrowing in the case of a US Base Rate Advance under the US Facility;

(iii) by the Canadian Borrower to the Canadian Administrative Agent not later than 12:00 noon (Calgary, Alberta, Canada time) on the third Business Day before the date of the proposed Borrowing in the case of a Eurocurrency Advance or B/A Advance under the Canadian Facility; and

(iv) by the Canadian Borrower to the Canadian Administrative Agent not later than 12:00 noon (Calgary, Alberta, Canada time) one Business Day before the date of the proposed Borrowing in the case of a Canadian Prime Rate Advance or Base Rate Advance.

The Applicable Administrative Agent shall give each applicable Lender prompt notice on the day of receipt of a timely Notice of Borrowing by facsimile; provided however that the Administrative Agents and each of the Lenders hereby waive the requirement in this Section 2.6(a) with respect to the initial Borrowings to be made on the Effective Date. Each Notice of Borrowing shall be by telephone or facsimile, and if by telephone, confirmed promptly in writing, specifying (i) the requested date of such Borrowing (which shall be a Business Day), (ii) the requested Type of Advances comprising such Borrowing, (iii) the aggregate amount of such Borrowing, (iv) if such Borrowing is to be comprised of Eurocurrency Advances, the Interest Period for such Advances, (v) if such Borrowing is to be comprised of B/A Advances, the Contract Period for such Advances, and (vi) if applicable, the Designated Currency of such Borrowing. In the case of a proposed Borrowing comprised of Eurocurrency Advances, the Applicable Administrative Agent shall promptly notify each applicable Lender of the applicable interest rate under Section 2.10. Each Applicable Lender shall before 11:00 a.m. (New York City time or Calgary, Alberta, Canada time, as applicable) on the date of the proposed Borrowing, make available for the account of its Lending Office to the Applicable Administrative Agent at its address referred to in Section 9.9, or such other location as the Applicable Administrative Agent may specify by notice to the applicable Lenders, in Same Day Funds, such Lender' s Applicable Percentage of such Borrowing. Promptly upon the Applicable Administrative Agent' s receipt of such funds (but in any event not later than 3:00 p.m. (New York City time or Calgary, Alberta, Canada time, as applicable) on the date of the proposed Borrowing) and provided that the applicable conditions set forth in Article III have been satisfied, the Applicable Administrative Agent will make such funds available to the Applicable Borrower at its account with such Administrative Agent.

(b) Conversions and Continuations. In order to elect to Convert or continue Advances comprising part of the same Borrowing, the Applicable Borrower shall:

(i) in case of a US Borrowing, deliver an irrevocable Notice of Conversion or Continuation to the US Administrative Agent at the US Administrative Agent' s office no later than 12:00 noon (New York City time) (A) at least one Business Day in advance of the proposed Conversion date in the case of a Conversion of such Advances to US Base Rate Advances, and (B) at least three Business Days in advance of the proposed Conversion or continuation date in the case of a Conversion to, or a continuation of, Eurocurrency Advances denominated in Dollars;

(ii) in case of a Canadian Borrowing in Canadian Dollars, or a B/A Borrowing, deliver an irrevocable Notice of Conversion or Continuation to the Canadian Administrative Agent at the Canadian Administrative Agent' s office no later than 12:00 noon (Calgary, Alberta, Canada time) (A) at least one Business Day in advance of the proposed Conversion date in the case of a Conversion of such Advances to Canadian Prime Rate Advances or Base Rate Advances, and (B) at least three Business Days in advance of the proposed Conversion or continuation date in the case of a Conversion to, or a continuation of, Eurocurrency Advances or B/A Advances.

Each such Notice of Conversion or Continuation shall be in writing or by telephone or facsimile, and if by telephone, confirmed promptly in writing, specifying (A) the requested Conversion or continuation date (which shall be a Business Day), (B) the Borrowing amount and Type of the Advances to be Converted or continued, (C) whether a Conversion or continuation is requested, and if a Conversion, into what Type of Advances, (D) in the case of a Conversion to, or a continuation of, Eurocurrency Advances, the requested Interest Period, and (E) in the case of a Conversion to, or continuation of, B/A Advances, the requested Contract Period. Promptly after receipt of a Notice of Conversion or Continuation under this paragraph, the Applicable Administrative Agent shall provide each applicable Lender with a copy thereof and, in the case of a Conversion to or a continuation of Eurocurrency Advances, notify each applicable Lender of the applicable interest rate under Section 2.9(e). For purposes other than the conditions set forth in Section 3.2, the portion of Advances comprising part of the same Borrowing that are Converted to Advances of another Type shall constitute a new Borrowing.

(c) Certain Limitations. Notwithstanding anything in paragraphs (a) and (b) above:

(i) Each US Borrowing shall (A) be in an aggregate amount not less than $1,000,000 and in integral multiples of $500,000 in excess thereof in case of Eurocurrency Advances and in an aggregate amount not less than $500,000 and in integral multiples of $100,000 in excess thereof in case of US Base Rate Advances, (B) consist of Advances of the same Type made, Converted or continued on the same day by the US Lenders according to their Applicable Percentage, and (C) denominated only in Dollars.

(ii) Each Canadian Borrowing shall (A) with respect to Advances in US Dollars, be in an aggregate amount not less than $500,000 and in integral multiples of

$100,000, (B) with respect to Canadian Prime Rate Advances, be in an aggregate amount not less than C$500,000 and in integral multiples of C$100,000, (C) with respect to B/A Advances, be in such minimum amounts required under Section 2.5, (D) consist of Advances of the same Type made, Converted or continued on the same day by the Canadian Lenders according to their Applicable Percentage, and (E) denominated only in Canadian Dollars.

(iii) At no time shall there be more than ten Interest Periods applicable to outstanding Eurocurrency Advances under the Facilities nor more than five Contract Periods applicable to B/A Advances under the Canadian Facility.

(iv) No single Borrowing consisting of Eurocurrency Advances may include Advances in different currencies.

(v) Without the consent of all of the Lenders, neither Borrower may select Eurocurrency Advances for any Borrowing to be made, Converted or continued if an Event of Default has occurred and is continuing.

(vi) Without the consent of all of the Lenders, the Canadian Borrower may not select B/A Advances for any Borrowing to be made, Converted or continued if an Event of Default has occurred and is continuing.

(vii) If any Lender shall, at least one Business Day prior to the requested date of any Borrowing comprised of Eurocurrency Advances or B/A Advances, notify the Applicable Administrative Agent and the Applicable Borrower that the introduction of or any change in or in the interpretation of any Legal Requirement makes it unlawful, or that any central bank or other Governmental Authority asserts that it is unlawful, for such Lender or its Lending Office to perform its obligations under this Agreement to make Eurocurrency Advances or B/A Advances or to fund or maintain Eurocurrency Advances or B/A Advances, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or take deposits of, Dollars or Canadian Dollars in the applicable interbank market, then (A) (1) if the requested Borrowing was of US Advances, such Lender' s Applicable Percentage of the amount of such Borrowing shall be made as a US Base Rate Advance of such US Lender under the US Facility, (2) if the requested Borrowing was of Canadian Advances, such Lender' s Applicable Percentage of the amount of such Borrowing shall be made as a Canadian Prime Rate Advance of such Lender, (3) in any event, such US Base Rate Advance or Canadian Base Rate Advance, as applicable, shall be considered part of the same Borrowing and interest on such US Base Rate Advance or Canadian Prime Rate Advance, as applicable, shall be due and payable at the same time that interest on the Eurocurrency Advances or the face amount of the B/A Advances comprising the remainder of such Borrowing shall be due and payable, and (4) any obligation of such Lender to make, continue, or Convert to, Eurocurrency Advances in the affected currency or currencies, or to make B/A Advances, including in connection with such requested Borrowing, shall be suspended until such Lender notifies the Applicable Administrative Agent and the Applicable Borrower that the circumstances giving rise to such determination no longer exist; and (B) such Lender agrees to use commercially

reasonable efforts (consistent with its internal policies and legal and regulatory restrictions) to designate a different Lending Office if the making of such designation (1) would eliminate the restriction on such Lender described above, and (2) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender.

(viii) If (A) the US Administrative Agent is unable to determine the Eurocurrency Rate for Eurocurrency Advances comprising any requested US Borrowing, or (B) the Canadian Administrative Agent is unable to determine the Eurocurrency Rate for Eurocurrency Advances comprising any requested Canadian Borrowing, the right of the Applicable Borrower to select Eurocurrency Advances in the affected currency or currencies for such Borrowing or for any subsequent Borrowing shall be suspended until the Applicable Administrative Agent shall notify the Applicable Borrower and the applicable Lenders that the circumstances causing such suspension no longer exist, and each US Advance comprising such Borrowing shall be made, Converted or continued as a US Base Rate Advance, and each Canadian Advance comprising such Borrowing shall be made as a Canadian Prime Rate (C$) Advance.

(ix) If the US Majority Lenders shall, at least one Business Day before the date of any requested US Borrowing, notify the US Administrative Agent that the Eurocurrency Rate for Eurocurrency Advances comprising such Borrowing will not adequately reflect the cost to such Lenders of making or funding their respective Eurocurrency Advances, as the case may be, for such Borrowing, then the US Administrative Agent shall give notice thereof to the US Borrower and the US Lenders and the right of the US Borrower to select Eurocurrency Advances for such US Borrowing or for any subsequent US Borrowing shall be suspended until the US Administrative Agent shall notify the US Borrower and the US Lenders that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be made as a US Base Rate Advance under the US Facility.

(x) If the Canadian Majority Lenders shall, at least one Business Day before the date of any requested Canadian Borrowing, notify the Canadian Administrative Agent that the Eurocurrency Rate for Eurocurrency Advances or the Discount Rate for the B/A Advances comprising such Borrowing will not adequately reflect the cost to such Lenders of making or funding their respective Eurocurrency Advances or B/A Advances, as the case may be, for such Borrowing, then the Canadian Administrative Agent shall give notice thereof to the Canadian Borrower and the Canadian Lenders and the right of the Canadian Borrower to select Eurocurrency Advances or B/A Advances for such Borrowing or for any subsequent Borrowing shall be suspended until the Canadian Administrative Agent shall notify the Canadian Borrower and the Canadian Lenders that the circumstances causing such suspension no longer exist, and each Advance comprising such Canadian Borrowing shall be made as a Canadian Prime Rate Advance.

(xi) With respect to any proposed Borrowing consisting of Eurocurrency Advances denominated in Dollars and requested or made under the Canadian Facility, if there shall occur on or prior to the date of such Borrowing any

change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which would in the reasonable opinion of the Canadian Administrative Agent or the Canadian Majority Lenders, make it impracticable for such Borrowing to be denominated in Dollars, then the Canadian Administrative Agent shall give notice thereof to the Canadian Borrower and the Canadian Lenders, and the right of the Canadian Borrower to select Eurocurrency Advances in Dollars for such Borrowing or for any subsequent Borrowing shall be suspended until the Canadian Administrative Agent shall notify the Canadian Borrower and the Canadian Lenders that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be made as a Canadian Prime Rate Advance in Canadian Dollars.

(xii) If the Applicable Borrower shall fail to select the duration or continuation of any Interest Period for any Eurocurrency Advance in accordance with the provisions contained in the definition of "Interest Period" in Section 1.1 and paragraph (a) or (b) above, the Applicable Administrative Agent will forthwith so notify the Applicable Borrower and the applicable Lenders and (A) under the US Facility or the US Facility, such affected Advances will be made available to the US Borrower on the date of such Borrowing as US Base Rate Advances or, if such affected Advances are existing Advances, will be Converted into US Base Rate Advances at the end of Interest Period then in effect, and (B) if under the Canadian Facility, such affected Advances will be made available to the Canadian Borrower on the date of such Borrowing as Canadian Prime Rate Advances or, if such affected Advances are existing Advances, will be Converted into Canadian Prime Rate Advances at the end of the Interest Period then in effect.

(xiii) If the Canadian Borrower shall fail to select the duration or continuation of any Contract Period for any B/A Advance in accordance with the provisions contained in the definition of "Contract Period" in Section 1.1, clause (a) and (b) above, and Section 2.5, the Canadian Administrative Agent will forthwith so notify the Canadian Borrower and the Canadian Lenders and such affected B/A Advances will be made available to the Canadian Borrower on the date of such Borrowing as Canadian Prime Rate Advances or, if such affected B/A Advances are existing Advances, will be automatically Converted into Canadian Prime Rate Advances at the end of the Contract Period then in effect.

(xiv) For the avoidance of doubt, Eurocurrency Advances by the Canadian Lenders may only be made in Dollars.

(xv) US Advances may only be Converted or continued as US Advances, Term Loan Advances may only be Converted or continued as Term Loan Advances and Canadian Advances may only be Converted or continued as Canadian Advances.

(xvi) Swingline Advances may not be Converted or continued.

(xvii) Except as expressly permitted in this Agreement, no Advance or Letter of Credit may be Converted or continued as an Advance or Letter of Credit in a

different currency, but instead must be prepaid or cancelled (or defeased with respect to B/A Advances) in the original Designated Currency of such Advance or Letter of Credit and reborrowed or reissued in such new Designated Currency.

(d) Notices Irrevocable. Each Notice of Borrowing and Notice of Continuation or Conversion delivered by the Applicable Borrower hereunder, including its deemed request for borrowing made under Section 2.3(c) or Section 2.4, shall be irrevocable and binding on such Borrower.

(e) Lender Obligations Several. The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, to make its Advance on the date of such Borrowing. No Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

(f) Funding by Lenders; Administrative Agents' Reliance. Unless the Applicable Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurocurrency Advances or of B/A Advances, or prior to noon on the date of any Borrowing of Base Rate Advances, that such Lender will not make available to the Applicable Administrative Agent such Lender' s share of such Borrowing, the Applicable Administrative Agent may assume that such Lender has made such share available in accordance with and at the time required in Section 2.6 (or, in the case of a Borrowing of B/A Advances, that such Lender has made such share available in accordance with and at the time required by Section 2.5) and may, in reliance upon such assumption, make available to the Applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Applicable Administrative Agent, then such Lender and the Applicable Borrower severally agree to pay to the Applicable Administrative Agent forthwith on demand such corresponding amount in Same Day Funds with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Applicable Administrative Agent, at (A) in the case of a payment to be made by such Borrower, the Adjusted Base Rate plus the Applicable Margin, and (B) in the case of a payment to be made by such Lender, the lesser of (i) the Overnight Rate for such day and (ii) the Maximum Rate. If such Lender shall repay to the Applicable Administrative Agent such corresponding amount and interest as provided above, such corresponding amount so repaid shall constitute such Lender' s Advance as part of such Borrowing for purposes of this Agreement even though not made on the same day as the other Advances comprising such Borrowing. Any payment by such Borrower shall be without prejudice to any claim such Borrower may have against a Lender that shall have failed to make such payment to the Applicable Administrative Agent. A notice of the Applicable Administrative Agent to any Lender or Applicable Borrower with respect to any amount owing under this subsection (f) shall be conclusive, absent manifest error.

Section 2.7 Prepayments; Defeasance.

(a) Right to Prepay. No Borrower shall have any right to prepay any principal amount of any Advance except as provided in this Section 2.7. All notices given pursuant to this Section 2.7 shall be irrevocable and binding upon the Applicable Borrower; provided that, if a

notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.1(d), then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.1(d)(iv). Each payment of any Advance pursuant to this Section 2.7 shall be made in a manner such that all Advances comprising part of the same Borrowing are paid in whole or ratably in part other than Advances owing to a Defaulting Lender as provided in Section 2.18.

(b) Optional.

(i) Each Borrower may elect to prepay any Borrowing (other than Bankers' Acceptances or B/A Equivalent Advances, which may, however, be defeased as provided below), in whole or in part, without penalty or premium except as set forth in Section 2.12 and after giving by 12:00 noon (New York City time or Calgary, Alberta, Canada time as applicable) (i) in the case of Dollar denominated Eurocurrency Advances, at least three Business Days' , (ii) in the case of Canadian Dollar denominated Eurocurrency Advances, at least four Business Days' , or (iii) in case of Base Rate Advances, one Business Day' s prior written notice to the Applicable Administrative Agent stating the proposed date and aggregate principal amount of such prepayment. If any such notice is given, such Borrower shall prepay Advances comprising part of the same Borrowing in whole or ratably in part in an aggregate principal amount equal to the amount specified in such notice, together with accrued interest to the date of such prepayment on the principal amount prepaid and amounts, if any, required to be paid pursuant to Section 2.12 as a result of such prepayment being made on such date; provided that (A) each optional prepayment of Eurocurrency Advances shall be in a minimum amount not less than $1,000,000 and in multiple integrals of $500,000 in excess thereof, (B) each optional prepayment of Base Rate Advances shall be in a minimum amount not less than $500,000 and in multiple integrals of $100,000 in excess thereof and (C) each optional prepayment of Swingline Advances shall be in a minimum amount not less than $100,000 and in multiple integrals of $50,000 in excess thereof, except as otherwise set forth in any AutoBorrow Agreement. If an AutoBorrow Agreement is in effect, each prepayment of Swingline Advances shall be made as provided in such AutoBorrow Agreement.

(ii) The Canadian Borrower may defease any B/A or B/A Equivalent Advance by depositing with the Canadian Administrative Agent an amount that, together with interest accruing on such amount to the end of the Contract Period for such B/A or B/A Equivalent Advance, is sufficient to pay such maturing B/As or B/A Equivalent Advances when due. The Applicable Administrative Agent shall promptly advise the applicable Lenders of any notice given pursuant to this Section 2.7 and of each Lender' s portion of such prepayment.

(c) Mandatory.

(i) On each Computation Date the US Administrative Agent shall consult with the Canadian Administrative Agent regarding the Exchange Rate and the Administrative Agents shall determine the Dollar Equivalent of the aggregate US Letter of Credit Exposure of US Lenders for Letters of Credit issued in Canadian Dollars, and

the aggregate Canadian Outstandings in Canadian Dollars. If, on any Computation Date: (i) the Dollar Equivalent of the US Letter of Credit Exposure of US Lenders for Letters of Credit issued in Canadian Dollars exceeds the aggregate US Letter of Credit Maximum Amount; or (ii) the Dollar Equivalent of the Canadian Outstandings exceeds the aggregate Canadian Commitments then in effect; then the US Administrative Agent shall give notice thereof to the US Borrower and the US Lenders, or the Canadian Administrative Agent shall give notice thereof to the Canadian Borrower and the Canadian Lenders. Within five Business Days after the Applicable Borrower has received notice thereof, (A) the Canadian Borrower shall first prepay outstanding Canadian Prime Rate Advances and Eurocurrency Advances, second (if necessary) defease outstanding B/A Advances pursuant to Section 2.7(b)(i)(ii), and third (if necessary) make deposits into the Canadian Cash Collateral Account, such that after giving effect to such prepayment or provision, the Dollar Equivalent of the Canadian Outstandings does not exceed the aggregate Canadian Commitments then in effect or (B) the US Borrower shall Cash Collateralize outstanding US Letters of Credit such that, after giving effect to such provision, the Dollar Equivalent of the US Letters of Credit that are not Cash Collateralized does not exceed the Letter of Credit Maximum Amount.

(ii) If the Canadian Dollar ceases to be an Agreed Currency as provided herein, then promptly, but in any event within five (5) Business Days of receipt of the notice from the US Administrative Agent provided for in such sentence (A) the Canadian Borrower shall prepay all Canadian Advances funded and denominated in Canadian Dollars or Convert such US Advances into Advances in Dollars, subject to the other terms set forth in Article II, and (B) no Letter of Credit issued in Canadian Dollars may be renewed without the consent of the Applicable Administrative Agent, the Issuing Bank and Majority Lenders.

(iii) If an increase in the aggregate Commitments is effected as permitted under Section 2.17 the Borrowers shall prepay any Advances outstanding on the date such increase is effected to the extent necessary to keep the outstanding Advances ratable to reflect the revised Applicable Percentages of the Lenders arising from such increase. Any prepayment made by the Applicable Borrower in accordance with this clause (iii) may be made with the proceeds of Advances made by all the applicable Lenders in connection such increase occurring simultaneously with the prepayment.

(d) Interest; Costs. Each prepayment pursuant to this Section 2.7 shall be accompanied by accrued interest on the amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.12 as a result of such prepayment being made on such date.

Section 2.8 Repayment.

(a) US Advances. The US Borrower hereby unconditionally promises to pay to the US Administrative Agent for the account of and ratable benefit of each US Lender the aggregate outstanding principal amount of all US Advances on the Maturity Date.

(b) Term Loan Advances. The US Borrower hereby unconditionally promises to pay to the US Administrative Agent for the account of and ratable benefit of each Term Loan Lender the principal amount of the Term Loan Advances in installments payable on each March 31, June 30, September 30 and December 31 (or, if any such date is not a Business Day, on the immediately following Business Day) in an amount equal to (i) 2.50% of the initial aggregate principal amount of the Term Loan Facility during the period commencing on December 31, 2014 and continuing until June 30, 2016, (ii) 3.75% of the initial aggregate principal amount of the Term Loan Facility during the period commencing on September 30, 2016 and continuing until June 30, 2017, (iii) 5.00% of the initial aggregate principal amount of the Term Loan Facility during the period commencing on September 30, 2017 and continuing until June 30, 2018 and (iv) 6.25% of the initial aggregate principal amount of the Term Facility during any period thereafter. To the extent not previously irrevocably paid in full in cash, the then unpaid principal amount of the Term Loan Advances shall be due and payable the Maturity Date.

(c) Canadian Advances. The Canadian Borrower hereby unconditionally promises to pay to the Canadian Administrative Agent for the account of and ratable benefit of each Canadian Lender the aggregate outstanding principal amount of all Canadian Advances on the Maturity Date.

(d) Swingline Advances. The US Borrower hereby unconditionally promises to pay to the Swingline Lender (i) the aggregate outstanding principal amount of all Swingline Advances on each Swingline Payment Date, and (ii) the aggregate outstanding principal amount of all Swingline Advances outstanding on the Maturity Date.

Section 2.9 Fees.

(a) US Commitment Fees. The US Borrower agrees to pay to the US Administrative Agent for the account of each US Lender a US Commitment Fee on the average daily amount by which such Lender' s US Commitment exceeds such Lender' s outstanding US Advances plus such Lender' s Applicable Percentage of the US Letter of Credit Exposure at the per annum rate equal to the Applicable Margin for Commitment Fees for such period. The US Commitment Fee is due quarterly in arrears on March 31, June 30, September 30, and December 31 of each year commencing on September 30, 2014, and on the Maturity Date. For purposes of this Section 2.9(a) only, amounts advanced as Swingline Advances shall not reduce the amount of the unused US Commitment.

(b) Canadian Commitment Fees. The Canadian Borrower agrees to pay to the Canadian Administrative Agent for the account of each Canadian Lender a Canadian Commitment Fee on the average daily amount by which such Lender' s Canadian Commitment exceeds such Lender' s outstanding Canadian Advances plus such Lender' s Applicable Percentage of the Canadian Letter of Credit Exposure at the per annum rate equal to the Applicable Margin for Commitment Fees for such period. The Canadian Commitment Fee is due quarterly in arrears on March 31, June 30, September 30, and December 31 of each year commencing on September 30, 2014, and on the Maturity Date.

(c) Fees for US Letters of Credit. The US Borrower agrees to pay the following:

(i) to the US Administrative Agent for the pro rata benefit of the US Lenders a per annum letter of credit fee for each US Letter of Credit (other than a commercial Letter of Credit) issued hereunder in an amount equal to 66 2/3% of the Applicable Margin for Eurocurrency Advances under the US Facility on the face amount of such US Letter of Credit for the period such US Letter of Credit is outstanding, which fee shall be due and payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, and on the Maturity Date;

(ii) to the US Administrative Agent for the pro rata benefit of the US Lenders a per annum letter of credit fee for each US Letter of Credit that is a commercial Letter of Credit and issued hereunder in an amount equal to the Applicable Margin for Eurocurrency Advances under the US Facility on the face amount of such US Letter of Credit for the period such US Letter of Credit is outstanding, which fee shall be due and payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, and on the Maturity Date;

(iii) to the US Issuing Lender, a fronting fee for each US Letter of Credit equal to the greater of (A) 0.25% per annum on the face amount of such US Letter of Credit and (B) $750.00, which fee shall be due and payable in advance on the date of the issuance of the Letter of Credit, and, in the case of an increase or extension only, on the date of such increase or such extension;

(iv) to the US Issuing Lender, an additional fronting fee for each commercial Letter of Credit equal to an amount agreed to between the US Borrower and the US Issuing Lender in writing, which fee shall be due and payable in advance on the date of the issuance of such Letter of Credit, and, in the case of an increase or extension only, on the date of such increase or such extension; and

(v) to the US Issuing Lender such other usual and customary fees associated with any transfers, amendments, drawings, negotiations or reissuances of any US Letter of Credit, which fees shall be due and payable as requested by the US Issuing Lender in accordance with the US Issuing Lender' s then current fee policy.

The US Borrower shall have no right to any refund of letter of credit fees previously paid by the US Borrower, including any refund claimed because the US Borrower cancels any Letter of Credit prior to its expiration date.

(d) Fees for Canadian Letters of Credit. The Canadian Borrower agrees to pay the following:

(i) to the Canadian Administrative Agent for the pro rata benefit of the Canadian Lenders a per annum letter of credit fee for each Canadian Letter of Credit (other than a commercial Letter of Credit) issued hereunder in an amount equal to 66 2/3% of the Applicable Margin for Eurocurrency Advances under the Canadian Facility on the face amount of such Canadian Letter of Credit for the period such Canadian Letter of Credit is outstanding, which fee shall be due and payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, and on the Maturity Date;

(ii) to the Canadian Administrative Agent for the pro rata benefit of the Canadian Lenders a per annum letter of credit fee for each Canadian Letter of Credit that is a commercial Letter of Credit and issued hereunder in an amount equal to the Applicable Margin for Eurocurrency Advances under the Canadian Facility on the face amount of such Canadian Letter of Credit for the period such Canadian Letter of Credit is outstanding, which fee shall be due and payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, and on the Maturity Date;

(iii) to the Canadian Issuing Lender, a fronting fee for each Canadian Letter of Credit equal to the greater of (A) 0.25% per annum on the face amount of such Canadian Letter of Credit and (B) $750.00, which fee shall be due and payable in advance on the date of the issuance of the Letter of Credit, and, in the case of an increase or extension only, on the date of such increase or such extension;

(iv) to the Canadian Issuing Lender, an additional fronting fee for each commercial Letter of Credit equal to an amount agreed to between the Canadian Borrower and the Canadian Issuing Lender in writing, which fee shall be due and payable in advance on the date of the issuance of such Letter of Credit, and, in the case of an increase or extension only, on the date of such increase or such extension; and

(v) to the Canadian Issuing Lender such other usual and customary fees associated with any transfers, amendments, drawings, negotiations or reissuances of any Canadian Letter of Credit, which fees shall be due and payable as requested by the Canadian Issuing Lender in accordance with the Canadian Issuing Lender' s then current fee policy.

The Canadian Borrower shall have no right to any refund of letter of credit fees previously paid by the Canadian Borrower, including any refund claimed because the Canadian Borrower cancels any Letter of Credit prior to its expiration date.

(e) Other Fees. The Borrowers agree to pay the fees to the US Administrative Agent and the Joint Lead Arrangers as set forth in the Fee Letter.

Section 2.10 Interest.

(a) Base Rate Advances. Each Base Rate Advance shall bear interest at the Adjusted Base Rate in effect from time to time plus the Applicable Margin for Base Rate Advances for such period. The US Borrower shall pay to US Administrative Agent for the ratable account of each US Lender all accrued but unpaid interest on such US Lender' s Base Rate Advances on each March 31, June 30, September 30, and December 31 commencing on September 30, 2014, and on the Maturity Date. The Canadian Borrower shall pay to the Canadian Administrative Agent for the ratable account of each Canadian Lender all accrued but unpaid interest on such Canadian Lender' s Base Rate Advances on each March 31, June 30, September 30, and December 31 commencing on September 30, 2014, and on the Maturity Date.

(b) Canadian Prime Rate Advances. Each Canadian Prime Rate Advance shall bear interest at the applicable Canadian Prime Rate in effect from time to time plus the Applicable Margin for Canadian Prime Rate Advances for such period. The Canadian Borrower shall pay to Canadian Administrative Agent for the ratable account of each Canadian Lender all accrued but unpaid interest on such Canadian Lender' s Canadian Prime Rate Advances on each March 31, June 30, September 30, and December 31 commencing on September 30, 2014, and on the Maturity Date.

(c) Eurocurrency Advances. Each Eurocurrency Advance shall bear interest during its Interest Period equal to at all times the Eurocurrency Rate for such Interest Period plus the Applicable Margin for Eurocurrency Advances for such period. The Canadian Borrower shall pay to the Canadian Administrative Agent for the ratable account of each Canadian Lender all accrued but unpaid interest on each of such Canadian Lender' s Eurocurrency Advances on the last day of the Interest Period therefor (provided that for Eurocurrency Advances with six month Interest Periods or 12 month Interest Periods, accrued but unpaid interest shall also be due (i) on the day three months from the first day of such Interest Period and (ii) in the case of a 12 month Interest Period, on the day six months and nine months from the first day of such Interest Period), on the date any Eurocurrency Advance is repaid in full, and on the Maturity Date. The US Borrower shall pay to the US Administrative Agent for the ratable benefit of each US Lender all accrued but unpaid interest on each of such US Lender' s Eurocurrency Advances on the last day of the Interest Period therefor (provided that for Eurocurrency Advances with six month Interest Periods, accrued but unpaid interest shall also be due on the day three months from the first day of such Interest Period), on the date any Eurocurrency Advance is repaid in full, and on the Maturity Date.

(d) Swingline Advances. Swingline Advances shall bear interest at the Adjusted Base Rate in effect from time to time plus the Applicable Margin for US Base Rate Advances. The US Borrower shall pay to the Swingline Lender for its own account subject to Section 2.4(f) all accrued but unpaid interest on each Swingline Advance on each Swingline Payment Date, on the date any Swingline Advance is repaid (or refinanced) in full, and on the Maturity Date.

(e) Acceptance Fee on B/A Advances. Subject to the provisions of Section 9.10, the Advances comprising each B/A Borrowing shall be subject to an Acceptance Fee, payable by the Canadian Borrower on the date of acceptance of the relevant B/A and calculated as set forth in the definition of the term "Acceptance Fee" in Section 1.1.

(f) Retroactive Adjustments of Applicable Margin. In the event that any financial statement or Compliance Certificate delivered pursuant to Section 5.2 is shown to be inaccurate (regardless of whether this Agreement or the Commitments are in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an "**Applicable Period**") than the Applicable Margin applied for such Applicable Period, then (i) the US Borrower shall promptly deliver to the Administrative Agents a corrected Compliance Certificate for such Applicable Period, (ii) the Applicable Margin shall be determined as if the higher Applicable Margin that would have applied were applicable for such Applicable Period (and in any event at the highest level (Level VI) if the inaccuracy was the result of intentional dishonesty, fraud or willful misconduct

of a Responsible Officer), and (iii) the US Borrower shall promptly, without further action by either Administrative Agent, any Lender or Issuing Lender, pay to the Applicable Administrative Agent for the account of the applicable Lenders, the accrued additional interest owing as a result of such increased Applicable Margin for such Applicable Period. This Section 2.4(f) shall not limit the rights of the Administrative Agents and Lenders with respect to the Default Rate of interest as set forth in Section 2.10(a) below or Article VII. The Borrowers' obligations under this Section 2.10(a) shall survive the termination of the Commitments and the repayment of all other Secured Obligations hereunder.

(g) Default Rate. Notwithstanding the foregoing, (i) upon the occurrence and during the continuance of an Event of Default under Section 7.1(a), all overdue amounts shall bear interest, after as well as before judgment, at the Default Rate and (ii) upon the occurrence and during the continuance of any Event of Default (including under Section 7.1(a)), upon the request of the Majority Lenders, all Obligations shall bear interest, after as well as before judgment, at the Default Rate. Interest accrued pursuant to this Section 2.10(a) and all interest accrued but unpaid on or after the Maturity Date shall be due and payable on demand.

(h) Interest Act (Canada). For the purposes of the Interest Act (Canada), in any case in which an interest or fee rate is stated in this Agreement to be calculated on the basis of a number of days that is other than the number in a calendar year, the yearly rate to which such interest or fee rate is equivalent is equal to such interest or fee rate multiplied by the actual number of days in the year in which the relevant interest or fee payment accrues and divided by the number of days used as the basis for such calculation.

Section 2.11 Illegality. If any Lender shall notify a Borrower that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or that any central bank or other Governmental Authority asserts that it is unlawful, for such Lender or its Lending Office to perform its obligations under this Agreement to make, maintain, or fund any Eurocurrency Advances or B/A Advances of such Lender then outstanding hereunder, (a) the Applicable Borrower shall, no later than 11:00 a.m. (New York City time or Calgary, Alberta, Canada time, as applicable) (i) if not prohibited by law, on the last day of the Interest Period for each outstanding Eurocurrency Advance or on the last day of the Contract Period for each outstanding B/A Advance, as applicable, or (ii) if required by such notice, on the second Business Day following its receipt of such notice, prepay all of the Eurocurrency Advances of such Lender then outstanding or defease all B/A Advances of such Lender then outstanding pursuant to Section 2.7(b)(ii), together with accrued interest on the principal amount prepaid or defeased to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.12 as a result of such prepayment or defeasance being made on such date, (b) such Lender shall simultaneously make a Base Rate Advance to the Applicable Borrower on such date in an amount equal to the aggregate principal amount of the Eurocurrency Advances prepaid or B/A Advances defeased to such Lender, and (c) the right of the Applicable Borrower to select Eurocurrency Advances or B/A Advances from such Lender for any subsequent Borrowing shall be suspended until such Lender shall notify the Applicable Borrower that the circumstances causing such suspension no longer exist. Each Lender agrees to use commercially reasonable efforts (consistent with its internal policies and legal and regulatory restrictions) to designate a different Lending Office if the making of such designation would avoid the effect of this paragraph and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

Section 2.12 **Breakage Costs**. Within 5 Business Days of demand made by any Lender to the Applicable Borrower (with a copy to the Applicable Administrative Agent) from time to time, such Borrower shall compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment (including any deemed payment or repayment and any reallocated repayment to Non-Defaulting Lenders provided for in Section 2.18) of any Advance other than a Base Rate Advance on a day other than the last day of the Interest Period for such Advance (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by such Borrower (for a reason other than the failure of such Lender to make an Advance) to prepay, borrow, continue or convert any Advance other than a Base Rate Advance on the date or in the amount notified by such Borrower;

(c) any payment by such Borrower of reimbursement drawings under any Letter of Credit in a currency other than such Letter of Credit' s original currency; or

(d) any assignment of a Eurocurrency Advance on a day other than the last day of the Interest Period therefor as a result of a request by such Borrower pursuant to Section 2.16;

including any loss of anticipated profits, any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Advance, from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract. The Applicable Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing. For purposes of calculating amounts payable by the Borrowers to the Lenders under this Section 2.12, the requesting Lender shall be deemed to have (i) in the case of Eurocurrency Advances, funded such Advance at the Eurocurrency Base Rate used in determining the Eurocurrency Rate for such Advance by a matching deposit or other borrowing in the offshore interbank market for the applicable currency for a comparable amount and for a comparable period, whether or not such Eurocurrency Advance was in fact so funded and (ii) in the case of B/A Advances, made or accepted and purchased such B/A Advance with such Acceptance Fee calculated for a comparable amount and comparable period, whether or not such B/A Advance was in fact so made or accepted and purchased. Any notice delivered by an Administrative Agent (including on behalf of any Lender providing such notice to the Applicable Administrative Agent) setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.12 shall be delivered to Applicable Borrower and shall be conclusive and binding absent manifest error.

Section 2.13 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Eurocurrency Rate) or any Issuing Lender;

(ii) subject any Lender or Issuing Lender to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit, any Eurocurrency Advance made by it, or any B/A Advance made or accepted and purchased by it, or change the basis of taxation of payments to such Lender or Issuing Lender in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 2.15 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender or Issuing Lender); or

(iii) impose on any Lender or Issuing Lender or the London interbank market any other condition, cost or expense affecting this Agreement or Eurocurrency Advances made by such Lender or B/A Advances made or accepted and purchased by such Lender, or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurocurrency Advance or accepting and purchasing any B/A Advance (or of maintaining its obligation to make or accept and purchase any such Advance), or to increase the cost to such Lender or Issuing Lender of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or Issuing Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or Issuing Lender, the US Borrower will pay to such US Lender or US Issuing Lender, or the Canadian Borrower will pay to such Canadian Lender or Canadian Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Lender, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Adequacy. If any Lender or Issuing Lender determines that any Change in Law affecting such Lender or Issuing Lender or any Lending Office of such Lender or such Lender' s or Issuing Lender' s holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender' s or Issuing Lender' s capital or on the capital of such Lender' s or Issuing Lender' s holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Advances made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Lender, to a level below that which such Lender or Issuing Lender or such Lender' s or Issuing Lender' s holding company could have achieved but for such Change in Law (taking into consideration such Lender' s or Issuing Lender' s policies and the policies of such Lender' s or Issuing Lender' s holding company with respect to capital adequacy), then from time to time the US Borrower will pay to such US Lender or US Issuing Lender, or the Canadian Borrower will pay to such Canadian Lender or Canadian Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Lender or such Lender' s or Issuing Lender' s holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or Issuing Lender setting forth in reasonable detail the amount or amounts necessary to compensate such

Lender or Issuing Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Applicable Borrower shall be conclusive absent manifest error. The Applicable Borrower shall pay such Lender or Issuing Lender, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or Issuing Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender' s or such Issuing Lender' s right to demand such compensation, provided that the Borrowers shall not be required to compensate a Lender or Issuing Lender pursuant to this Section for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender or Issuing Lender, as the case may be, notifies the Applicable Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender' s or Issuing Lender' s intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Designation of a Different Lending Office. If any Lender requests compensation under this Section 2.13 then such Lender shall use commercially reasonable efforts to designate a different Lending Office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to this Section 2.13 in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The US Borrower hereby agrees to pay all reasonable costs and expenses incurred by any US Lender in connection with any such designation or assignment. The Canadian Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Canadian Lender in connection with any such designation or assignment.

Section 2.14 Payments and Computations.

(a) Payments. Except as otherwise expressly provided herein, all payments to be made by the Borrowers under this Agreement and the other Credit Documents shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff; provided that, any Borrower may setoff amounts owing to any Lender that is at such time a Defaulting Lender against Advances that such Defaulting Lender failed to the fund to such Borrower under this Agreement (the "**Unfunded Advances**") so long as (i) such Borrower shall have delivered prior written notice of such setoff to the Applicable Administrative Agent and such Defaulting Lender, (ii) the Advances made by the Lenders (other than such Defaulting Lender) as part of the original Borrowing to which the Unfunded Advances applied shall still be outstanding and was made under the same Facility, (iii) if such Defaulting Lender failed to fund Advances under more than one Borrowing, such setoff shall be applied in a manner satisfactory to the Applicable Administrative Agent, and (iv) upon the application of such setoff, the Unfunded Advances shall be deemed to have been made by such Defaulting Lender on the effective date of such setoff. Except as otherwise expressly provided herein and except with respect to principal of and interest on Advances denominated in Canadian Dollars and Letter of Credit Obligations in respect of Letters of Credit issued in Canadian Dollars, all payments by the Borrowers hereunder

shall be made to the Applicable Administrative Agent, for the account of the respective Lenders to which such payment is owed in Dollars and in Same Day Funds. Except as otherwise expressly provided herein, all payments by the Borrowers hereunder with respect to principal and interest on Advances denominated in Canadian Dollars and Letter of Credit Obligations in respect of Letters of Credit issued in Canadian Dollars shall be made to the Applicable Administrative Agent, for the account of the respective Lenders to which such payment is owed, in Canadian Dollars and in Same Day Funds. If, for any reason, any Borrower is prohibited by any Legal Requirement from making any required payment hereunder in Canadian Dollars, such Borrower shall make such payment in Dollars in the Dollar Equivalent of the Canadian Dollar payment amount. Subject to Section 2.6(c), each payment of any Advance pursuant to this Section or any other provision of this Agreement shall be made in a manner such that all Advances comprising part of the same Borrowing are paid in whole or ratably in part.

(b) Payments by Borrowers; Presumptions by Administrative Agents. Unless the Applicable Administrative Agent shall have received notice from the Applicable Borrower prior to the date on which any payment is due to the Applicable Administrative Agent for the account of the applicable Lenders or the Issuing Lenders hereunder that the Applicable Borrower will not make such payment, the Applicable Administrative Agent may assume that the Applicable Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Lenders, as the case may be, the amount due. In such event, if the Applicable Borrower has not in fact made such payment, then each of the applicable Lenders or the Issuing Lenders, as the case may be, severally agrees to repay to the Applicable Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Lender, in Same Day Funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Applicable Administrative Agent, at the Overnight Rate (which interest shall not be borne by the Borrowers). For the avoidance of doubt, the Applicable Borrower shall continue to be obligated to pay the otherwise applicable interest on such amounts as and when due under this Agreement. A notice of the Applicable Administrative Agent to any Lender or Applicable Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Payment Procedures. The Borrowers shall make each payment of any amount due and payable under this Agreement and under any other Credit Document not later than 12:00 noon (New York City time or Calgary, Alberta, Canada time, as applicable) on the day when due to the Applicable Administrative Agent at the Applicable Administrative Agent' s Office (or such other location as the Applicable Administrative Agent shall designate in writing to the Applicable Borrower) in Same Day Funds. Without limiting the generality of the foregoing, the US Administrative Agent may require that any payments due under this Agreement under the US Facility be made in the United States and the Canadian Administrative Agent may require that any payments due under this Agreement under the Canadian Facility be made in Canada. The Applicable Administrative Agent will promptly thereafter, and in any event prior to the close of business on the day any timely payment is made, cause to be distributed like funds relating to the payment of principal, interest or fees ratably (other than amounts payable solely to any specific Lender Party pursuant to Section 2.4, Section 2.11, Section 2.12, Section 2.13, Section 2.15, Section 8.3 and Section 9.1 but after taking into account payments effected pursuant to Section 2.14(f)) in accordance with each Lender' s Applicable

Percentage to the Lenders for the account of their respective Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon receipt of other amounts due solely to a specific Lender Party, the Applicable Administrative Agent shall distribute such amounts to the appropriate party to be applied in accordance with the terms of this Agreement.

(d) Non-Business Day Payments. Whenever any payment shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be; provided that if such extension would cause payment of interest on or principal of Eurocurrency Advances or B/A Advances to be made in the next following calendar month, such payment shall be made on the immediately preceding Business Day.

(e) Computations. Subject to Section 2.10(h), all computations of interest and fees shall be made by the Applicable Administrative Agent on the basis of a year of 365/366 days for Base Rate Advances based on the Adjusted Base Rate or the Canadian Prime Rate (other than Base Rate Advances based on the Federal Funds Rate or a Daily One-Month LIBOR) and a year of 360 days for all other interest and fees, in each case for the actual number of days (including the first day, but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Applicable Administrative Agent of an amount of interest or fees shall be conclusive and binding for all purposes, absent manifest error. For purposes of the Interest Act (Canada) and disclosure thereunder, the annual rates of interest to which the rates determined in accordance with the provisions hereof on the basis of a period of calculation less than a year are equivalent, are the rates so determined (a) multiplied by the actual number of days in the one year period beginning on the first day of the period of calculation, and (b) divided by the number of days in the period of calculation. The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement; all interest payments to be made hereunder shall be paid without allowance or deduction for deemed reinvestment or otherwise. The rates of interest specified in this Agreement are intended to be nominal rates and not effective rates. Interest calculated hereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

(f) Sharing of Payments, Etc.

(i) If any US Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its US Advances, Term Loan Advances or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its US Advances or Term Loan Advances and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the US Lender receiving such greater proportion shall (a) notify the US Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the US Advances, Term Loan Advances and such other obligations of the other US Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the US Lenders ratably in accordance with the aggregate amount of principal of and

accrued interest on their respective US Advances, Term Loan Advances and other amounts owing them; provided that: (A) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and (B) the provisions of this paragraph shall not be construed to apply to (x) any payment made by the US Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its US Advances, Term Loan Advances or participations in Letter of Credit Obligations to any assignee or participant, other than to the US Borrower or any Affiliate thereof (as to which the provisions of this paragraph shall apply).

(ii) If any Canadian Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Canadian Advances or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Canadian Advances and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Canadian Lender receiving such greater proportion shall (a) notify the Canadian Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Canadian Advances and such other obligations of the other Canadian Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Canadian Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Canadian Advances and other amounts owing them; provided that: (A) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and (B) the provisions of this paragraph shall not be construed to apply to (x) any payment made by the Canadian Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Canadian Advances or participations in Letter of Credit Obligations to any assignee or participant, other than to the Canadian Borrower or any Affiliate thereof (as to which the provisions of this paragraph shall apply).

Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable Legal Requirements, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

Section 2.15 Taxes.

(a) No Deduction for Certain Taxes. Any and all payments by or on account of any obligation of any Credit Party hereunder or under any other Credit Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other

Taxes, provided that if any Credit Party shall be required by Legal Requirement to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the applicable Administrative Agent, Lender or Issuing Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Credit Party shall make such deductions and (iii) such Credit Party shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Legal Requirement.

(b) Other Taxes. Without limiting the terms set forth in paragraph (a) above, each Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Legal Requirement.

(c) Indemnification by the Borrowers. The Canadian Borrower shall, and does hereby, indemnify the Canadian Administrative Agent, each Canadian Lender and the Canadian Issuing Lender, and the US Borrower shall, and does hereby, indemnify the US Administrative Agent, each US Lender and the US Issuing Lender, in any case, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by such Administrative Agent, such Lender or such Issuing Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto (except such expenses, interest and penalties resulting from gross negligence or willful misconduct of such Administrative Agent, such Lender or such Issuing Lender, as determined by a court of competent jurisdiction by final and nonappealable judgment), whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to a Borrower by a Lender or an Issuing Lender (with a copy to the Applicable Administrative Agent), or by the Applicable Administrative Agent on its own behalf or on behalf of a Lender or an Issuing Lender, shall be conclusive absent manifest error. Failure or delay on the part of any Administrative Agent, Lender or Issuing Lender to demand payment pursuant to this Section shall not constitute a waiver of such Person' s right to demand such payment; provided that, no Administrative Agent, Lender or Issuing Lender shall be indemnified for any Indemnified Taxes or Other Taxes the demand for which is made to the Applicable Borrower later than one year after the later of (i) the date on which the relevant Governmental Authority makes written demand upon the applicable Administrative Agent, Lender or Issuing Lender for payment of such Indemnified Taxes or Other Taxes, and (ii) the date on which such Administrative Agent, Lender or Issuing Lender has made payment of such Indemnified Taxes or Other Taxes; provided that if the Indemnified Taxes or Other Taxes imposed or asserted giving rise to such claims are retroactive, then the one-year period referred to above shall be extended to include the period of retroactive effect thereof.

(d) Evidence of Tax Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Borrower to a Governmental Authority, such Borrower shall deliver to the Applicable Administrative Agent the original or a certified copy of any available receipt issued by such Governmental Authority evidencing such payment, a copy of the return (if any) reporting such payment or other evidence of such payment reasonably satisfactory to the Applicable Administrative Agent.

(e) Status of Lenders.

(i) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which a Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Credit Document shall deliver to the Applicable Borrower (with a copy to the Applicable Administrative Agent), prior to the Effective Date (or upon becoming a Lender by assignment or participation) and at any time or times prescribed by applicable Legal Requirement or reasonably requested by the Applicable Borrower or the Applicable Administrative Agent, such properly completed and executed documentation prescribed by applicable Legal Requirement or reasonably requested by the Applicable Borrower or the Applicable Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Applicable Borrower or the Applicable Administrative Agent, shall deliver such other documentation prescribed by applicable Legal Requirement or reasonably requested by the Applicable Borrower or the Applicable Administrative Agent as will enable such Borrower or such Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

(ii) Without limiting the generality of the foregoing, in the event that a Borrower is resident for tax purposes in the United States, any Foreign Lender shall deliver to the US Borrower and the US Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the US Borrower or the US Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(A) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(B) duly completed copies of Internal Revenue Service Form W-8ECI,

(C) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Applicable Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN, or

(D) any other form prescribed by applicable Legal Requirement as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable Legal Requirement to permit the US Borrower to determine the withholding or deduction required to be made.

(iii) Without limiting the obligations of the Lenders set forth above regarding delivery of certain forms and documents to establish each Lender' s status for U.S. withholding tax purposes, each Lender agrees promptly to deliver to the Applicable Administrative Agent or the Applicable Borrower, as the Applicable Administrative Agent or the Applicable Borrower shall reasonably request, on or prior to the Effective Date, and in a timely fashion thereafter, such other documents and forms required by any relevant taxing authorities under any Legal Requirement of any other jurisdiction, duly executed and completed by such Lender, as are required under such Legal Requirements to confirm such Lender' s entitlement to any available exemption from, or reduction of, applicable withholding taxes in respect of all payments to be made to such Lender outside of the U.S. by the Borrowers pursuant to this Agreement or otherwise to establish such Lender' s status for withholding tax purposes in such other jurisdiction.

(iv) Each Lender shall promptly notify the Applicable Administrative Agent of any change in circumstances which would modify or render invalid any such claimed exemption or reduction.

(f) FATCA. In the case of any Lender Party that would be subject to withholding tax imposed by FATCA on payments made on account of any obligation of the Borrowers hereunder if such Lender Party fails to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender Party shall provide such documentation prescribed by applicable Legal Requirement (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Applicable Borrower or the Applicable Administrative Agent as may be necessary for the Borrowers to comply with their obligations under FATCA, to determine that such Lender Party has complied with such Lender Party' s obligations under FATCA. Each Lender Party shall promptly notify the Applicable Administrative Agent of any change in circumstances which would modify or render invalid any such documentation regarding FATCA.

(g) Treatment of Certain Refunds. If any Lender Party determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by any Borrower or with respect to which any Borrower has paid additional amounts pursuant to this Section, it shall pay to such Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of such Lender Party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that each Borrower, upon the request of such Lender Party agrees to repay the amount paid over to such Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to such Lender Party in the event such Lender Party is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require any Lender Party to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Borrower or any other Person.

(h) Designation of a Different Lending Office. If any Lender requires a Borrower to pay any additional amount to such Lender or any Governmental Authority for the account of any Lender pursuant to this Section 2.15, then such Lender shall use commercially reasonable efforts to designate a different Lending Office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to this Section 2.15 in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not would not otherwise be disadvantageous to such Lender. The US Borrower hereby agrees to pay all reasonable costs and expenses incurred by any US Lender in connection with any such designation or assignment. The Canadian Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Canadian Lender in connection with any such designation or assignment.

Section 2.16 Change of Lenders. If (a) any Lender requests compensation under Section 2.13 or a Borrower is required to pay additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, (b) any Lender suspends its obligation to continue, or Convert Advances into, Eurocurrency Advances pursuant to Section 2.6(c)(vi) or Section 2.11, (c) any Lender is a Non-Consenting Lender, or (d) any Lender is a Defaulting Lender (any such Lender described in the preceding clauses (a) – (d), a "**Subject Lender**"), then (i) in the case of a Defaulting Lender, the Applicable Administrative Agent may, upon notice to the Subject Lender and the Applicable Borrower, require such Defaulting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.7), all of its interests, rights and obligations under this Agreement and the related Credit Documents as a Lender to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment) and (ii) in the case of any Subject Lender, the Applicable Borrower may, upon notice to the Subject Lender and the Applicable Administrative Agent and at the Applicable Borrower' s sole cost and expense, require such Subject Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.7), all of its interests, rights and obligations under this Agreement and the related Credit Documents to an Eligible Assignee that shall assume such obligations (which Eligible Assignee may be another Lender, if a Lender accepts such assignment), provided that, in any event

(A) as to assignments required by the Applicable Borrower, the Applicable Borrower shall have paid to the Applicable Administrative Agent the assignment processing and recordation fee specified in Section 9.7(a)(iv);

(B) such Subject Lender shall have received payment of an amount equal to the outstanding principal of its Advances and participations in outstanding Letter of Credit Obligations and funded participations in outstanding Swingline Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Credit Documents (including any amounts under Section 2.12 other than in the case of a Defaulting Lender) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Applicable Borrower (in the case of all other amounts);

(C) in the case of any such assignment resulting from a claim for compensation under Section 2.13 or payments required to be made pursuant to Section 2.15, such assignment will result in a reduction in such compensation or payments thereafter;

(D) such assignment does not conflict with applicable Legal Requirements; and

(E) in the event such Subject Lender is a Non-Consenting Lender, each assignee shall consent, at the time of such assignment, to each matter in respect of which such Subject Lender was a Non-Consenting Lender.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Applicable Borrower to require such assignment and delegation cease to apply. Solely for purposes of effecting any assignment involving a Defaulting Lender under this Section 2.16 and to the extent permitted under applicable Legal Requirements, each Lender hereby designates and appoints the Applicable Administrative Agent as true and lawful agent and attorney-in-fact, with full power and authority, for and on behalf of and in the name of such Lender to execute, acknowledge and deliver the Assignment and Assumption required hereunder if such Lender is a Defaulting Lender and such Lender shall be bound thereby as fully and effectively as if such Lender had personally executed, acknowledged and delivered the same. In lieu of the Applicable Borrower or the Applicable Administrative Agent replacing a Defaulting Lender as provided in this Section 2.16, the Applicable Borrower may terminate such Defaulting Lender' s applicable Commitments as provided in Section 2.1(d)(iii).

Section 2.17 Increase in Commitments.

(a) At any time prior to the Business Day immediately preceding the Maturity Date, the Borrowers may effectuate one or more increases in the aggregate US Commitments and/or the Canadian Commitments (each such increase being a "**Commitment Increase**"), by designating either one or more of the existing Lenders (each of which, in its sole discretion, may determine whether and to what degree to participate in such Commitment Increase) or one or more other Eligible Assignees that at the time agree, in the case of any such Eligible Assignee that is an existing Lender to increase its US Commitment or its Canadian Commitment, as the case may be, as such Lender shall so select (an "**Increasing Lender**") and, in the case of any other Eligible Assignee that is not an existing Lender (an "**Additional Lender**"), to become a party to this Agreement as a Lender; provided, however, that (i) each such Commitment Increase to the US Commitments shall be equal to at least $10,000,000, (ii) each such Commitment Increase to the Canadian Commitments shall be equal to at least $5,000,000, (iii) all Commitments and Advances provided pursuant to a Commitment Increase shall be available on the same terms as those applicable to the corresponding type of Commitments and Advances except as to upfront fees which may be as agreed to between the Borrowers and such Increasing Lender or Additional Lender, as the case may be, (iv) the aggregate of all such Commitment Increases shall not exceed $100,000,000, and (v) after giving effect to each such Commitment

Increase, the aggregate Canadian Commitments shall not exceed $40,000,000. The Applicable Borrower shall provide prompt notice of such proposed Commitment Increase pursuant to this Section 2.17 to the Applicable Administrative Agent(s) and the applicable Lenders. This Section 2.17 shall not be construed to create any obligation on either Administrative Agent or any Lender to advance or to commit to advance any credit to any Borrower or to arrange for any other Person to advance or to commit to advance any credit to any Borrower.

(b) The Commitment Increase shall become effective on the date (the "**Increase Date**") on or prior to which each of following conditions shall have been satisfied: (i) the receipt by the Applicable Administrative Agent of (A) an agreement in form and substance reasonably satisfactory to the Applicable Administrative Agent signed by the Applicable Borrower, each Increasing Lender and/or each Additional Lender, setting forth the Commitments, if any, of each such Increasing Lender and/or Additional Lender and, if applicable, setting forth the agreement of each Additional Lender to become a party to this Agreement and to be bound by all the terms and provisions hereof binding upon each Lender, and (B) such evidence of appropriate authorization on the part of the Applicable Borrower with respect to such Commitment Increase and such legal opinions as the Applicable Administrative Agent may reasonably request, (ii) the funding by each Increasing Lender and Additional Lender of the Advances to be made by each such Lender to effect the prepayment requirement set forth in Section 2.7(c)(iii), (iii) receipt by the Applicable Administrative Agent of a certificate of an authorized officer of the Applicable Borrower certifying (A) both before and after giving effect to such Commitment Increase, no Default has occurred and is continuing, (B) all representations and warranties made by the Applicable Borrowers in this Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), unless such representation or warranty relates to an earlier date which remains true and correct in all material respects as of such earlier date (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), and (C) the pro forma compliance with the covenants in Section 6.15 and Section 6.16, after giving effect to such Commitment Increase, and (iv) receipt by the Increasing Lender or Additional Lender, as applicable, of all such fees as agreed to between such Increasing Lender and /or Additional Lender and the Applicable Borrower.

(c) Notwithstanding any provision contained herein to the contrary, from and after the date of such Commitment Increase, all calculations and payments of interest on the Advances shall take into account the actual Commitments of each Lender and the principal amount outstanding of each Advance made by such Lender during the relevant period of time.

(d) On such Increase Date, each Lender' s share of the applicable Letter of Credit Exposure on such date shall automatically be deemed to equal such Lender' s Applicable Percentage of such Letter of Credit Obligations (such Applicable Percentage for such Lender to be determined as of the Increase Date after giving effect to such Commitment Increase) without further action by any party.

Section 2.18 Defaulting Lender Provisions.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Legal Requirement:

(i) Waivers and Amendments. Such Defaulting Lender' s right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Majority Lenders.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Applicable Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VII or otherwise) or received by the Applicable Administrative Agent from a Defaulting Lender pursuant to Section 7.4 shall be applied at such time or times as may be determined by Applicable Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to such Administrative Agent and to the other Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Lender or Swingline Lender hereunder; third, on a pro rata basis, to Cash Collateralize the Issuing Lenders' and Swingline Lender' s Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.3(j); fourth, as Applicable Borrower may request (so long as no Default or Event of Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Applicable Administrative Agent; fifth, if so determined by the Applicable Administrative Agent and Applicable Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender' s potential future funding obligations with respect to Advances under this Agreement and (y) Cash Collateralize the Issuing Lenders' and Swingline Lender' s future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued and Swingline Advances made under this Agreement, in accordance with Section 2.3(j); sixth, to the payment of any amounts owing to the Lenders, the Issuing Lenders or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Lenders or Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender' s breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to any Borrower as a result of any judgment of a court of competent jurisdiction obtained by such Borrower against such Defaulting Lender as a result of such Defaulting Lender' s breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Advances or Letter of Credit Obligations in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 3.2 were satisfied or waived, such payment shall be applied solely to pay the Advances of, and Letter of Credit Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Advances of, or Letter of Credit Obligations

owed to, such Defaulting Lender until such time as all Advances and funded and unfunded participations in Letter of Credit Obligations and Swingline Advances are held by the Lenders pro rata in accordance with the Applicable Commitments under the applicable Facility without giving effect to Section 2.18(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.18(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and the Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) No Defaulting Lender shall be entitled to receive letter of credit fees for any period during which that Lender is a Defaulting Lender, except to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.3(j).

(C) With respect to any letter of credit fee not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Applicable Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender' s participation in Letter of Credit Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to each Issuing Lender and Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Issuing Lender' s or Swingline Lender' s Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender' s participation in Canadian Letter of Credit Obligations, the US Letter of Credit Obligations, and Swingline Advances, as the case may be, shall be reallocated among the Non-Defaulting Lenders in such applicable Facility in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender' s applicable Commitments) but only to the extent that (x) the conditions set forth in Section 3.2 are satisfied at the time of such reallocation (and, unless the Borrowers shall have otherwise notified the Applicable Administrative Agent at such time, the Borrowers shall be deemed to have represented and warranted that such conditions are satisfied at such time), (y) such reallocation does not cause the sum of (1) the aggregate amount of US Advances owing to such Non-Defaulting Lender, plus (2) such Non-Defaulting Lender' s participation in Swingline Advances and US Letters of Credit to exceed such Non-Defaulting Lender' s US Commitment, and (z) such reallocation does not cause sum of (1) the aggregate amount of Canadian Advances owing to such Non-Defaulting Lender, plus (2) such Non-Defaulting Lender' s

participation in Canadian Letters of Credit to exceed such Non-Defaulting Lender' s Canadian Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender' s increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swingline Advances. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Applicable Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, (x) first, within two Business Days, prepay Swingline Advances in an amount equal to the Swingline Lender' s Fronting Exposure and (y) second, within three Business Days, Cash Collateralize the Issuing Lenders' Fronting Exposure in accordance with the procedures set forth in Section 2.3(i).

(b) Defaulting Lender Cure. If the Borrowers, Applicable Administrative Agents, the Swingline Lender (if the Defaulting Lender is a US Lender) and Applicable Issuing Lender agree in writing that a Lender is no longer a Defaulting Lender, the Applicable Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Advances of the other Lenders or take such other actions as the Applicable Administrative Agent may determine to be necessary to cause the Advances and funded and unfunded participations in Letters of Credit and Swingline Advances to be held pro rata by the applicable Lenders in accordance with the applicable Commitments under the applicable Facility (without giving effect to Section 2.18(a)(iv), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of any Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

Section 2.19 Overdraft Accommodations under the Canadian Facility. Subject to the limitations set forth below, Canadian Overdraft Lender is authorized by the Canadian Borrower and all Canadian Lenders, from time to time, to make Canadian Prime Rate Advances to the Canadian Borrower by permitting overdrafts to be created in favor of any Foreign Credit Party; provided that after giving effect to such advances, the Dollar Equivalent of the Canadian Outstandings shall not exceed the aggregate Canadian Commitments in effect at such time (any of such advances are herein referred to as "**Canadian Overdraft Accommodations**"). If at any time the Canadian Borrower has outstanding any such Canadian Overdraft Accommodations, Canadian Overdraft Lender, in its discretion has the right to require settlement from the Canadian Lenders in accordance with their Applicable Percentages, in which case the Canadian Overdraft Lender shall notify the Canadian Administrative Agent and the Canadian Borrower of same, whereupon the amount of such Canadian Overdraft Accommodations shall be deemed to be a Canadian Prime Rate Advance and all references to Canadian Prime Rate Advances shall include the Canadian Overdraft Accommodations. The Canadian Overdraft Accommodations shall be secured by the Canadian Administrative Agent' s Liens in and to the Collateral and shall

constitute Canadian Prime Rate Advances, as applicable, and Obligations hereunder. For certainty, notwithstanding Section 2.6(a) or Section 2.7(b), no Notices of Borrowing or notices of prepayments need be delivered by the Canadian Borrower in respect of Canadian Overdraft Accommodations.

ARTICLE III
CONDITIONS PRECEDENT

Section 3.1 Conditions Precedent to New Borrowings and the Initial Letter of Credit. The obligations of each Lender to make new Advances on the Effective Date and for any Issuing Lender to issue the initial Letters of Credit shall be subject to the conditions precedent that:

(a) Documentation. The US Administrative Agent and the Canadian Administrative Agent shall have received the following, duly executed by all the parties thereto, in form and substance reasonably satisfactory to the Administrative Agents and the Lenders, and, where applicable, fully executed by all parties thereto:

(i) this Agreement and all attached Exhibits and Schedules and the Notes payable to each Lender requesting a Note;

(ii) Ratification Agreements with respect to the US Guaranty, the US Security Agreement and the Canadian Security Agreement, together with such other documents, agreements, or instruments necessary to create, perfect or maintain an Acceptable Security Interest in the Collateral;

(iii) certificates of insurance naming the Applicable Administrative Agent as loss payee with respect to property insurance, or additional insured with respect to liability insurance, and covering the Company' s or its Subsidiaries' Properties with such insurance carriers, for such amounts and covering such risks as required by Section 5.3;

(iv) a certificate from an authorized officer of the Borrowers dated as of the Effective Date stating that as of such date (A) all representations and warranties of the Borrowers set forth in this Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), (B) no Default has occurred and is continuing; and (C) all conditions precedent set forth in this Section 3.1 have been met or waived;

(v) (A) a secretary' s certificate from each Credit Party (other than a Foreign Credit Party) certifying such Person' s (i) officers' incumbency, (ii) authorizing resolutions, (iii) organizational documents, and (iv) governmental approvals, if any, with respect to the Credit Documents to which such Person is a party; and (B) a secretary' s or officer' s certificate from each Foreign Credit Party certifying such organizational matters and documents as may be reasonably requested by the Canadian Administrative Agent;

(vi) certificates of status or good standing for each Credit Party (other than Foreign Subsidiary Guarantors that are not Canadian entities) in the state, province or territory in which each such Person is organized, which certificates shall be (A) dated a date not earlier than 30 days prior to Effective Date or (B) otherwise effective on the Effective Date;

(vii) a legal opinion of Vinson & Elkins LLP as outside counsel to the Credit Parties, in form and substance reasonably acceptable to the US Administrative Agent;

(viii) a legal opinion from outside Canadian counsel to the Canadian Borrower in form and substance reasonably acceptable to the US Administrative Agent; and

(ix) such other documents, governmental certificates, agreements, and lien searches as any Lender Party may reasonably request.

(b) Consents; Authorization; Conflicts. The Company shall have received any consents, licenses and approvals of any Governmental Authority or any other Person and required in accordance with applicable Legal Requirement, or in accordance with any document, agreement, instrument or arrangement to which the Company, any Restricted Subsidiary, or any other party to the Crest Acquisition Documents is a party, in connection with the execution, delivery, performance, validity and enforceability of this Agreement, the other Credit Documents and the Crest Acquisition Documents other than immaterial consents, licenses or approvals the absence of which would not reasonably be expected to be adverse to any Secured Party. In addition, the Company and the Restricted Subsidiaries shall have all such material consents, licenses and approvals required in connection with the continued operation of the Company and the Restricted Subsidiaries, and such approvals shall be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on this Agreement and the actions contemplated hereby.

(c) Representations and Warranties. The representations and warranties contained in Article IV and in each other Credit Document shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the Effective Date before and after giving effect to the initial Borrowing or issuance of Letters of Credit and to the application of the proceeds from such Borrowing, as though made on and as of such date.

(d) Payment of Fees. The Company shall have paid the fees and expenses required to be paid as of the Effective Date by Section 2.9(e) and Section 9.1(a) (other than legal fees) or any other provision of a Credit Document. The US Borrower shall have paid the legal fees for the Administrative Agents' respective counsels as required under Section 9.1 to the extent such fees have been invoiced at least two Business Days prior to the Effective Date.

(e) Other Proceedings. No action, suit, investigation or other proceeding by or before any arbitrator or any Governmental Authority shall be threatened or pending and no preliminary or permanent injunction or order by a state or federal court shall have been entered in connection with this Agreement, any other Credit Document, or any of the Transactions.

(f) Payment of Interest and Fees under Existing Credit Agreement. The Borrowers shall have paid all accrued and unpaid interest in respect of any Base Rate Advances and Canadian Prime Rate Advances under the Existing Credit Agreement and any accrued and unpaid fees which would otherwise be due on June 30, 2014 under Section 2.9 of the Existing Credit Agreement.

(g) Material Adverse Change. Since December 31, 2013, there shall not have occurred any event or circumstance that could reasonably be expected to result in a Material Adverse Change.

(h) No Default. No Default shall have occurred and be continuing.

(i) Solvency. The US Administrative Agent shall have received a certificate in form and substance reasonably satisfactory to the US Administrative Agent from a Responsible Officer of US Borrower certifying that, (i) before giving effect to the initial Borrowings made hereunder on the Effective Date, the Credit Parties, taken as a whole, are Solvent and (ii) after giving effect to the initial Borrowings made hereunder on the Effective Date and the other Transactions, the Credit Parties, taken as a whole, are Solvent.

(j) Delivery of Financial Statements; Projections. With respect to the US Borrower and its Subsidiaries, the US Administrative Agent shall have received audited consolidated financial statements for the fiscal year ending 2013. With respect to Crest, the Lenders shall have received audited consolidated financial statements for the fiscal years ending 2012 and 2013, and unaudited financial statements for the first fiscal quarter of 2014. The US Administrative Agent shall have also received projections prepared by management of balance sheets, income statements and cashflow statements of the US Borrower and its Subsidiaries, after giving effect to the Transactions, which shall be quarterly for the first year after the Effective Date and annually thereafter until December 31, 2018.

(k) Notices of Borrowing. The Applicable Administrative Agent shall have received its respective Notice of Borrowing from the Applicable Borrower, with appropriate insertions and executed by a duly authorized officer of the Applicable Borrower.

(l) Payment in Full of Existing Crest Debt. Prior to, or concurrently with, the making of the initial Advances hereunder, all outstanding obligations owing with respect to the Existing Crest Debt shall have been paid in full and the US Administrative Agent shall have received one or more "pay-off" letters (or such other evidence) in form and substance reasonably satisfactory to the US Administrative Agent with respect to all such Debt being refinanced with the initial Advances to be made hereunder; and arrangements reasonably satisfactory to the US Administrative Agent shall have been made with any Person holding any Lien securing any such Debt, for the release and delivery of such UCC (or equivalent) termination statements, mortgage releases, releases of assignments of leases and rents, and other instruments, in each case in proper form for recording or filing, as the US Administrative Agent shall have requested to release and terminate of record the Liens securing such Debt.

(m) Crest Acquisition. The US Administrative Agent shall have received evidence that immediately prior to, or concurrently with, the initial Advances made hereunder, the Crest Acquisition shall have been completed.

(n) USA Patriot Act. The US Administrative Agent shall have received all documentation and other information that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act.

(o) Pro Forma Compliance Certificate. The US Administrative Agent shall have received an officer' s certificate executed by a Responsible Officer of the US Borrower, reflecting the Closing Date Leverage Ratio of no greater than 3.50 to 1.00, after giving pro forma effect to the Transactions.

(p) Pro Forma Structure. The pro forma capital and ownership structure and the equityholder arrangements of the US Borrower and its Restricted Subsidiaries (and all agreements relating thereto), after giving effect to the Transactions, will be reasonably satisfactory to the US Administrative Agent and the Lenders.

(q) Compliance with Law. The US Borrower and each of its Subsidiaries shall have been in compliance with all Legal Requirements which are applicable to such Persons, including the operations, business or Property of such Persons, except in any case where the failure to be in compliance could not reasonably be expected to result in a Material Adverse Change or affect the consummation or the legality of the Transactions.

(r) Liquidity. The US Administrative Agent shall have received evidence satisfactory to it that, after giving effect to the Transactions, Liquidity is greater than or equal to $30,000,000.

(s) Equity Contribution. The US Administrative Agent shall have received evidence satisfactory to it that the US Borrower has received at least $16,000,000 in cash (inclusive of the proceeds of shareholder loans by the US Borrower in an aggregate amount not to exceed $2,500,000) for the purchase of common stock of the US Borrower on or before the Effective Date in order to fund a portion of the Crest Acquisition.

Section 3.2 Conditions Precedent to Each Credit Extension. The obligation of each Lender to make any Credit Extension on the occasion of each Borrowing (including the initial Borrowing), the obligation of each Issuing Lender to make any Credit Extension, the obligation of each Swingline Lender to make Swingline Advances, and any reallocation provided in Section 2.18, in each case, shall be subject to the further conditions precedent that on the date of such Borrowing, such Credit Extension or such reallocation:

(a) Representations and Warranties. As of the date of the making of such Credit Extension, Borrowing or reallocation, the representations and warranties made by any Credit Party or any officer of any Credit Party contained in the Credit Documents shall be true

and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on such date, except that any representation and warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date and each request for the making of any Borrowing, Credit Extension or reallocation, and the making of such Borrowing, Credit Extension or reallocation shall be deemed to be a reaffirmation of such representations and warranties. Each of the giving of the applicable Notice of Borrowing or Letter of Credit Application, the acceptance by the Applicable Borrower of the proceeds of such Borrowing, Credit Extension or reallocation, shall constitute a representation and warranty by the Borrowers that on the date of such Borrowing, Credit Extension or reallocation, as applicable, the foregoing condition has been met.

(b) Event of Default. As of the date of each Borrowing, Credit Extension or reallocation, no Default or Event of Default shall exist, and the making of such Borrowing, Credit Extension, or reallocation would not cause a Default or Event of Default. Each of the giving of the applicable Notice of Borrowing or Letter of Credit Application, the acceptance by the Applicable Borrower of the proceeds of such Borrowing, Credit Extension or reallocation, shall constitute a representation and warranty by the Borrowers that on the date of such Borrowing, Credit Extension or reallocation, as applicable, the foregoing condition has been met.

Section 3.3 Determinations Under Section 3.1 and Section 3.2. For purposes of determining compliance with the conditions specified in Section 3.1 and Section 3.2, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the US Administrative Agent responsible for the transactions contemplated by the Credit Documents shall have received written notice from such Lender prior to the Credit Extensions hereunder specifying its objection thereto and such Lender shall not have made available to the Applicable Administrative Agent such Lender' s Credit Extensions.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Each Borrower represents and warrants as follows:

Section 4.1 Organization. The US Borrower and each of its Restricted Subsidiaries is duly and validly organized and existing and in good standing under the laws of its jurisdiction of incorporation or formation and is authorized to do business and is in good standing in all jurisdictions in which such qualifications or authorizations are necessary except where the failure to be so qualified or authorized could not reasonably be expected to result in a Material Adverse Change. As of the Effective Date, each Credit Party' s type of organization and jurisdiction of incorporation or formation are set forth on Schedule 4.1.

Section 4.2 Authorization. The execution, delivery, and performance by each Credit Party of each Credit Document to which such Credit Party is a party and the consummation of

the transactions contemplated thereby (a) are within such Credit Party' s organizational powers, (b) have been duly authorized by all necessary corporate, limited liability company or partnership action, as applicable, of such Credit Party, (c) do not contravene any articles or certificate of incorporation or bylaws, partnership or limited liability company agreement, as applicable, binding on or affecting such Credit Party, (d) do not contravene any law or any contractual restriction binding on or affecting such Credit Party except for immaterial laws or contractual restrictions the noncompliance with which would not reasonably be expected to be adverse to any Secured Party, (e) do not result in or require the creation or imposition of any Lien prohibited by this Agreement, and (f) do not require any authorization or approval or other action by, or any notice or filing with, any Governmental Authority except for immaterial authorizations, approvals, other actions, notices or filings the failure to obtain of which would not reasonably be expected to be adverse to any Secured Party. At the time of each Credit Extension, such Credit Extension and the use of the proceeds of such Credit Extension are within the Applicable Borrower' s corporate powers, have been duly authorized by all necessary action, do not contravene (i) the Applicable Borrower' s certificate of incorporation, bylaws or other organizational documents, or (ii) any Legal Requirement or any contractual restriction binding on or affecting the Applicable Borrower, will not result in or require the creation or imposition of any Lien prohibited by this Agreement, and do not require any authorization or approval or other action by, or any notice or filing with, any Governmental Authority.

Section 4.3 Enforceability. The Credit Documents have each been duly executed and delivered by each Credit Party that is a party thereto and each Credit Document constitutes the legal, valid, and binding obligation of each Credit Party that is a party thereto enforceable against such Credit Party in accordance with its terms, except as limited by applicable Debtor Relief Laws or similar laws at the time in effect affecting the rights of creditors generally and to the effect of general principles of equity whether applied by a court of law or equity.

Section 4.4 Financial Condition.

(a) The Company has delivered to the Lenders the financial statements identified in Section 3.1(j) and such financial statements were prepared in accordance with GAAP and fairly present, in all material respects, the consolidated financial condition of the Persons covered thereby as of the respective dates thereof for the periods covered therein, subject, in the case of unaudited financial statements, to normal year-end adjustments and the absence of footnotes. As of the date of the aforementioned financial statements, there were no material contingent obligations, liabilities for taxes, unusual forward or long-term commitments, or unrealized or anticipated losses of the applicable Persons, except as disclosed therein and adequate reserves for such items have been made in accordance with GAAP.

(b) Since the Effective Date, after giving pro forma effect to the Transactions, no event or condition has occurred that could reasonably be expected to result in a Material Adverse Change.

Section 4.5 Ownership and Liens; Real Property. Each Restricted Entity (a) has good and marketable fee simple title to, or a valid leasehold interest or easement in, all Material Real Property, and good title to all material personal Property, used in its business, and (b) none of the Property owned by the US Borrower or a Restricted Subsidiary is subject to any Lien except Permitted Liens.

Section 4.6 **True and Complete Disclosure**. All written factual information (whether delivered before or after the date of this Agreement) prepared by or on behalf of the US Borrower and its Restricted Subsidiaries and furnished to any Lender Party for purposes of or in connection with this Agreement or any other Credit Document, taken as a whole, does not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein not misleading as of the date such information is dated or certified. There is no fact known to any Responsible Officer of any Credit Party on the date of this Agreement that has not been disclosed to the US Administrative Agent that could reasonably be expected to result in a Material Adverse Change. All projections, estimates, budgets, and pro forma financial information furnished by the US Borrower or any of its Restricted Subsidiaries (or on behalf of the US Borrower or any such Restricted Subsidiary), were prepared on the basis of assumptions, data, information, tests, or conditions (including current and reasonably foreseeable business conditions) believed to be reasonable at the time such projections, estimates, and pro forma financial information were furnished (it being recognized by the Lender Parties, however, that projections as to future events are not to be viewed as facts and that results during the period(s) covered by such projections may differ from the projected results and that such differences may be material and that the Credit Parties make no representation that such projections will be realized).

Section 4.7 **Litigation**. There are no actions, suits, or proceedings pending or, to any Restricted Entity' s knowledge, threatened against any Borrower or any Restricted Subsidiary, at law, in equity, or in admiralty, or by or before any Governmental Authority, which could reasonably be expected to result in a Material Adverse Change. Additionally, except as disclosed in writing to the Administrative Agents, there is no pending or, to the knowledge of any Restricted Entity, threatened action or proceeding instituted against any Borrower or any Restricted Subsidiary which seeks to adjudicate any Borrower or any Restricted Subsidiary as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any Debtor Relief Law, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its Property.

Section 4.8 **Compliance with Agreements**.

(a) No Restricted Entity is a party to any indenture, loan or credit agreement or any lease or any other types of agreement or instrument or subject to any charter or corporate restriction or provision of applicable law or governmental regulation the performance of or compliance with which could reasonably be expected to cause a Material Adverse Change. No Restricted Entity is in default under or with respect to any contract, agreement, lease or any other types of agreement or instrument to which any Restricted Entity is a party and which could reasonably be expected to cause a Material Adverse Change. To the knowledge of the Credit Parties, no Restricted Entity is in default under, or has received a notice of default under, any contract, agreement, lease or any other document or instrument to which any Restricted Entity is a party which is continuing and which, if not cured, could reasonably be expected to cause a Material Adverse Change.

(b) No Default has occurred and is continuing.

Section 4.9 Pension Plans. (a) Except for matters that could not reasonably be expected to result in a Material Adverse Change, all Plans are in compliance with all applicable provisions of ERISA, (b) no Termination Event has occurred with respect to any Plan that would result in an Event of Default under Section 7.1(j), and, except for matters that could not reasonably be expected to result in a Material Adverse Change, each Plan has complied with and been administered in accordance with applicable provisions of ERISA and the Code, (c) no "accumulated funding deficiency" (as defined in Section 302 of ERISA) has occurred with respect to any Plan, and for plan years after December 31, 2007, no unpaid minimum required contribution exists with respect to any Plan, and there has been no excise tax imposed under Section 4971 of the Code with respect to any Plan, (d) the present value of all benefits vested under each Plan (based on the assumptions used to fund such Plan) did not, as of the last annual valuation date applicable thereto, exceed the value of the assets of such Plan allocable to such vested benefits in an amount that could reasonably be expected to result in a Material Adverse Change, (e) neither the US Borrower nor any member of the Controlled Group has had a complete or partial withdrawal from any Multiemployer Plan for which there is any unsatisfied withdrawal liability that could reasonably be expected to result in a Material Adverse Change or an Event of Default under Section 7.1(i), and (f) neither the US Borrower nor any member of the Controlled Group has incurred any liability as a result of a Multiemployer Plan being in reorganization or insolvent that could reasonably be expected to result in a Material Adverse Change. Based upon GAAP existing as of the date of this Agreement and current factual circumstances, no Restricted Entity has any reason to believe that the annual cost during the term of this Agreement to the US Borrower or any Subsidiary for post-retirement benefits to be provided to the current and former employees of the US Borrower or any Subsidiary under Plans that are welfare benefit plans (as defined in Section 3(1) of ERISA) could, in the aggregate, reasonably be expected to cause a Material Adverse Change.

Section 4.10 Environmental Condition. Except as set forth on Schedule 4.10:

(a) Permits, Etc. Each Restricted Entity (i) has obtained all material Environmental Permits necessary for the ownership and operation of its Properties and the conduct of its businesses; (ii) is and, during the relevant time periods specified under applicable statutes of limitation, has been in material compliance with all terms and conditions of such Permits and with all other material requirements of applicable Environmental Laws; (iii) has not received written notice of any material violation or alleged material violation of any Environmental Law or Environmental Permit; and (iv) is not subject to any actual or contingent Environmental Claim which could reasonably be expected to cause a Material Adverse Change.

(b) Certain Liabilities. To each Restricted Entity' s knowledge, none of the present or previously owned or operated Property of any Restricted Entity or of any Subsidiary thereof, wherever located, (i) has been placed on or proposed to be placed on the National Priorities List, the Comprehensive Environmental Response Compensation Liability Information System list, or their state or local analogs, or have been otherwise investigated, designated, listed, or identified by a Governmental Authority as a potential site for removal, remediation, cleanup, closure, restoration, reclamation, or other response activity under any Environmental Laws; (ii) is subject to a Lien, arising under or in connection with any Environmental Laws, that

attaches to any revenues or to any Property owned or operated by any Restricted Entity, wherever located, which could reasonably be expected to cause a Material Adverse Change; or (iii) has been the site of any Release of Hazardous Substances or Hazardous Wastes from present or past operations which has caused at the site or at any third-party site any condition that has resulted in or could reasonably be expected to result in the need for Response that could cause a Material Adverse Change.

(c) Certain Actions. Without limiting the foregoing, (i) all necessary material notices have been properly filed, and no further material action is required under current applicable Environmental Law as to each Response or other restoration or remedial project required to be undertaken by the US Borrower, any of its Subsidiaries or any of the US Borrower' s or such Subsidiary' s former Subsidiaries pursuant to any Environmental Law, on any of their presently or formerly owned or operated Property and (ii) the present and, to the Credit Parties' knowledge, future liability, if any, of the US Borrower or of any Subsidiary which could reasonably be expected to arise in connection with requirements under Environmental Laws is not expected to result in a Material Adverse Change.

Section 4.11 Subsidiaries. As of the Effective Date, the US Borrower has no Subsidiaries other than those listed on Schedule 4.11, each of which is a Restricted Subsidiary hereunder. Each Restricted Subsidiary (including any such Restricted Subsidiary formed or acquired subsequent to the Effective Date) has complied with the requirements of Section 5.6.

Section 4.12 Investment Company Act. No Restricted Entity is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 4.13 Taxes. Proper and accurate (in all material respects), federal and all material state, provincial, local and foreign tax returns, reports and statements required to be filed (after giving effect to any extension granted in the time for filing) by each Restricted Entity or any member of an affiliated group of such Restricted Entities as determined under Section 1504 of the Code (hereafter collectively called the "**Tax Group**") have been filed with the appropriate Governmental Authorities, and all taxes (which are material in amount) and other impositions due and payable have been timely paid prior to the date on which any fine, penalty, interest, late charge or loss may be added thereto for non-payment thereof except where contested in good faith and by appropriate proceeding. No Restricted Entity nor any member of the Tax Group has given, or been requested to give, a waiver of the statute of limitations relating to the payment of any federal, state, local or foreign taxes. Proper and accurate amounts have been withheld (including withholdings from employee wages and salaries relating Canadian Benefit Plans contributions) by the Restricted Entities and all other members of the Tax Group from their employees for all periods to comply in all material respects with the tax, social security and unemployment withholding provisions of applicable federal, state, provincial, local and foreign law.

Section 4.14 Permits, Licenses, etc. Each Restricted Entity possesses all permits, licenses, patents, patent rights or licenses, trademarks, trademark rights, trade names rights, and copyrights which are material to the conduct of its business. Each Restricted Entity manages and operates its business in accordance with all applicable Legal Requirements except where the failure to so manage or operate could not reasonably be expected to result in a Material Adverse Change; provided that this Section 4.14 does not apply with respect to Environmental Permits.

Section 4.15 **Use of Proceeds**. The proceeds of the Advances will be used by the Borrowers for the purposes described in Section 6.5. No Credit Party is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U). No proceeds of any Advance will be used to purchase or carry any margin stock in violation of Regulation T, U, or X.

Section 4.16 **Condition of Property; Casualties**. The material Properties used or to be used in the continuing operations of the Restricted Entities, taken as a whole, are in good working order and condition, normal wear and tear excepted. Neither the business nor the material Properties of any Restricted Entity has been affected as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labor disturbance, embargo, requisition or taking of Property or cancellation of contracts, permits or concessions by a Governmental Authority, riot, activities of armed forces or acts of God or of any public enemy, which effect could reasonably be expected to cause a Material Adverse Change.

Section 4.17 **Insurance**. Each of Restricted Entity carries insurance (which may be carried by the US Borrower on a consolidated basis) with reputable insurers in respect of such of their respective Properties, in such amounts and against such risks as is customarily maintained by other Persons of similar size engaged in similar businesses or, self-insure to the extent that is customary for Persons of similar size engaged in similar businesses.

Section 4.18 **Security Interest**. Each Credit Party has authorized the filing of financing statements sufficient when filed to perfect the Lien created by the Security Documents to the extent such Lien can be perfected by filing financing statements. When such financing statements (or corresponding filings in Canada) are filed in the offices noted therein, the Applicable Administrative Agent will have a valid and perfected security interest in all Collateral that is capable of being perfected by filing financing statements (or such corresponding filings in Canada) (excluding, for perfection purposes, the Excluded Perfection Collateral).

Section 4.19 **OFAC; Anti-Terrorism**. Neither Borrower nor any Subsidiary of a Borrower is in violation of any of the country or list based economic and trade sanctions administered and enforced by OFAC or Canadian Anti-Terrorism Laws. Neither Borrower nor any Subsidiary of a Borrower (a) is a Sanctioned Person or a Sanctioned Entity, (b) has its assets located in Sanctioned Entities, or (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. No proceeds of any Advance will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

Section 4.20 **Solvency**. Before and after giving effect to the making of each Credit Extension after the Effective Date, the Credit Parties are, when taken as a whole, Solvent.

ARTICLE V
AFFIRMATIVE COVENANTS

So long as any Obligation shall remain unpaid, any Lender shall have any Commitment hereunder, or there shall exist any Letter of Credit Exposure (unless such Letter of Credit Exposure shall have been Cash Collateralized on terms and in amounts reasonably acceptable to the Applicable Issuing Lenders), each Credit Party agrees to comply with the following covenants.

Section 5.1 Organization. Each Credit Party shall, and shall cause each of its respective Restricted Subsidiaries to, preserve and maintain its partnership, limited liability company or corporate existence, rights, franchises and privileges in the jurisdiction of its organization. Each Credit Party shall, and shall cause each of its respective Restricted Subsidiaries to qualify and remain qualified as a foreign business entity in each jurisdiction in which qualification is necessary or desirable in view of its business and operations or the ownership of its Properties, except where failure to so qualify could not reasonably be expected to cause a Material Adverse Change. Nothing contained in this Section 5.1 shall prevent any transaction permitted by Section 6.6 or Section 6.7.

Section 5.2 Reporting.

(a) Annual Financial Reports. (i) The Company shall provide, or shall cause to be provided, to the US Administrative Agent, as soon as available, but in any event within 120 days after the end of each fiscal year of the Company (commencing with the fiscal year ended December 31, 2014), consolidated and consolidating balance sheets of the Company and its Restricted Subsidiaries as at the end of such fiscal year, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, such consolidated statements to be audited and accompanied by a report and opinion of any independent certified public accountant of recognized standing reasonably acceptable to the US Administrative Agent, which report and opinion shall be prepared in accordance with GAAP and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit, and such consolidated statements to be certified by the chief executive officer, chief financial officer, director of finance or controller of the Company to the effect that such statements fairly present the financial condition, results of operations, shareholders' equity and cash flows of the Company and its Restricted Subsidiaries in all material respects in accordance with GAAP.

(b) Quarterly Financial Reports. (i) The Company shall provide, or shall cause to be provided, to the US Administrative Agent, as soon as available, but in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Company (commencing with the fiscal quarter ending September 30, 2014), a consolidated and consolidating balance sheet of the US Borrower and its Restricted Subsidiaries as at the end of such fiscal quarter, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the US Borrower' s fiscal year then ended, setting forth in each case in comparative form the figures

for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, such consolidated statements to be certified by the chief executive officer, chief financial officer, director of finance or controller of the US Borrower as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the US Borrower and its Restricted Subsidiaries, in all material respects, in accordance with GAAP, subject only to normal year- end audit adjustments and the absence of footnotes.

(c) Compliance Certificate. Concurrently with the delivery of the financial statements referred to in Section 5.2(a) and (b) above, the US Borrower shall provide to the US Administrative Agent a duly completed Compliance Certificate signed by a Responsible Officer of the US Borrower and attaching thereto detailed supporting information for the calculations made thereunder.

(d) Annual Budget. As soon as available and in any event within 60 days after the end of each fiscal year of the US Borrower, the US Borrower shall provide to the US Administrative Agent an annual budget consisting of projected balance sheets, income statements and cash flow statements for the immediately following fiscal year and reasonably detailed on a quarterly basis.

(e) Defaults. The Credit Parties shall provide to the US Administrative Agent promptly, but in any event within five Business Days after a Responsible Officer of any Credit Party obtains knowledge thereof, a notice of any Default or Event of Default, together with a statement of a Responsible Officer of the US Borrower setting forth the details of such Default or Event of Default and the actions which the Credit Parties have taken and propose to take with respect thereto.

(f) Other Creditors. The Credit Parties shall provide to the US Administrative Agent promptly after the giving or receipt thereof, copies of any material default notices given or received by the US Borrower or by any of its Restricted Subsidiaries pursuant to the terms of any indenture, loan agreement, credit agreement, or similar agreement evidencing Debt in an amount in excess of $2,000,000.

(g) Litigation. The Credit Parties shall provide to the US Administrative Agent promptly after the commencement thereof, notice of all actions, suits, and proceedings before any Governmental Authority, affecting any Restricted Entity that could reasonably be expected to result in a Material Adverse Change.

(h) Environmental Notices. Promptly upon, and in any event no later than 15 days after, the receipt thereof, or the acquisition of knowledge thereof, by any Executive Officer of any Restricted Entity, the Credit Parties shall provide the US Administrative Agent with a copy of any form of request, claim, complaint, order, notice, summons or citation received from any Governmental Authority or any other Person, (i) concerning violations or alleged violations of Environmental Laws, which seeks to impose liability therefore in excess of $2,000,000, (ii) concerning any action or omission on the part of any of the Credit Parties or any of their former Subsidiaries in connection with Hazardous Waste or Hazardous Substances which could reasonably result in the imposition of liability in excess of $2,000,000 or requiring that action be

taken to respond to or clean up a Release of Hazardous Substances or Hazardous Waste into the environment and such action or clean-up could reasonably be expected to exceed $2,000,000, including without limitation any information request related to, or notice of, potential responsibility under CERCLA which could reasonably result in the imposition of liability in excess of $2,000,000, or (iii) concerning the filing of a Lien (other than a Permitted Lien) upon, against or in connection with the US Borrower, any Subsidiary, or any of their respective former Subsidiaries, or any of their leased or owned Property, wherever located pursuant to any Environmental Law.

(i) Material Changes. The Credit Parties shall provide to the US Administrative Agent prompt written notice of any condition or event of which any Responsible Officer of any Credit Party obtains knowledge and which could reasonably be expected to result in a Material Adverse Change.

(j) Termination Events. As soon as possible and in any event (i) within 30 days after the US Borrower or any member of the Controlled Group knows that any Termination Event described in clause (a) of the definition of Termination Event with respect to any Plan has occurred, and (ii) within 10 days after the US Borrower or any member of the Controlled Group knows that any other Termination Event with respect to any Plan has occurred, the Credit Parties shall provide to the US Administrative Agent a statement of an authorized officer of the US Borrower describing such Termination Event and the action, if any, which the US Borrower or any Affiliate of the US Borrower proposes to take with respect thereto;

(k) Termination of Plans. Promptly and in any event within five Business Days after receipt thereof by the US Borrower or any member of the Controlled Group from the PBGC, the Credit Parties shall provide to the US Administrative Agent copies of each notice received by the US Borrower or any such member of the Controlled Group of the PBGC' s intention to terminate any Plan or to have a trustee appointed to administer any Plan;

(l) Other ERISA Notices. Promptly and in any event within five Business Days after receipt thereof by the US Borrower or any member of the Controlled Group from a Multiemployer Plan sponsor, the Credit Parties shall provide to the US Administrative Agent a copy of each notice received by the US Borrower or any member of the Controlled Group concerning the imposition or amount of withdrawal liability imposed on the US Borrower or any member of the Controlled Group pursuant to Section 4202 of ERISA;

(m) Other Governmental Notices. Promptly and in any event within five Business Days after receipt thereof by the US Borrower or any Restricted Subsidiary, the Credit Parties shall provide to the US Administrative Agent a copy of any notice, summons, citation, or proceeding seeking to modify, revoke, or suspend any contract, license, permit, or agreement with any Governmental Authority the modification, revocation or suspension of which could reasonably be expected to result in a Material Adverse Change;

(n) Disputes; etc. The Credit Parties shall provide to the US Administrative Agent prompt written notice of (i) any claims, legal or arbitration proceedings, proceedings before any Governmental Authority, or disputes, or to the knowledge of any Credit Party, any such actions threatened, or affecting the US Borrower or any Restricted Subsidiary, in any event,

which could reasonably be expected to cause a Material Adverse Change, or any material labor controversy of which any Credit Party has knowledge resulting in or reasonably considered to be likely to result in a strike against the US Borrower or any Restricted Subsidiary, and (ii) any claim, judgment, Lien or other encumbrance (other than a Permitted Lien) affecting any Property of the US Borrower or any Restricted Subsidiary, if the value of the claim, judgment, Lien, or other encumbrance affecting such Property shall exceed $2,000,000;

(o) Management Letters; Other Accounting Reports. Promptly upon receipt thereof (to the extent permitted by the US Borrower' s auditors), a copy of each "management letter" submitted to the US Borrower or any Restricted Subsidiary by independent accountants in connection with any annual, interim or special audit made by them of the books of the US Borrower and its Restricted Subsidiaries, and a copy of any response by the US Borrower or any Restricted Subsidiary of the US Borrower, or the board of directors or managers (or other applicable governing body) of the US Borrower or any Restricted Subsidiary of the US Borrower, to such letter;

(p) Other Information. Subject to the confidentiality provisions of Section 9.8, the Credit Parties shall provide to the US Administrative Agent such other information respecting the business, operations, or Property of the US Borrower or any Restricted Subsidiary, financial or otherwise, as any Lender through the US Administrative Agent may reasonably request.

Section 5.3 Insurance.

(a) Each Credit Party shall, and shall cause each of its Restricted Subsidiaries to, carry and maintain all such insurance in such amounts and against such risks as is customarily maintained by other Persons of similar size engaged in similar businesses and with reputable insurers.

(b) Copies of all certificates of insurance for policies covering the property or business of the Company and its Domestic Restricted Subsidiaries, and endorsements and renewals thereof, shall be delivered by the US Borrower to and retained by the US Administrative Agent. At the request of the US Administrative Agent, copies of such policies of insurance, certified as true and correct copies of such documents by a Responsible Officer of the US Borrower shall be delivered by the US Borrower to and retained by the US Administrative Agent. All policies of property insurance with respect to the US Collateral either shall have attached thereto a lender' s loss payable endorsement in favor of the US Administrative Agent for its benefit and the ratable benefit of the Secured Parties or name the US Administrative Agent as loss payee for its benefit and the ratable benefit of the Secured Parties, in either case, in form reasonably satisfactory to the US Administrative Agent, and all policies of liability insurance shall name the US Administrative Agent for its benefit and the ratable benefit of the Secured Parties as an additional insured. All policies or certificates of insurance shall set forth the coverage, the limits of liability, the name of the carrier, the policy number, and the period of coverage. All such policies shall contain a provision that notwithstanding any contrary agreements between the US Borrower, its Restricted Subsidiaries, and the applicable insurance company, such policies will not be canceled or allowed to lapse without renewal without at least 30 days' (or such shorter period as such insurance company may require and which is acceptable to the US Administrative Agent) prior written notice to the US Administrative Agent.

(c) Copies of all certificates of insurance for policies covering the property or business of the Canadian Restricted Subsidiaries, and endorsements and renewals thereof, shall be delivered by the Canadian Borrower to and retained by the Canadian Administrative Agent. At the request of the Canadian Administrative Agent, copies of such policies of insurance, certified as true and correct copies of such documents by a Responsible Officer of the Canadian Borrower shall be delivered by the Canadian Borrower to and retained by the Canadian Administrative Agent. All policies of property insurance with respect to the Canadian Collateral either shall have attached thereto a lender' s loss payable endorsement in favor of the Canadian Administrative Agent for its benefit and the ratable benefit of the Secured Parties or name the Canadian Administrative Agent as loss payee for its benefit and the ratable benefit of the Canadian Secured Parties, in either case, in form reasonably satisfactory to the Canadian Administrative Agent, and all policies of liability insurance shall name the Canadian Administrative Agent for its benefit and the ratable benefit of the Canadian Secured Parties as an additional insured. All policies or certificates of insurance shall set forth the coverage, the limits of liability, the name of the carrier, the policy number, and the period of coverage. All such policies shall contain a provision that notwithstanding any contrary agreements between the Canadian Borrower, the Canadian Restricted Subsidiaries, and the applicable insurance company, such policies will not be canceled or allowed to lapse without renewal without at least 30 days' (or such shorter period as such insurance company may require) prior written notice to the Canadian Administrative Agent.

(d) If at any time the area in which any real property constituting Collateral (to the extent any "buildings" or "mobile home" (as defined in Regulation H of the Federal Reserve Board) is situated on real property) is located is designated a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), the US Borrower shall, and shall cause each other Credit Party to, obtain flood insurance in such total amount as required by Regulation H of the Federal Reserve Board, as from time to time in effect and all official rulings and interpretations thereunder or thereof, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time.

(e) Prior to the occurrence and continuance of an Event of Default, (i) up to $5,000,000, in the aggregate, of all proceeds of property insurance received by a Credit Party for the loss of Property which constitutes Collateral shall be paid directly to the applicable Credit Party to repair or replace the damaged or destroyed Property covered by such policy; provided that such Credit Party shall make such repair or replace such Property within 180 days from the receipt of such proceeds and (ii) the remaining amount of such proceeds and any amount of proceeds that were paid to such Credit Party as permitted under clause (i) above and not used toward the repair or replacement of such Property within the 180 days required under such clause (i), shall be paid directly to the US Administrative Agent and if necessary, assigned to the US Administrative Agent to be, at the election of the US Administrative Agent, (A) applied in accordance with Section 7.6(a) of this Agreement, whether or not the Secured Obligations are then due and payable, or (B) returned to such Credit Party to repair or replace the damaged or destroyed Property covered by such policy or to make such other Investments permitted under Section 6.2 of this Agreement.

(f) After the occurrence and during the continuance of an Event of Default, if requested by the US Administrative Agent, all proceeds of insurance of any Credit Party, including any casualty insurance proceeds, property insurance proceeds, proceeds from actions, and any other proceeds, shall be paid directly to the US Administrative Agent and if necessary, assigned to the US Administrative Agent, to be applied in accordance with Section 7.6(b) of this Agreement, whether or not the Secured Obligations are then due and payable.

(g) In the event that any insurance proceeds are paid to any Credit Party in violation of clause (e) or clause (f), such Credit Party shall hold the proceeds in trust for the US Administrative Agent, segregate the proceeds from the other funds of such Credit Party, and promptly pay the proceeds to the US Administrative Agent with any necessary endorsement. Upon the request of the US Administrative Agent, each Credit Party shall execute and deliver to the US Administrative Agent any additional assignments and other documents as may be necessary to enable the US Administrative Agent to directly collect the proceeds as set forth herein.

Section 5.4 Compliance with Laws. Each Credit Party shall, and shall cause each of its Restricted Subsidiaries to, comply with Legal Requirements (including Environmental Laws) which are applicable to such Restricted Entity, including the operations, business or Property of such Restricted Entity and maintain all related permits necessary for the ownership and operation of such Restricted Entity' s Property and business, except in any case where the failure to so comply could not reasonably be expected to result in a Material Adverse Change.

Section 5.5 Taxes. Each Credit Party shall, and shall cause each of its Restricted Subsidiaries to pay and discharge all material taxes, assessments, and other charges and claims related thereto imposed on the US Borrower or any of its Restricted Subsidiaries prior to the date on which penalties attach other than any tax, assessment, charge, or claims which is being contested in good faith and for which adequate reserves have been established in compliance with GAAP.

Section 5.6 Security. The Company agrees that at all times before the termination of this Agreement, payment in full of the Obligations (other than reimbursement and indemnity obligations which survive for which the US Borrower has not received a notice of claim), and termination in full of the Commitments, the Applicable Administrative Agent shall have an Acceptable Security Interest in the applicable Collateral as required below, subject to any permitted releases pursuant to the terms of this Agreement or the Security Documents, to secure the performance and payment of the Secured Obligations as set forth in the Security Documents. The Company shall, and shall cause each Restricted Subsidiary to take such actions, including execution and delivery of any Security Documents necessary to:

(a) create, perfect and maintain an Acceptable Security Interest in favor of the US Administrative Agent in the following Properties, whether now owned or hereafter acquired: (i) all Equity Interests issued by any Subsidiary (other than a Foreign Subsidiary) and held by a Wholly-Owned Domestic Restricted Subsidiary or the US Borrower; (ii) 100% of Equity

Interests issued by First Tier Foreign Subsidiaries which are owned by the US Borrower or any Wholly-Owned Domestic Restricted Subsidiary but, in any event, no more than 65% of the outstanding Voting Securities issued by any First Tier Foreign Subsidiary; and (iii) all other Properties of the US Credit Parties and their respective Domestic Restricted Subsidiaries other than Excluded Properties (US); and

(b) create, perfect and maintain an Acceptable Security Interest in favor of the Canadian Administrative Agent in all Properties of the Canadian Borrower and any other Foreign Subsidiary of the US Borrower, whether now owned or hereafter acquired other than Excluded Properties (Canada).

For the avoidance of doubt, notwithstanding the preceding provisions of this Section 5.6 or any other provisions of the Credit Documents, (A) neither the Company nor any Domestic Subsidiary shall be required to grant any security interest in more than 65% of the outstanding Voting Securities in any Foreign Subsidiary and (B) none of the Property of any Foreign Subsidiary (including the Canadian Borrower) shall ever serve as collateral or other security for the US Facility (including US Letters of Credit and Swingline Advances).

Section 5.7 Designations with Respect to Subsidiaries.

(a) Any Subsidiary formed or acquired after the Effective Date shall be deemed a Restricted Subsidiary unless initially designated by the US Borrower as an Unrestricted Subsidiary in accordance with the terms of this Section 5.7(a) or subsequently designated by the US Borrower as an Unrestricted Subsidiary in accordance with Section 5.7(b). No Borrower may acquire or form any new Subsidiary or initially designate such new Subsidiary as an Unrestricted Subsidiary unless each of the following conditions are satisfied in connection with such acquisition, formation or designation:

(i) immediately before and after giving effect to such acquisition, formation, or designation, no Default or Event of Default shall exist and be continuing;

(ii) the US Borrower shall deliver to the US Administrative Agent each of the items set forth in Schedule 5.7 attached hereto with respect to each Subsidiary created after the Effective Date (and not initially designated as an Unrestricted Subsidiary) to the extent required in Schedule 5.7;

(iii) the Borrowers shall otherwise be in compliance with Section 5.6 and Section 6.3;

(iv) such designation shall occur either (A) concurrently with the acquisition or formation of such new Subsidiary or (B) prior to such new Subsidiary becoming a Credit Party; and

(v) Crest shall not be designated as an Unrestricted Subsidiary.

(b) The US Borrower may designate any Restricted Subsidiary that was created or acquired after the Effective Date as an Unrestricted Subsidiary and may designate any Unrestricted Subsidiary as a Restricted Subsidiary; provided that (i) before and after giving

effect to such designation, no Default shall exist, (ii) if such designation is to make a Restricted Subsidiary an Unrestricted Subsidiary, the US Borrower can demonstrate compliance with Section 6.1 – Section 6.3, Section 6.7, Section 6.8, Section 6.13, Section 6.15 – Section 6.19 as of the date of such designation, both before and after giving effect to such designation, in such detail as is reasonably acceptable to the US Administrative Agent, (iii) if such designation is to make a US Credit Party an Unrestricted Subsidiary, no such designation may be made if such US Credit Party has received from any Restricted Entity a Disposition that would not have been permitted under Section 6.7 had such US Credit Party been an Unrestricted Subsidiary at the time of such Disposition, (iv) if such designation is to make an Unrestricted Subsidiary a Restricted Subsidiary, such Restricted Subsidiary shall deliver to the US Administrative Agent each of the items set forth in Schedule 5.7 to the extent required therein, (v) only two such designations may be made as to any particular Subsidiary, (vi) such designation shall be made effective as of a quarter end, and (vii) at the time of any such designation of a Restricted Subsidiary as an Unrestricted Subsidiary, Restricted Subsidiaries shall account for at least eighty five percent (85%) of the Tangible Net Assets and the Net Income of the Company, each on a consolidated basis.

(c) The US Borrower shall deliver to the US Administrative Agent, within 20 Business Days after any such designation, a certificate of a Responsible Officer of the US Borrower stating the effective date of such designation and stating that the applicable foregoing conditions have been satisfied.

Section 5.8 Records; Inspection. Each Credit Party shall maintain, in all material respects, proper, complete and consistent books of record with respect to such Person' s operations, affairs, and financial condition. From time to time upon reasonable prior notice, each Credit Party shall permit any Lender, at such reasonable times and intervals and to a reasonable extent and under the reasonable guidance of officers of or employees delegated by officers of such Credit Party, to, subject to any applicable confidentiality considerations, examine and copy the books and records of such Credit Party, to visit and inspect the Property of such Credit Party, and to discuss the business operations and Property of such Credit Party with the officers and directors thereof (provided that, so long as no Event of Default has occurred and is continuing, the Lenders shall be entitled to only one such visit per year coordinated by the US Administrative Agent).

Section 5.9 Maintenance of Property. Each Credit Party shall, and shall cause each of its Restricted Subsidiaries to, maintain their owned, leased, or operated material Property, taken as a whole, in good condition and repair, except for normal wear and tear; and shall abstain from, and cause each of its Restricted Subsidiaries to abstain from, knowingly or willfully permitting the commission of waste or other injury, destruction, or loss of natural resources, or the occurrence of pollution, contamination, or any other condition in, on or about the owned or operated Property involving the Environment that could reasonably be expected to result in Response activities and that could reasonably be expected to cause a Material Adverse Change.

ARTICLE VI
NEGATIVE COVENANTS

So long as any Obligation shall remain unpaid, any Lender shall have any Commitment hereunder, or there shall exist any Letter of Credit Exposure (unless such Letter of Credit Exposure shall have been Cash Collateralized on terms and in amounts reasonably acceptable to the Applicable Issuing Lenders), each Credit Party agrees to comply with the following covenants:

Section 6.1 Debt. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, create, assume, incur, suffer to exist, or in any manner become liable, directly, indirectly, or contingently in respect of, any Debt other than the following (collectively, the "**Permitted Debt**"):

(a) (i) the Obligations, and (ii) the Banking Services Obligations subject to the limits in Section 6.1(i) below;

(b) Debt existing on the date hereof and set forth in Schedule 6.1 and extensions, refinancings, refundings, replacements and renewals of any such Debt subject to the last sentence of this Section 6.1.

(c) intercompany Debt incurred by any US Credit Party (including, for the avoidance of doubt, any Restricted Domestic Subsidiary of a Foreign Subsidiary) owing to any other US Credit Party; provided that, if applicable, such Debt is also permitted as an Investment under Section 6.2;

(d) (i) intercompany Debt incurred by any Foreign Credit Party owing to any other Foreign Credit Party; provided that, if applicable, such Debt is also permitted as an Investment under Section 6.2; and (ii) intercompany Debt incurred by any Domestic Subsidiary of a Foreign Credit Party owing to such Foreign Credit Party; provided that, if applicable, such Debt is also permitted as an Investment under Section 6.2 and such Debt is subordinated to the Obligations on terms and documentation acceptable to US Administrative Agent;

(e) intercompany Debt incurred by the Canadian Borrower and owing to any US Credit Party; provided that, (i) such Debt is evidenced by an unsecured intercompany note, (ii) the US Administrative Agent shall have a first priority Lien in such intercompany note and the receivable evidenced thereby, and (iii) the aggregate outstanding amount of all Debt pursuant to this clause (e) does not exceed $10,000,000;

(f) purchase money debt or Capital Leases (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 6.1, and including those set forth on Schedule 6.1) in an aggregate outstanding principal amount not to exceed $50,000,000 at any time;

(g) Hedging Arrangements permitted under Section 6.14;

(h) Debt arising from the endorsement of instruments for collection in the ordinary course of business;

(i) Debt incurred by any Foreign Restricted Subsidiary under overdraft lines of credit (other than the Canadian Overdraft Accommodations) made available for the purpose of supporting the operations of any Foreign Restricted Subsidiary in Canada or any other jurisdiction that is not a Sanctioned Entity (and including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 6.1); provided that, the aggregate outstanding principal amount of such Debt permitted under this clause (i) shall not exceed $15,000,000 at any time;

(j) unsecured Debt of the US Borrower evidenced by bonds, debentures, notes or other similar instruments (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 6.1); provided that, (i) the scheduled maturity date of such Debt shall not be earlier than one year after the Maturity Date, (ii) such Debt shall not have any amortization or other requirement to purchase, redeem, retire, defease or otherwise make any payment in respect thereof, other than at scheduled maturity thereof and mandatory prepayments which are customary with respect to such type of Debt and that are triggered upon change in control and sale of all or substantially all assets, (iii) the aggregate amount of such Debt shall not exceed $100,000,000, and (iv) the agreements and instruments governing such Debt shall not contain (A) (x) any financial maintenance covenants that are more restrictive than those in this Agreement, or (y) any other affirmative or negative covenants that are, taken as a whole, materially more restrictive than those set forth in this Agreement; provided that the inclusion of any covenant that is customary with respect to such type of Debt and that is not found in this Agreement shall not be deemed to be more restrictive for purposes of this clause (A), (B) any restriction on the ability of the US Borrower or any of its Restricted Subsidiaries to amend, modify, restate or otherwise supplement this Agreement or the other Credit Documents, (C) any restrictions on the ability of any Subsidiary of the US Borrower to guarantee the Secured Obligations (as such Secured Obligations may be amended, supplemented, modified, or amended and restated), provided that a requirement that any such Subsidiary also guarantee such Debt shall not be deemed to be a violation of this clause (C), (D) any restrictions on the ability of any Restricted Subsidiary or the US Borrower to pledge assets as collateral security for the Secured Obligations (as such Secured Obligations may be amended, supplemented, modified, or amended and restated), or (E) any restrictions on the ability of any Restricted Subsidiary or the US Borrower to incur Debt under this Agreement or any other Credit Document other than a restriction as to the outstanding principal amount of such Debt in excess of $400,000,000;

(k) any guaranty of Debt so long as such underlying Debt is otherwise permitted hereunder;

(l) Debt of any Restricted Entity that is non-recourse to any other Restricted Entity and that is assumed by such Restricted Entity in connection with any Permitted Acquisition (or, if such Restricted Subsidiary is acquired as part of such Permitted Acquisition, existing prior thereto) and the refinancing and renewal thereof; provided, however, that (i) such Debt exists at the time of such Permitted Acquisition at least in the amounts assumed in connection therewith and is not drawn down, created or increased in contemplation of or in connection with such Permitted Acquisition, (ii) that such Debt is not recourse to any other Restricted Entity or any Property thereof prior to the date of such Permitted Acquisition, and (iii) the aggregate principal amount of Debt at any time outstanding pursuant to this clause (l) shall not exceed $10,000,000;

(m) Debt arising from the financing of insurance premium of any Restricted Entity, so long as (i) such Debt shall not be in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the underlying term of such insurance policy, (ii) any unpaid amount of such Debt is fully cancelled upon termination of the underlying insurance policy, and (iii) the aggregate principal amount of Debt at any time outstanding pursuant to this clause (m) shall not exceed $10,000,000;

(n) secured Debt not otherwise permitted under the preceding provisions of this Section 6.1 (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 6.1); provided that, (i) the aggregate principal amount of such Debt shall not exceed $10,000,000 at any time and (ii) the Properties encumbered by any Lien securing such Debt shall not be Collateral or any Property that is required to be Collateral under Section 5.6**;**

(o) unsecured Debt in respect of Investments permitted by Section 6.2(d), Section 6.2(e) and Section 6.2(o);

(p) unsecured Debt not otherwise permitted under the preceding provisions of this Section 6.1 (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 6.1); provided that, the aggregate outstanding principal amount of Debt permitted under this clause (p) shall not exceed $20,000,000 at any time; and

(q) Debt constituting earn-out obligations, contingent obligations or similar obligations of any Restricted Entity arising from or relating to a Permitted Acquisition.

Any extensions, refinancings, refundings, replacements and renewals of Debt as permitted above in this Section 6.1 shall be subject to the following conditions: (A) any such refinancing Debt is in an aggregate principal amount not greater than the aggregate principal amount of the Debt being renewed or refinanced, plus the amount of any premiums required to be paid thereon and reasonable fees and expenses associated therewith and an amount equal to any unutilized active commitment under the Debt being renewed or refinanced and (B) the covenants, events of default, subordination and other provisions thereof (including any guarantees thereof) shall be, in the aggregate, no less favorable to the Lenders than those contained in the Debt being renewed or refinance; provided that, the foregoing conditions are not, and shall not be construed as, an increase in any dollar limit already provided in Section 6.1 above nor an amendment of any specific requirement set forth in Section 6.1 above, including the specific requirements under clause (j) above.

Section 6.2 Liens. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, create, assume, incur, or suffer to exist any Lien on the Property of any Credit Party or any Restricted Subsidiary, whether now owned or hereafter acquired, or assign any right to receive any income, other than the following (collectively, the "**Permitted Liens**"):

(a) Liens securing the Secured Obligations pursuant to the Security Documents;

(b) Liens imposed by law, such as materialmen' s, mechanics' , carriers' , workmen' s and repairmen' s liens, landlord' s liens and other similar liens, and such Liens granted under contract with such materialmen, mechanic, carrier, workmen, repairmen and landlord, in any case, arising in the ordinary course of business securing obligations which are not overdue for a period of more than 30 days or are being contested in good faith by appropriate procedures or proceedings and for which adequate reserves have been established;

(c) Liens arising in the ordinary course of business out of pledges or deposits under workers compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation to secure public or statutory obligations;

(d) Liens for taxes, assessments, or other governmental charges which are not yet due and payable or which are being actively contested in good faith by appropriate proceedings;

(e) Liens securing purchase money debt or Capital Lease obligations permitted under Section 6.1(f); provided that each such Lien encumbers only the Property purchased in connection with the creation of any such purchase money debt or the subject of any such Capital Lease, and all proceeds thereof (including insurance proceeds);

(f) Liens arising from PPSA or precautionary UCC financing statements regarding operating leases;

(g) encumbrances consisting of easements, zoning restrictions, servitudes or other restrictions on the use of real property that do not (individually or in the aggregate) materially affect the value of the assets encumbered thereby or materially impair the ability of any Credit Party to use such assets in its business;

(h) Liens arising solely by virtue of any statutory or common law provision relating to banker' s liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a depository institution;

(i) Liens on cash or securities pledged to secure performance of tenders, surety and appeal bonds, government contracts, performance and return of money bonds, bids, trade contracts, leases, statutory obligations, regulatory obligations and other obligations of a like nature incurred in the ordinary course of business;

(j) judgment and attachment Liens not giving rise to an Event of Default, provided that (i) any appropriate legal proceedings which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such proceeding may be initiated shall not have expired and (ii) no action to enforce such Lien has been commenced;

(k) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into in the ordinary course of business or Liens arising by

operation of law under Article 2 of the UCC or by contract in favor of a reclaiming seller of goods or buyer of goods (including purchase money security interests in favor of vendors in the ordinary course of business);

(l) Liens solely on cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted hereunder;

(m) Lien arising by reason of deposits with or giving of any form of security to any Governmental Authority for any purpose at any time as required by applicable law as a condition to the transaction of any business or the exercise of any privilege or license;

(n) Liens created pursuant to joint venture agreements and related documents (to the extent requiring a Lien on the Equity Interest owned by any Borrower or Restricted Entity in the applicable joint venture is required thereunder) having ordinary and customary terms (including with respect to Liens) and entered into in the ordinary course of business and securing obligations other than Debt;

(o) Liens encumbering Property of the Restricted Entities which is not Collateral or Property required to be Collateral under Section 5.6 and securing Debt permitted under Section 6.1(n);

(p) Liens encumbering Properties of Foreign Subsidiaries securing Debt permitted under Section 6.1(i);

(q) Liens on Property of a Person which becomes a Restricted Subsidiary after the date hereof, to the extent that (i) such Liens are in existence at the time such Person becomes a Restricted Subsidiary and were not created in anticipation thereof and (ii) the Debt secured by such Liens does not thereafter increase in amount; and

(r) Liens existing as of the date hereof and set forth on Schedule 6.2.

Section 6.3 Investments. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, make or hold any Investment other than the following (collectively, the "**Permitted Investments**"):

(a) Investments in the form of trade credit to customers of a Restricted Entity arising in the ordinary course of business and represented by accounts from such customers;

(b) Liquid Investments;

(c) Investments made prior to the Effective Date as specified in the attached Schedule 6.3;

(d) Investments in any Foreign Restricted Subsidiary by a US Credit Party or any Unrestricted Subsidiary by any Credit Party; provided that, (i) the aggregate amount of all such Investments permitted under this clause (d) does not exceed $15,000,000 (other than as a result of appreciation and other than to the extent funded with Equity Issuance Proceeds), (ii) if any Restricted Payments made by Unrestricted Subsidiaries are included in the calculation of

EBITDA of any period for any purpose under this Agreement, then no Investments may be made by any Restricted Entity in such applicable Unrestricted Subsidiary during such period (under this clause (d) or otherwise) unless the US Borrower would otherwise be in compliance with the applicable covenant without taking into account such Restricted Payments from the Unrestricted Subsidiaries, and (iii) any such Investment that constitutes an Equity Interest or intercompany Debt shall become Collateral to the extent required by Section 5.6;

(e) (i) Investments by any US Credit Party in any other US Credit Party, (ii) Investments by any Foreign Credit Party in any of its Subsidiaries or any other Foreign Credit Party, and (iii) Investments by any US Credit Party in the Canadian Borrower to the extent permitted under Section 6.1(e);

(f) Investments in the form of Permitted Acquisitions; provided that, if such Permitted Acquisition involves a Subsidiary, such Acquisition otherwise complies with this Agreement, including Section 5.7 as to Wholly-Owned Restricted Subsidiaries and clause (d) above with respect to Investments in any Unrestricted Subsidiary;

(g) creation of any additional Restricted Subsidiaries in compliance with Section 5.6 and Section 5.7;

(h) creation of any Unrestricted Subsidiaries in compliance with Section 5.7; provided that, the initial capitalization thereof is permitted under clause (d) above;

(i) loans or advances to (x) directors, officers and employees of any Restricted Entity for expenses or other payments incident to such Person' s employment or association with any Restricted Entity; provided that the aggregate outstanding amount of such advances and loans shall not exceed $2,500,000; and (y) former owners of Equity Interests in any Restricted Entity in connection with or relating to their acquisition of Equity Interests in the Company; provided that the aggregate amount of such advances and loans shall not exceed $12,500,000;

(j) the Crest Acquisition and the other Transactions contemplated by this Agreement;

(k) Investments (including debt obligations and Equity Interests) and other assets received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement or delinquent obligations of, or other disputes with, customers and suppliers arising in the ordinary course of business or received upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(l) Investments in the form of mergers and consolidations of Restricted Entities in compliance with Section 6.7(a); provided that, if such Investment involves a Subsidiary, such Investment otherwise complies with this Agreement, including Section 5.7 as to Restricted Subsidiaries and clause (d) above with respect to any Subsidiary that is not a Credit Party;

(m) Capital Expenditures permitted under Section 6.17;

(n) Investments in the form of Equity Interests, including the purchase or acquisition thereof and capital contributions in connection therewith, made by the US Credit Parties to Foreign Restricted Subsidiaries; provided that, (i) such Investments are made for general corporate purposes or to fund a Permitted Acquisition, and (ii) the aggregate amount of such Investments permitted under this clause (n) shall not exceed $30,000,000 (other than as a result of appreciation and other than to the extent funded with Equity Issuance Proceeds which were not applied in increasing EBITDA for purposes of Section 7.7); and

(o) other Investments in an aggregate amount not to exceed $10,000,000 (other than as a result of appreciation), during the term hereof.

Section 6.4 Acquisitions. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, make an Acquisition in a single transaction or related series of transactions other than:

(a) mergers, amalgamations and consolidations permitted by Section 6.7(a);

(b) any Acquisition approved by the Majority Lenders;

(c) an Acquisition that meets each of the following conditions: (i) no Default exists both before and after giving effect to such Acquisition; (ii) both before and after giving effect to such Acquisition, Liquidity is greater than or equal to $20,000,000; (iii) the Acquisition is from an unrelated third party or an arm' s-length basis for no more than fair market value; and (iv) either (A) no more than 65% of the total consideration for such Acquisition will be funded with Advances or (B) after giving effect to such Acquisition, the US Borrower' s pro forma Leverage Ratio is less than or equal to the Leverage Ratio then required pursuant to Section 6.15 minus 0.25, and the US Borrower has delivered to the US Administrative Agent a Compliance Certificate evidencing such pro forma compliance duly executed by a Responsible Officer of the US Borrower.

Section 6.5 Agreements Restricting Liens. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, create, incur, assume or permit to exist any contract, agreement or understanding which in any way prohibits or restricts the granting, conveying, creation or imposition of any Lien on any of its Property, whether now owned or hereafter acquired, to secure the Secured Obligations or restricts any Restricted Subsidiary from paying Restricted Payments to the US Borrower, or which requires the consent of or notice to other Persons in connection therewith other than:

(a) this Agreement and the Security Documents;

(b) agreements governing Debt permitted by Section 6.1(f) to the extent such restrictions govern only the assets financed pursuant to such Debt and the proceeds thereof;

(c) agreements governing Debt permitted by Section 6.1(i), (l), and (n) to the extent such restrictions do not apply to Collateral or Properties which are required to be Collateral under Section 5.6 and such agreements do not require the direct or indirect granting of any Lien securing such Debt or other obligation by virtue of the granting of Liens on or pledge of Collateral to secure the Secured Obligations;

(d) any prohibition or limitation that (i) exists pursuant to applicable requirements of a Governmental Authority, (ii) restricts subletting or assignment of leasehold interests contained in any lease governing a leasehold interest of a Borrower or a Restricted Subsidiary and customary provisions in other contracts restricting assignment thereof, or (iii) exists in any agreement in effect at the time a Subsidiary becomes a Restricted Subsidiary of a Borrower, so long as such agreement was not entered into in contemplation of such Person becoming a Restricted Subsidiary; and

(e) any prohibition or limitation that exists in any contract to which a Credit Party is a party on the date hereof so long as (i) such prohibition or limitation is generally applicable and does not specifically address any of the Secured Obligations or the Liens granted under the Credit Documents, and (ii) the noncompliance of such prohibition or limitation would not reasonably be expected to be adverse to any Secured Party.

Section 6.6 **Use of Proceeds; Use of Letters of Credit**. No Credit Party shall, nor shall it permit any of its Subsidiaries to: (a) use the proceeds of the Term Loan Advances for any purpose other to consummate the Crest Acquisition; (b) use the proceeds of the US Advances for any purposes other than (i) to consummate the Crest Acquisition, (ii) to refinance or repay the advances and other obligations outstanding with respect to the Existing Crest Debt, (iii) for the payment of fees and expenses related to the Transactions, (iv) for working capital purposes of the US Borrower and any Restricted Subsidiary, (v) to make permitted Restricted Payments, (vi) for other general corporate purposes of the US Borrower and any Restricted Subsidiary, including Permitted Acquisitions and Permitted Investments; (c) use the proceeds of the US Swingline Advances or the US Letters of Credit for any purposes other than (i) working capital purposes of the US Borrower and any Restricted Subsidiary or (ii) other general corporate purposes of the US Borrower and any Restricted Subsidiary. No Credit Party shall, nor shall it permit any of its Subsidiaries to: (a) use the proceeds of the Canadian Advances for any purposes other than (i) the payment of fees and expenses related to the Transactions, (ii) working capital purposes of the Canadian Borrower and its Restricted Subsidiaries, (iii) to make permitted Restricted Payments, and (iv) other general corporate purposes of the Canadian Borrower and its Restricted Subsidiaries, including Permitted Acquisitions and Permitted Investments; (b) use the proceeds of the Canadian Letters of Credit for any purposes other than (i) working capital purposes of the Canadian Borrower and its Restricted Subsidiaries or (ii) other general corporate purposes of the Canadian Borrower and its Restricted Subsidiaries. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, use any part of the proceeds of Advances or Letters of Credit for any purpose which violates, or is inconsistent with, Regulations T, U, or X. The Borrowers will not request any Borrowing or Letter of Credit, and the Borrowers shall not use, and shall procure that their Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Entity, or (C) in any manner that would result in the violation of any sanctions administered or enforced by OFAC applicable to any party hereto.

Section 6.7 Corporate Actions; Accounting Changes.

(a) No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, merge, amalgamate or consolidate with or into any other Person after the Effective Date, except:

(i) that the US Borrower may merge with any of its Wholly-Owned Restricted Subsidiaries and any US Credit Party may merge or be consolidated with or into any other US Credit Party; provided that immediately after giving effect to any such proposed transaction no Default would exist and, in the case of any such merger to which the US Borrower is a party, the US Borrower is the surviving entity;

(ii) that any Foreign Restricted Subsidiary may merge, amalgamate or be consolidated with or into any other Foreign Restricted Subsidiary; provided that immediately after giving effect to any such proposed transaction no Default would exist and, in the case of any such merger involving a Foreign Restricted Subsidiary that is a Credit Party, either (A) such Credit Party is the surviving entity or (B) the newly merged, amalgamated or consolidated entity then becomes a Credit Party;

(iii) that any Restricted Entity that is not a Credit Party may merge, amalgamate or consolidate with any other Restricted Entity that is not a Credit Party;

(iv) any other merger, amalgamation or consolidation as part of a Permitted Acquisition under Section 6.3(c), subject to the conditions set forth therein; and

(v) the merger of Sweetwater Acquisition Company and Crest, provided that Crest is the surviving entity;

(vi) any Subsidiary (other than the Canadian Borrower) may dissolve, liquidate or wind up its affairs at any time; provided the assets of any such dissolving Restricted Subsidiary that is a US Subsidiary become owned by the US Borrower or another US Restricted Subsidiary and those of any Canadian Subsidiary become owned by the Canadian Borrower or another Canadian Subsidiary, the US Borrower or a US Subsidiary and provided further that such dissolution, liquidation or winding up, as applicable, could not reasonably be expected to have a Material Adverse Change. Any such Subsidiary may effect the same by merger, amalgamation or consolidation.

(b) No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, (i) without at least 15 days (or such shorter period as agreed to by the US Administrative Agent) prior written notice to the Administrative Agents, change its name, change its state of incorporation, formation or organization, change its organizational identification number or reorganize in another jurisdiction, (ii) amend, supplement, modify or restate their articles or certificate of incorporation or formation, limited partnership agreement, bylaws, limited liability company agreements, or other equivalent organizational documents, in any manner that could reasonably be expected to be materially adverse to the Lenders, or (iii) change the method of accounting employed in the preparation of the financial statements referred to in Section 4.4 or change the fiscal year end of the US Borrower unless such changes are required to conform to GAAP or such changes are to conform the accounting practices of the US Borrower and its Restricted Subsidiaries and notice of such changes have been delivered to the Administrative Agents prior to effecting such changes.

Section 6.8 Disposition of Assets. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, make a Disposition other than:

(a) Disposition by any Restricted Entity (other than a US Credit Party) of any of its Properties to any Credit Party; provided that, at the reasonable request of the Applicable Administrative Agent, the receiving Credit Party shall ratify, grant and confirm the Liens on such assets (and any other related Collateral) pursuant to documentation reasonably satisfactory to the US Administrative Agent;

(b) Disposition by any US Credit Party of any of its Properties to any other US Credit Party; provided that, at the reasonable request of the US Administrative Agent, the receiving Credit Party shall ratify, grant and confirm the Liens on such assets (and any other related Collateral) pursuant to documentation reasonably satisfactory to the US Administrative Agent;

(c) Disposition by any Restricted Entity that is not a Credit Party of any of its Properties to any other Restricted Entity that is not a Credit Party; provided that, if such Property is an Equity Interest that is Collateral or otherwise required to be Collateral under Section 5.6, then at the reasonable request of the US Administrative Agent, the receiving Restricted Entity (other than a Foreign Subsidiary) shall ratify, grant and confirm the Liens on such Equity Interest (and any other related Collateral) pursuant to documentation reasonably satisfactory to the US Administrative Agent;

(d) Sale of inventory in the ordinary course of business and Disposition of cash or Liquid Investments in the ordinary course of business;

(e) Disposition of worn out, obsolete or surplus property in the ordinary course of business and the abandonment or other Disposition of patents, trademarks and copyrights that, in the reasonable judgment of the US Borrower and its Restricted Subsidiaries, should be replaced or is no longer economically practicable to maintain or useful in the conduct of the business of the US Borrower and its Restricted Subsidiaries taken as a whole;

(f) mergers and consolidations in compliance with Section 6.7(a);

(g) Permitted Investments;

(h) assignments and licenses of patents, trademarks or copyrights of any Restricted Entity in the ordinary course of business;

(i) Disposition of any assets required under Legal Requirements;

(j) Dispositions of equipment by any US Credit Party in the ordinary course of business the proceeds of which are reinvested in the acquisition of equipment of comparable value and type within 90 days and on which the US Administrative Agent has an Acceptable Security Interest;

(k) Dispositions of equipment by any Foreign Restricted Subsidiary in the ordinary course of business the proceeds of which are reinvested in the acquisition of equipment of comparable value and type within 90 days and on which the Canadian Administrative Agent has an Acceptable Security Interest;

(l) Dispositions of Equity Interests in a joint venture or Unrestricted Subsidiary;

(m) leases of real or personal property in the ordinary course of business; and

(n) Disposition of Properties not otherwise permitted under the preceding clauses of this Section 6.7; provided that, such Disposition, taken together with all such other Dispositions completed since the Effective Date, does not exceed ten percent (10%) of the Tangible Net Assets in the aggregate and calculated at the time of such subject Disposition.

Section 6.9 Restricted Payments. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to make any Restricted Payments except that:

(a) (i) the Restricted Subsidiaries of the US Borrower may make Restricted Payments to the US Borrower or any other US Credit Party, and (ii) the Foreign Restricted Subsidiaries may make Restricted Payments to any Credit Party;

(b) so long as no Default exists or would result from the making of such Restricted Payment, the US Borrower or any Restricted Subsidiary may make cash Restricted Payments in an amount not to exceed $15,000,000 in the aggregate to existing and former officers, directors, and employees of the US Borrower or such Restricted Subsidiary; provided that such Restricted Payments are in consideration for the retirement, purchase, or redemption of any of the Equity Interests of such Restricted Entity, or any option, warrant or other right to purchase or acquire such Equity Interest, in any event, held by such Person; and

(c) the Restricted Entities may make cash Restricted Payments so long as, (i) no Default exists or would result from the making of such Restricted Payment, and (ii) after giving effect to the making of such Restricted Payment (A) the pro forma Leverage Ratio would be less than or equal to 2.00 to 1.00; (B) US Availability would be equal to or greater than $30,000,000, and (C) the aggregate amount of Restricted Payments made in any consecutive four fiscal quarter period would not exceed 50% of the US Borrower' s consolidated EBITDA for such four fiscal quarter period.

Section 6.10 Affiliate Transactions. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction or series of transactions (including, but not limited to, the purchase, sale, lease or exchange of Property, the making of any Investment, the giving of any guaranty, the assumption of any obligation or the rendering of any service) with any of their Affiliates that are not Restricted Entities other than:

(a) such transaction or series of transactions are arm' s length transactions entered into on terms that are not materially less favorable to the US Borrower or any Restricted Subsidiary, as applicable, than those that could be obtained in a comparable arm' s length transaction with a Person that is not such an Affiliate;

(b) the agreements described on Schedule 6.10; provided that the terms thereof may not be amended, supplemented or otherwise modified unless such amended, supplemented or otherwise modified terms complies with clause (a) above;

(c) the Restricted Payments permitted under Section 6.8;

(d) permitted Investments in the form of Equity Interests of Subsidiaries, including the purchase or acquisition thereof and capital contributions in connection therewith;

(e) reasonable and customary director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans); and

(f) so long as no Default exists or would result from the making of such payment, (i) the G&A Payments to SCF in an aggregate amount not to exceed $1,000,000 per fiscal year and (ii) payment to SCF in reimbursement for third party cash charges or other third party expenses incurred on behalf of the US Borrower or any of its Subsidiaries in connection with the Transactions during the 6 month period ending on the Effective Date.

Section 6.11 Line of Business. No Credit Party shall, and shall not permit any of its Restricted Subsidiaries to, change the character of the US Borrower' s and its Restricted Subsidiaries collective business as conducted on the date of this Agreement, or engage in any type of business not reasonably related to, or a normal extension of, the US Borrower' s and its Restricted Subsidiaries collective business as presently conducted.

Section 6.12 Hazardous Materials. No Credit Party (a) shall, nor shall it permit any of its Subsidiaries to, create, handle, transport, use, or dispose of any Hazardous Substance or Hazardous Waste, except in the ordinary course of its business and except in compliance with Environmental Law other than to the extent that such non-compliance could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change or in any liability on the Lenders or the Administrative Agents, and (b) shall, nor shall it permit any of its Subsidiaries to, Release any Hazardous Substance or Hazardous Waste into the Environment and shall not permit any Credit Party' s or any Subsidiary' s Property to be subjected to any Release of Hazardous Substance or Hazardous Waste, except in compliance with Environmental Law other than to the extent that such non-compliance could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change or in any material liability on the Lenders or the Administrative Agents.

Section 6.13 Compliance with ERISA. Except for matters that could not reasonably be expected to cause a Material Adverse Change, no Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly: (a) engage in any transaction in connection with which the US Borrower or any Subsidiary could be subjected to either a civil penalty assessed pursuant to Section 502(c), (i) or (l) of ERISA or a tax imposed by Chapter 43 of Subtitle D of the Code; (b) terminate, or permit any member of the Controlled Group to terminate, any Plan in a manner, or take any other action with respect to any Plan, which could result in any liability to the US

Borrower, any Subsidiary or any member of the Controlled Group to the PBGC; (c) fail to make, or permit any member of the Controlled Group to fail to make, full payment when due of all amounts which, under the provisions of any Plan, agreement relating thereto or applicable law, the US Borrower, a Subsidiary or member of the Controlled Group is required to pay as contributions thereto; (d) permit to exist, or allow any Subsidiary or any member of the Controlled Group to permit to exist, any accumulated funding deficiency (or unpaid minimum required contribution for plan years after December 31, 2007) within the meaning of Section 302 of ERISA or Section 412 of the Code, whether or not waived, with respect to any Plan; (e) permit, or allow any member of the Controlled Group to permit, the actuarial present value of the benefit liabilities (as "actuarial present value of the benefit liabilities" shall have the meaning specified in Section 4041 of ERISA) under any Plan that is regulated under Title IV of ERISA to exceed the current value of the assets (computed on a plan termination basis in accordance with Title IV of ERISA) of such Plan allocable to such benefit liabilities; (f) contribute to or assume an obligation to contribute to, or permit any member of the Controlled Group to contribute to or assume an obligation to contribute to, any Multiemployer Plan; (g) acquire, or permit any member of the Controlled Group to acquire, an interest in any Person that causes such Person to become a member of the Controlled Group if such Person sponsors, maintains or contributes to, or at any time in the six-year period preceding such acquisition has sponsored, maintained, or contributed to, (1) any Multiemployer Plan, or (2) any other Plan that is subject to Title IV of ERISA under which the actuarial present value of the benefit liabilities under such Plan exceeds the current value of the assets (computed on a plan termination basis in accordance with Title IV of ERISA) of such Plan allocable to such benefit liabilities; (h) incur, or permit any member of the Controlled Group to incur, a liability to or on account of a Plan under Sections 515, 4062, 4063, 4064, 4201 or 4204 of ERISA; or (i) contribute to or assume an obligation to contribute to any employee welfare benefit plan, as defined in Section 3(1) of ERISA, including, without limitation, any such plan maintained to provide benefits to former employees of such entities, that may not be terminated by such entities in their sole discretion at any time without any liability.

Section 6.14 **Sale and Leaseback Transactions**. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, sell or transfer to a Person any Property, whether now owned or hereafter acquired, if at the time or thereafter the US Borrower or a Restricted Subsidiary shall lease as lessee such Property or any part thereof or other Property which the US Borrower or a Restricted Subsidiary intends to use for substantially the same purpose as the Property sold or transferred; provided that, the Restricted Entities may effect such transactions with Property that is not Collateral so long as such transactions do not exceed $10,000,000 in the aggregate during the term hereof.

Section 6.15 **Limitation on Hedging**. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, (a) purchase, assume, or hold a speculative position in any commodities market or futures market or enter into any Hedging Arrangement for speculative purposes; or (b) be party to or otherwise enter into any Hedging Arrangement which is entered into for reasons other than as a part of its normal business operations as a risk management strategy and/or hedge against changes resulting from market conditions related to the US Borrower' s or its Restricted Subsidiaries' operations; provided that, for the avoidance of doubt, any Restricted Entity may enter into Hedging Arrangements (A) to mitigate risk to which such Restricted Entity has actual exposure, (B) to effectively cap, collar or exchange interest rates

(from floating to fixed rates, from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of any Restricted Entities and (C) consisting of spot and forward delivery foreign exchange contracts entered into in the ordinary course of business and not for speculative purposes.

Section 6.16 **Leverage Ratio**. US Borrower shall not permit the Leverage Ratio as of the last day of each fiscal quarter, commencing with the quarter ending September 30, 2014, to be more than (a) 3.50 to 1.00 for each fiscal quarter ending on or prior to December 31, 2014, (b) 3.25 to 1.00 for each fiscal quarter ending after December 31, 2014 but on or prior to June 30, 2015, and (c) 3.00 to 1.00 for each fiscal quarter ending after June 30, 2015.

Section 6.17 **Interest Coverage Ratio**. US Borrower shall not permit the Interest Coverage Ratio as of the last day of each fiscal quarter, commencing with the quarter ending September 30, 2014, to be less than 3.00 to 1.00.

Section 6.18 **Capital Expenditures**. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, cause the aggregate Capital Expenditures (other than Equity Funded Capital Expenditures and Capital Expenditures that constitute a Permitted Acquisition) expended by the US Borrower or any of its Restricted Subsidiaries in any fiscal year to exceed 75% of the US Borrower' s consolidated EBITDA (including Crest' s EBITDA on a pro forma basis for the fiscal year ended December 31, 2013) for the immediately prior fiscal year. Any Capital Expenditures previously incurred by Crest prior to the Credit Acquisition shall be considered as Capital Expenditures for the period in which they were incurred for purposes of calculating this amount.

Section 6.19 **Restrictions on Non-U.S. Entities**. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, (a) permit the Net Income of the US Credit Parties to be less than 70% of the consolidated Net Income of the US Borrower and its Domestic Restricted Subsidiaries, and (b) permit the net book value of all assets of the US Credit Parties to be less than 70% of the aggregate consolidated net book value of all assets of the US Borrower and its Domestic Restricted Subsidiaries, in each case, as established in accordance with GAAP and as reflected in the financial statements most recently delivered to the US Administrative Agent pursuant to the terms hereof.

Section 6.20 **Prepayment of Certain Debt**. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, any Debt, except (a) the prepayment of the Obligations in accordance with the terms of this Agreement, (b) regularly scheduled or required repayments or redemptions of Permitted Debt (other than Debt permitted under Section 6.1(i) or Section 6.1(d)(ii)) and refinancings and refundings of such Permitted Debt so long as such refinancings and refundings would otherwise comply with Section 6.1, including the last sentence therein, (c) the payment of Debt described in Section 6.1(q), provided such payment shall be permitted only to the extent that (x) both before and after giving effect to the payment of such obligation, Liquidity is greater than or equal to $20,000,000, and (y) the US Borrower' s pro forma Leverage Ratio is less than or equal to the Leverage Ratio then required pursuant to Section 6.15 minus 0.25 and the US Borrower has delivered to the US Administrative Agent a Compliance Certificate evidencing

such pro forma compliance duly executed by a Responsible Officer of the US Borrower and (d) so long as no Event of Default exists or would result therefrom, other prepayments of Permitted Debt not described in the immediately preceding clauses (a) and (b), but specifically excluding any prepayments, redemptions, purchases, defeasance, or other satisfaction of Debt permitted under Section 6.1(i) or Section 6.1(d)(ii). No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, make any cash interest payments with respect to Debt permitted under Section 6.1(d)(ii) other than scheduled interest payments permitted under the subordination terms applicable to such Debt.

ARTICLE VII
DEFAULT AND REMEDIES

Section 7.1 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" under this Agreement and any other Credit Document:

(a) Payment Failure. Any Credit Party (i) fails to pay any principal when due under this Agreement or under any AutoBorrow Agreement (other the failure to pay such principal under such AutoBorrow Agreement which is fully satisfied with a Borrowing under Section 2.4(c)) or (ii) fails to pay, within three Business Days of when due, any other amount due under this Agreement or any other Credit Document, including payments of interest fees, reimbursements, and indemnifications;

(b) False Representation or Warranties. Any representation or warranty made or deemed to be made by any Credit Party or any officer thereof in this Agreement, in any other Credit Document or in any certificate delivered in connection with this Agreement or any other Credit Document is incorrect, false or otherwise misleading in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) at the time it was made or deemed made;

(c) Breach of Covenant. (i) Any breach by any Credit Party of any of the covenants in Section 5.2(a), or Article VI of this Agreement or the corresponding covenants in any Guaranty; provided, however that any Event of Default under Section 6.15 or Section 6.16 is subject to cure as contemplated by Section 7.7 below; or (ii) any breach by any Credit Party of any other covenant or agreement contained in this Agreement or any other Credit Document and such breach shall remain unremedied for a period of thirty days after the earliest of (A) the date any Responsible Officer of the US Borrower has actual knowledge of such breach, (B) the date any Executive Officer of any Restricted Subsidiary has actual knowledge of such breach, and (C) the date written notice thereof shall have been given to any Borrower by any Lender Party;

(d) Guaranties. (i) Any material provision in the Guaranties shall at any time (before the Guaranties expire in accordance with their terms) and for any reason be determined by a court of competent jurisdiction to cease to be in full force and effect and valid and binding on the Guarantors party thereto or shall be contested by any Guarantor party thereto or by a Borrower; (ii) any Borrower or any Guarantor shall deny in writing that it has any liability or obligation under the Guaranties; or (iii) any Guarantor shall cease to exist other than as expressly permitted by the terms of this Agreement;

(e) Security Documents. Any Security Document shall at any time and for any reason cease to create an Acceptable Security Interest with respect to any Collateral having a fair market value, individually or in the aggregate, in excess of $2,500,000 (unless released or terminated pursuant to the terms of such Security Document) or any material provisions thereof shall cease to be in full force and effect and valid and binding on the Credit Party that is a party thereto or any such Person shall so state in writing (unless released or terminated pursuant to the terms of such Security Document);

(f) Cross-Default. (i) Any Restricted Entity shall fail to pay any principal of or premium or interest on its Debt which is outstanding in a principal amount of at least $10,000,000 individually or when aggregated with all such Debt of the Restricted Entities so in default (but excluding Debt owing to the Lenders hereunder) when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; (ii) any other event shall occur or condition shall exist under any agreement or instrument relating to Debt of the Restricted Entities which is outstanding in a principal amount of at least $10,000,000 individually or when aggregated with all such Debt of the Restricted Entities so in default (but excluding Debt owing to the Lenders hereunder), and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt prior to the stated maturity thereof; or (iii) any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment); provided that, for purposes of this paragraph (f), the "principal amount" of the obligations in respect of Hedging Arrangements at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that would be required to be paid if such Hedging Arrangements were terminated at such time;

(g) Bankruptcy and Insolvency. (i) Except as otherwise permitted under this Agreement, any Credit Party shall terminate its existence or dissolve or (ii) any Restricted Entity (A) admits in writing its inability to pay its debts generally as they become due; makes an assignment for the benefit of its creditors; consents to or acquiesces in the appointment of a receiver, liquidator, fiscal agent, or trustee of itself or any of its Property; files a petition under any Debtor Relief Law; or consents to any reorganization, arrangement, workout, liquidation, dissolution, or similar relief or (B) shall have had, without its consent: any court enter an order appointing a receiver, liquidator, fiscal agent, or trustee of itself or any of its Property; any petition filed against it seeking reorganization, arrangement, workout, liquidation, dissolution or similar relief under any Debtor Relief Law and such petition shall not be dismissed, stayed, or set aside for an aggregate of 60 days, whether or not consecutive;

(h) Adverse Judgment. Any Restricted Entity suffers final judgments against any of them since the date of this Agreement in an aggregate amount, less any insurance proceeds covering such judgments which are received or as to which the insurance carriers have not denied, greater than $10,000,000 and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgments or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgments, by reason of a pending appeal or otherwise, shall not be in effect;

(i) Termination Events. Any Termination Event with respect to a Plan shall have occurred, and, 30 days after notice thereof shall have been given to the US Borrower by the US Administrative Agent, such Termination Event shall not have been corrected and shall have created and caused to be continuing a material risk of Plan termination or liability for withdrawal from the Plan as a "substantial employer" (as defined in Section 4001(a)(2) of ERISA), which termination could reasonably be expect to result in a liability of, or liability for withdrawal could reasonably be expected to be, greater than $10,000,000;

(j) Multiemployer Plan Withdrawals. The US Borrower or any member of the Controlled Group as employer under a Multiemployer Plan shall have made a complete or partial withdrawal from such Multiemployer Plan and such withdrawing employer shall have incurred a withdrawal liability in an annual amount exceeding $10,000,000;

(k) Invalidity of Credit Agreement. Any material provision of this Agreement shall cease to be in full force and effect and valid and binding on the Borrowers or any Borrower shall so state in writing (except as permitted by the terms of this Agreement or as waived in accordance with Section 9.2); or

(l) Change in Control. The occurrence of a Change in Control.

Section 7.2 Optional Acceleration of Maturity. If any Event of Default (other than an Event of Default pursuant to Section 7.1(g)) shall have occurred and be continuing, then, and in any such event,

(a) the Applicable Administrative Agent (i) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrowers, declare that the obligation of each Lender, each Swingline Lender and each Issuing Lender to make Credit Extensions shall be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrowers, declare all outstanding Advances, all interest thereon, and all other amounts payable under this Agreement to be forthwith due and payable, whereupon such Advances, all such interest, and all such amounts shall become and be forthwith due and payable in full, without presentment, demand, protest or further notice of any kind (including, without limitation, any notice of intent to accelerate or notice of acceleration), all of which are hereby expressly waived by each Borrower,

(b) the US Borrower shall, on demand of the US Administrative Agent at the request or with the consent of the US Majority Lenders, deposit with the US Administrative Agent into the US Cash Collateral Account an amount of cash equal to 103% of the outstanding US Letter of Credit Exposure as security for the Secured Obligations to the extent the US Letter of Credit Obligations are not otherwise paid or Cash Collateralized at such time,

(c) the Canadian Borrower shall, on demand of the Canadian Administrative Agent at the request or with the consent of the Canadian Majority Lenders, deposit with the Canadian Administrative Agent into the Canadian Cash Collateral Account an amount of cash equal to 103% of the outstanding Canadian Letter of Credit Exposure as security for the Canadian Obligations to the extent the Canadian Letter of Credit Obligations are not otherwise paid or Cash Collateralized at such time, and

(d) the Applicable Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders proceed to enforce its rights and remedies under the Security Documents, the Guaranties, or any other Credit Document by appropriate proceedings.

Section 7.3 Automatic Acceleration of Maturity. If any Event of Default pursuant to Section 7.1(g) shall occur,

(a) the obligation of each Lender, each Swingline Lender and each Issuing Lender to make Credit Extensions shall immediately and automatically be terminated and all Advances, all interest on the Advances, and all other amounts payable under this Agreement shall immediately and automatically become and be due and payable in full, without presentment, demand, protest or any notice of any kind (including, without limitation, any notice of intent to accelerate or notice of acceleration), all of which are hereby expressly waived by the Borrowers,

(b) the US Borrower shall, on demand of the US Administrative Agent at the request or with the consent of the US Majority Lenders, deposit with the US Administrative Agent into the US Cash Collateral Account an amount of cash equal to 103% of the outstanding US Letter of Credit Exposure as security for the Secured Obligations to the extent the US Letter of Credit Obligations are not otherwise paid or Cash Collateralized at such time,

(c) the Canadian Borrower shall, on demand of the Canadian Administrative Agent at the request or with the consent of the Canadian Majority Lenders, deposit with the Canadian Administrative Agent into the Canadian Cash Collateral Account an amount of cash equal to 103% of the outstanding Canadian Letter of Credit Exposure as security for the Canadian Obligations to the extent the Canadian Letter of Credit Obligations are not otherwise paid or Cash Collateralized at such time, and

(d) the Applicable Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders proceed to enforce its rights and remedies under the Security Documents, the Guaranties, or any other Credit Document by appropriate proceedings.

Section 7.4 Set-off. If an Event of Default shall have occurred and be continuing, each Lender Party, and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Legal Requirement, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender Party or any such Affiliate to or for the credit or the account of the Applicable Borrower against any and all of the obligations of such Borrower now or hereafter existing under this Agreement or any other Credit Document to such Lender Party or Affiliate, irrespective of whether or not such Lender Party or Affiliate shall have made any demand under this Agreement or any other Credit Document and although such obligations of such Borrower may be contingent or unmatured or are owed to a branch or office of such Lender Party or Affiliate different from the branch or office holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Applicable Administrative Agent for further application in accordance with the provisions of Section 2.18 and, pending such payment, shall be segregated

by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Applicable Administrative Agent, the Issuing Lenders, the Swingline Lender and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Applicable Administrative Agent a statement describing in reasonable detail the Secured Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Administrative Agent, each Lender, each Issuing Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Administrative Agent, such Lender, such Issuing Lender or their respective Affiliates may have. Each Lender and each Issuing Lender agrees to notify the Applicable Borrower and the Applicable Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 7.5 Remedies Cumulative, No Waiver. No right, power, or remedy conferred to any Lender, Administrative Agent, or Issuing Lender in this Agreement or the Credit Documents, or now or hereafter existing at law, in equity, by statute, or otherwise shall be exclusive, and each such right, power, or remedy shall to the full extent permitted by law be cumulative and in addition to every other such right, power or remedy. No course of dealing and no delay in exercising any right, power, or remedy conferred to any Lender, Administrative Agent, or Issuing Lender in this Agreement and the Credit Documents or now or hereafter existing at law, in equity, by statute, or otherwise shall operate as a waiver of or otherwise prejudice any such right, power, or remedy. Any Lender, Administrative Agent, or Issuing Lender may cure any Event of Default without waiving the Event of Default. No notice to or demand upon the Borrowers shall entitle the Borrowers to similar notices or demands in the future.

Section 7.6 Application of Payments.

(a) Prior to Event of Default. Prior to an Event of Default, all payments made hereunder shall be applied as directed by the Applicable Borrower, but such payments are subject to the terms of this Agreement, including the application of prepayments according to Section 2.7. Notwithstanding the foregoing, any prepayments of Term Loan Borrowings pursuant to Section 2.7 shall be applied (i) *first* to reduce scheduled payments required under Section 2.8(b) in direct order of maturity to the next four scheduled payments, (ii) *second*, thereafter, on a pro rata basis among the payments remaining to be made on each scheduled repayment date, and (iii) *third* to the extent there are prepayment amounts remaining after the application of such prepayments under clause (ii) and (iii), such excess amounts shall be applied as directed by the Applicable Borrower.

(b) After Event of Default (US Collateral). If an Event of Default has occurred and is continuing, any amounts received or collected from, or on account of assets held by, any US Credit Party shall be applied to the Secured Obligations by the Administrative Agents in the following order and manner but subject to the marshaling rights of the US Administrative Agent and US Lenders:

(i) First, to payment of that portion of such Secured Obligations constituting fees, indemnities, expenses, and other amounts (including fees, charges, and disbursements of counsel to either Administrative Agent and amounts payable under Section 2.12, Section 2.13, and Section 2.15) payable by any Credit Party to either Administrative Agent in its capacity as such;

(ii) Second, to payment of that portion of such Secured Obligations constituting accrued and unpaid interest, allocated ratably among the Lender Parties in proportion to the Dollar Equivalent of the amounts described in this clause Second payable to them;

(iii) Third, to payment of that portion of such Secured Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable by any Credit Party to the Secured Parties (including fees, charges and disbursements of counsel to the respective Secured Parties and amounts payable under Article II), ratably among such Secured Parties in proportion to the Dollar Equivalent of the amounts described in this clause Third payable to them;

(iv) Fourth, to the Applicable Administrative Agent for the account of the Applicable Issuing Lender, ratably between the two Facilities, to Cash Collateralize that portion of the Letter of Credit Secured Obligations comprised of the aggregate undrawn amount of Letters of Credit;

(v) Fifth, to payment of that portion of the Secured Obligations constituting unpaid principal of the Secured Obligations payable by any Credit Party (including obligations under Hedging Agreements with any Swap Counterparties and Banking Services Obligations) and allocated ratably among the Lender Parties in proportion to the Dollar Equivalent of the respective amounts described in this clause Fourth held by them;

(vi) Sixth, to the remaining Secured Obligations owed by any Credit Party including all Secured Obligations for which the Company is liable as a Guarantor, allocated among such remaining Secured Obligations as determined by the Administrative Agents and the Majority Lenders and applied to such Secured Obligations in the order specified in this clause (b); and

(vii) Last, the balance, if any, after all of the Secured Obligations have been indefeasibly paid in full, to the Applicable Borrower or as otherwise required by any Legal Requirement.

Subject to Section 2.3(j), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as cash collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Secured Obligations, if any, in the order set forth above.

(c) After Event of Default (Canadian Collateral). If an Event of Default has occurred and is continuing, any amounts received or collected from, or on account of assets held by, any Foreign Credit Party shall be applied to the Secured Obligations by the Canadian Administrative Agent in the following order and manner:

(i) First, to payment of that portion of such Secured Obligations constituting fees, indemnities, expenses, and other amounts (including fees, charges, and disbursements of counsel to either Administrative Agent and amounts payable under Section 2.11, Section 2.13, and Section 2.15) payable by any Foreign Credit Party to either Administrative Agent in its capacity as such;

(ii) Second, to payment of that portion of such Secured Obligations constituting accrued and unpaid interest, allocated ratably among the Canadian Lender Parties in proportion to the Canadian Dollar Equivalent of the respective amounts described in this clause Second payable to them;

(iii) Third, to payment of that portion of such Secured Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable by any Foreign Credit Party to the Canadian Secured Parties (including fees, charges and disbursements of counsel to the respective Canadian Secured Parties and amounts payable under Article II), ratably among such Canadian Secured Parties in proportion to the Canadian Dollar Equivalent of the amounts described in this clause Third payable to them;

(iv) Fourth, to the Canadian Administrative Agent for the account of the Canadian Issuing Lender to Cash Collateralize that portion of the Canadian Letter of Credit Secured Obligations comprised of the aggregate undrawn amount of Canadian Letters of Credit;

(v) Fifth, to payment of that portion of the Secured Obligations constituting unpaid principal of the Secured Obligations payable by any Foreign Credit Party (including obligations with respect to Hedging Arrangements entered into with a Swap Counterparty and any Banking Services Obligations) allocated ratably among the Canadian Lender Parties in proportion to the Canadian Dollar Equivalent of the respective amounts described in this clause Fifth held by them;

(vi) Sixth, to the remaining Secured Obligations owed by any Foreign Credit Party allocated among such remaining Secured Obligations as determined by the Canadian Administrative Agent and the Canadian Majority Lenders and applied to such Secured Obligations in the order specified in this clause (c); and

(vii) Last, the balance, if any, after all of the Secured Obligations have been indefeasibly paid in full, to the Canadian Borrower or as otherwise required by any Legal Requirement.

Subject to Section 2.3(i), amounts used to Cash Collateralize the aggregate undrawn amount of Canadian Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Canadian Letters of Credit as they occur. If any amount remains on deposit as cash collateral after all Canadian Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Secured Obligations, if any, in the order set forth above.

Section 7.7 Equity Right to Cure.

(a) Notwithstanding anything to the contrary contained in Section 7.1, in the event of any Event of Default under the covenant set forth in Section 6.15 or Section 6.16 and until the expiration of the tenth (10th) Business Day after the date on which financial statements are required to be delivered pursuant to Section 5.2(a) or (b) with respect to the applicable fiscal quarter hereunder, the US Borrower may sell or issue common Equity Interests of the US Borrower to any of the Equity Interest holders (to the extent such transaction would not result in a Change in Control) and apply the Equity Issuance Proceeds thereof to increase consolidated EBITDA of the US Borrower with respect to such applicable quarter (and include it as consolidated EBITDA in such quarter for any four fiscal quarter period including such quarter); provided that (i) such Equity Issuance Proceeds are actually received by the US Borrower no later than ten (10) Business Days after the date on which financial statements are required to be delivered pursuant to Section 5.2(a) or (b) with respect to such fiscal quarter hereunder and (ii) the amount of such Equity Issuance Proceeds included as consolidated EBITDA for any such fiscal quarter shall not exceed the amount necessary to cause the maximum Leverage Ratio or Interest Coverage Ratio on a pro forma basis after giving effect to the cure provided herein, for any applicable period to be 1.00x greater than, or less than, as applicable, the then required levels under Section 6.15 and Section 6.16. Subject to the terms set forth above and the terms in clause (b) and (c) below, upon (A) application of the Equity Issuance Proceeds as provided above within the ten (10) Business Day period described above in such amounts sufficient to cure the Events of Default under the covenant set forth in Section 6.15 or Section 6.16, and (B) delivery of an updated Compliance Certificate executed by a Responsible Officer of the US Borrower to the US Administrative Agent reflecting compliance with Section 6.15 and Section 6.16, such Events of Default shall be deemed cured and no longer in existence.

(b) The parties hereby acknowledge and agree that this Section 7.7 may not be relied on for purposes of calculating any financial ratios or other conditions or compliances other than the Leverage Ratio or Interest Coverage Ratio covenant set forth in Section 6.15 or Section 6.16 and shall not result in any adjustment to any amounts (including, for the avoidance of doubt, any Debt that is prepaid or repaid with the Equity Issuance Proceeds) other than the amount of the consolidated EBITDA referred to in Section 7.7(a) above for purposes of determining the US Borrower' s compliance with Section 6.15 or Section 6.16.

(c) In each period of four fiscal quarters, there shall be at least two (2) fiscal quarters in which no cure set forth in this Section 7.7 is made. Furthermore, the US Borrower may not utilize more than five cures provided in this Section 7.7.

Section 7.8 Currency Conversion After Maturity. Notwithstanding any other provision in this Agreement, on the date that there has been an acceleration of the maturity of the Obligations or a termination of the obligations of the Lenders to make Credit Extensions hereunder as a result of any Event of Default, (i) all Advances and all other Obligations under the US Facility denominated in Canadian Dollars shall be converted into, and all such amounts due thereunder shall accrue and be payable in, Dollars at the Exchange Rate on such date; and (ii) on and after such date the interest rate applicable to all such Obligations shall be the Default Rate. From and after such date, all Advances under the US Facility shall be denominated only in, and all fees due under this Agreement under the US Facility shall be payable in, Dollars and all Advances under the Canadian Facility shall be denominated only in, and all fees due under this Agreement under the Canadian Facility shall be payable in, Canadian Dollars.

ARTICLE VIII
THE ADMINISTRATIVE AGENTS AND ISSUING LENDERS

Section 8.1 Appointment, Powers, and Immunities.

(a) Appointment and Authority. Each Lender and each Issuing Lender hereby (a) irrevocably appoints HSBC to act on its behalf as the US Administrative Agent hereunder and under the other Credit Documents and HSBC Canada to act on its behalf as the Canadian Administrative Agent hereunder and under the other Credit Documents, and (b) authorizes such Administrative Agents to take such actions on its behalf and to exercise such powers as are delegated to such Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article VIII are solely for the benefit of the Lender Parties, and neither the Company nor any other Credit Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Credit Documents (or any other similar term) with reference to either Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Legal Requirement. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Rights as a Lender. The Person serving as the US Administrative Agent or Canadian Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the US Administrative Agent or Canadian Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the US Administrative Agent or Canadian Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Company or any Subsidiary or other Affiliate thereof as if such Person were not the US Administrative Agent or the Canadian Administrative Agent hereunder and without any duty to account therefor to the Lenders. HSBC and HSBC Canada (and any successor acting as US Administrative Agent or as Canadian Administrative Agent) and their respective Affiliates may accept fees and other consideration from any Borrower or any Subsidiary or Affiliate of a Subsidiary for services in connection with this Agreement or otherwise without having to account for the same to the Lenders, the Issuing Lenders or the other Administrative Agent.

(c) Exculpatory Provisions. Neither Administrative Agent (which term as used in this Section 8.1(c) shall include its Related Parties) shall have any duties or obligations except those expressly set forth herein and in the other Credit Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, neither Administrative Agent:

(i) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that such Administrative Agent is required to exercise as directed in writing by the US Majority Lenders, Term Loan Majority Lenders or Canadian Majority Lenders, as applicable (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents), provided that neither Administrative Agent shall be required to take any action that, in its opinion or the opinion of its counsel, may expose such Administrative Agent to liability or that is contrary to any Credit Document or Legal Requirement, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to the Company, any Credit Party or any of their respective Affiliates that is communicated to or obtained by the Person serving as the US Administrative Agent or Canadian Administrative Agent or any of their respective Affiliates in any capacity.

Neither Administrative Agent shall be liable for any action taken or not taken by it (i) with the consent or at the request of the US Majority Lenders, Term Loan Majority Lenders or Canadian Majority Lenders, as applicable (or such other number or percentage of the Lenders as shall be necessary, or as such Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 7.1 and 1.1) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Each Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to such Administrative Agent in writing by the Company, a Lender or an Issuing Lender. In the event that an Administrative Agent receives such a notice of the occurrence of a Default, such Administrative Agent shall (subject to Section 9.2) take such action with respect to such Default or Event of Default as shall reasonably be directed by the Majority Lenders, provided that, unless and until such Administrative Agent shall have received such directions, such Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Secured Parties.

Neither Administrative Agent shall be responsible for or have any duty to ascertain or inquire into (i) any recital, statement, warranty or representation (whether written or oral) made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the

occurrence of any Default, (iv) the value, validity, enforceability, effectiveness, enforceability, sufficiency or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document, (v) the inspection of, or to inspect, the Property (including the books and records) of any Credit Party or any Subsidiary or Affiliate thereof, (vi) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to such Administrative Agent, or (vii) any litigation or collection proceedings (or to initiate or conduct any such litigation or proceedings) under any Credit Document unless requested by the Majority Lenders in writing and it receives indemnification satisfactory to it from the Lenders.

Section 8.2 Reliance by Administrative Agent and Issuing Lender. Each Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document, writing or other communication (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Credit Extension or any Conversion or continuance of an Advance that by its terms must be fulfilled to the satisfaction of a Lender or an Issuing Lender, each Administrative Agent may presume that such condition is satisfactory to such Lender or Issuing Lender unless such Administrative Agent shall have received notice to the contrary from such Lender or Issuing Lender prior to the making of such Credit Extension or Conversion or continuance of an Advance. Each Administrative Agent may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 8.3 Delegation of Duties. Each Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents appointed by such Administrative Agent. Each Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of each Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Facilities provided for herein as well as activities as Administrative Agent. Neither Administrative Agent shall be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that such Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub agents.

Section 8.4 Indemnification.

(a) INDEMNITY OF ADMINISTRATIVE AGENTS. THE LENDERS SEVERALLY AGREE TO INDEMNIFY THE APPLICABLE ADMINISTRATIVE AGENT AND EACH AFFILIATE THEREOF AND THEIR RESPECTIVE RELATED PARTIES (TO

THE EXTENT NOT REIMBURSED BY THE BORROWER), RATABLY ACCORDING TO THE RESPECTIVE PRINCIPAL AMOUNTS OF THE ADVANCES THEN HELD BY EACH OF THEM (OR IF NO PRINCIPAL OF THE ADVANCES IS AT THE TIME OUTSTANDING, RATABLY ACCORDING TO THE RESPECTIVE APPLICABLE COMMITMENTS HELD BY EACH OF THEM IMMEDIATELY PRIOR TO THE TERMINATION, EXPIRATION OR FULL REDUCTION OF EACH SUCH COMMITMENT), FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST THE APPLICABLE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT, ANY CREDIT DOCUMENT OR ANY ACTION TAKEN OR OMITTED BY SUCH APPLICABLE ADMINISTRATIVE AGENT UNDER THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT **(INCLUDING SUCH INDEMNITEE' S OWN NEGLIGENCE REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL)**, AND INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LIABILITIES, PROVIDED THAT NO LENDER SHALL BE LIABLE FOR ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNITEE' S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. WITHOUT LIMITATION OF THE FOREGOING, EACH LENDER AGREES TO REIMBURSE THE APPLICABLE ADMINISTRATIVE AGENT PROMPTLY UPON DEMAND FOR ITS RATABLE SHARE (DETERMINED AS SET FORTH ABOVE IN THIS PARAGRAPH) OF (i) ANY OUT-OF-POCKET EXPENSES (INCLUDING REASONABLE COUNSEL FEES) INCURRED BY THE APPLICABLE ADMINISTRATIVE AGENT IN CONNECTION WITH THE PREPARATION, EXECUTION, DELIVERY, ADMINISTRATION, MODIFICATION, OR AMENDMENT, AND (ii) ANY OUT-OF-POCKET EXPENSES (INCLUDING COUNSEL FEES) INCURRED BY THE APPLICABLE ADMINISTRATIVE AGENT IN CONNECTION WITH ENFORCEMENT OF THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT, IN ANY EVENT, INCLUDING LEGAL ADVICE IN RESPECT OF RIGHTS OR RESPONSIBILITIES UNDER THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND TO THE EXTENT THAT THE APPLICABLE ADMINISTRATIVE AGENT IS NOT REIMBURSED FOR SUCH BY THE APPLICABLE BORROWER.

(b) INDEMNITY OF ISSUING LENDER. THE LENDERS SEVERALLY AGREE TO INDEMNIFY EACH APPLICABLE ISSUING LENDER AND EACH AFFILIATE THEREOF AND THEIR RESPECTIVE RELATED PARTIES (TO THE EXTENT NOT REIMBURSED BY THE BORROWER), RATABLY ACCORDING TO THE RESPECTIVE PRINCIPAL AMOUNTS OF THE ADVANCES THEN HELD BY EACH OF THEM (OR IF NO PRINCIPAL OF THE ADVANCES IS AT THE TIME OUTSTANDING, RATABLY ACCORDING TO THE RESPECTIVE APPLICABLE COMMITMENTS HELD BY EACH OF THEM IMMEDIATELY PRIOR TO THE TERMINATION, EXPIRATION OR FULL REDUCTION OF EACH SUCH COMMITMENT), FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS,

JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST SUCH ISSUING LENDER OR ANY OF ITS RELATED PARTIES IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT, ANY CREDIT DOCUMENT OR ANY ACTION TAKEN OR OMITTED BY SUCH ISSUING LENDER UNDER THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT (INCLUDING SUCH INDEMNITEE' S OWN NEGLIGENCE REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL), AND INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LIABILITIES, PROVIDED THAT NO LENDER SHALL BE LIABLE FOR ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNITEE' S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

Section 8.5 **Non-Reliance on Administrative Agent and Other Lenders**. Each Lender Party acknowledges and agrees that it has, independently and without reliance upon either Administrative Agent or any other Lender Party or any of their Related Parties, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender Party also acknowledges and agrees that it will, independently and without reliance upon either Administrative Agent or any other Lender Party or any of their Related Parties, and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder. Except for notices, reports, and other documents and information expressly required to be furnished to the Lenders or the Issuing Lender by the Applicable Administrative Agent hereunder and for other information in the Applicable Administrative Agent' s possession which has been requested by a Lender and for which such Lender pays the Applicable Administrative Agent' s expenses in connection therewith, the Administrative Agents shall not have any duty or responsibility to provide any Lender or Issuing Lender with any credit or other information concerning the affairs, financial condition, or business of any Credit Party or any of its Subsidiaries or Affiliates that may come into the possession of the Applicable Administrative Agent or any of its Affiliates.

Section 8.6 **Resignation of Administrative Agent, Issuing Lender or Swingline Lender**.

(a) Each Administrative Agent and each Issuing Lender may at any time give notice of its resignation to the other applicable Lender Parties and the Applicable Borrowers. Upon receipt of any such notice of resignation, (i) the US Majority Lenders shall have the right, with the prior written consent of the US Borrower (which consent is not required if a Default or Event of Default has occurred and is continuing and which consent shall not be unreasonably withheld or delayed), to appoint a successor US Administrative Agent, (ii) the US Majority Lenders shall have the right, with the prior written consent of the US Borrower (which consent is not required if a Default or Event of Default has occurred and is continuing and which consent shall not be unreasonably withheld or delayed) to appoint a successor US Issuing Lender, which

shall be a Lender, and (iii) the Canadian Majority Lenders shall have the right, with the prior written consent of the Canadian Borrower (which consent is not required if a Default or Event of Default has occurred and is continuing and which consent shall not be unreasonably withheld or delayed), to appoint a successor Canadian Administrative Agent and Canadian Issuing Lender. If no such successor Administrative Agent or Issuing Lender shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent or Issuing Lender gives notice of its resignation (or such earlier day as shall be agreed by the applicable Majority Lenders) (the "**Resignation Effective Date**"), then the retiring Administrative Agent or Issuing Lender, as applicable, may on behalf of the Lenders and Issuing Lenders, appoint a successor agent or issuing lender meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation by an Administrative Agent or an Issuing Lender shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the applicable Majority Lenders may, to the extent permitted by applicable Legal Requirement, by notice in writing to the Applicable Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Applicable Borrower, appoint a successor. If no such successor shall have been so appointed by applicable Majority Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the applicable Majority Lenders) (the "**Removal Effective Date**"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), (i) the retiring or removed Administrative Agent or Issuing Lender, as applicable, shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that (y) in the case of any collateral security held by such Administrative Agent on behalf of the Lenders or an Issuing Lender under any of the Credit Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed and (z) the retiring Issuing Lender shall remain the Issuing Lender with respect to any Letters of Credit outstanding on the effective date of its resignation and the provisions affecting the Issuing Lender with respect to such Letters of Credit shall inure to the benefit of the retiring Issuing Lender until the termination of all such Letters of Credit), and (ii) all payments, communications and determinations provided to be made by, to or through the retiring or removed Administrative Agent or Issuing Lender, as applicable, shall instead be made by or to each applicable class of Lenders, until such time as the applicable Majority Lenders appoint a successor Administrative Agent or Issuing Lender as provided for above in this paragraph. Upon the acceptance of a successor' s appointment as Administrative Agent or Issuing Lender hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent or Issuing Lender, as applicable, and the retiring or removed Administrative Agent or Issuing Lender, as applicable, shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents. The fees payable by the Borrowers to a successor Administrative Agent or Issuing Lender, as applicable shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring or removed Administrative Agent' s or Issuing Lender' s

resignation or removal hereunder and under the other Credit Documents, the provisions of this Article and Section 9.1 and Section 2.3(h) shall continue in effect for the benefit of such retiring or removed Administrative Agent and Issuing Lender, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent or Issuing Lender, as applicable, was acting as US Administrative Agent, Canadian Administrative Agent, US Issuing Lender or Canadian Issuing Lender.

(d) The Swingline Lender may resign at any time by giving 30 days' prior notice to the US Administrative Agent, the US Lenders and the US Borrower. After the resignation of the Swingline Lender hereunder, the retiring Swingline Lender shall remain a party hereto and shall continue to have all the rights and obligations of the Swingline Lender under this Agreement and the other Credit Documents with respect to Swingline Advances made by it prior to such resignation, but shall not be required to make any additional Swingline Advances. Upon such notice of resignation, the US Borrower shall have the right to designate any other Lender as the Swingline Lender with the consent of such Lender so long as operational matters related to the funding of Advances under the US Facility have been adequately addressed to the reasonable satisfaction of such new Swingline Lender and the US Administrative Agent (if such new Swingline Lender and the US Administrative Agent are not the same Person).

Section 8.7 Collateral Matters.

(a) Each Administrative Agent is authorized on behalf of the Secured Parties, without the necessity of any notice to or further consent from the Secured Parties, from time to time, to take any actions with respect to any Collateral or Security Documents which may be necessary to perfect and maintain Acceptable Security Interests in and Liens upon the Collateral granted pursuant to the Security Documents. Each Administrative Agent is further authorized (but not obligated) on behalf of the Secured Parties, without the necessity of any notice to or further consent from the Secured Parties, from time to time, to take any action (other than enforcement actions requiring the consent of, or request by, the Majority Lenders as set forth in Section 7.2 or Section 7.3 above) in exigent circumstances as may be reasonably necessary to preserve any rights or privileges of the Lenders under the Credit Documents or applicable Legal Requirement.

(b) The Lenders hereby, and any other Secured Party by accepting the benefit of the Liens granted pursuant to the Security Documents, irrevocably authorize each Administrative Agent to (i) release any Lien granted to or held by such Administrative Agent upon any Collateral (a) upon termination of this Agreement, termination of all Hedging Arrangements with such Persons, termination of all Letters of Credit (other than Letters of Credit as to which other arrangements reasonably satisfactory to the Applicable Issuing Lender have been made), and the payment in full of all outstanding Advances, Letter of Credit Obligations (other than with respect to Letters of Credit as to which other arrangements reasonably satisfactory to the Applicable Issuing Lender have been made) and all other Secured Obligations payable under this Agreement and under any other Credit Document; (b) constituting property sold or to be sold or disposed of as part of or in connection with any disposition permitted under this Agreement or any other Credit Document; (c) constituting property in which no Credit Party owned an interest at the time the Lien was granted or at any time thereafter; or (d) constituting

property leased to any Credit Party under a lease which has expired or has been terminated in a transaction permitted under this Agreement or is about to expire and which has not been, and is not intended by such Credit Party to be, renewed or extended; and (ii) release a Guarantor from its obligations under a Guaranty and any other applicable Credit Document if such Person ceases to be a Restricted Subsidiary as a result of a transaction permitted under this Agreement.

(c) Upon request by an Administrative Agent at any time, the Secured Parties will confirm in writing such Administrative Agent' s authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under its Guaranty pursuant to this Section 8.6. Neither Administrative Agent shall be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of either Administrative Agent' s Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall either Administrative Agent be responsible or liable to the Secured Parties or any other Lender Party for any failure to monitor or maintain any portion of the Collateral.

(d) Notwithstanding anything contained in any of the Credit Documents to the contrary, the Credit Parties, the Administrative Agents, and each Secured Party hereby agree that no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guaranties, it being understood and agreed that all powers, rights and remedies under the Guaranties and under the Security Documents may be exercised solely by Applicable Administrative Agent on behalf of the Secured Parties in accordance with the terms hereof and the other Credit Documents.

(e) By accepting the benefit of the Liens granted pursuant to the Security Documents, each Secured Party hereby agrees to the terms of this Section 8.6.

Section 8.8 No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers, Syndication Agents and Documentation Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in its capacity, as applicable, as the US Administrative Agent, Canadian Administrative Agent, a Lender or an Issuing Lender hereunder.

Section 8.9 Marshaling Rights of Lender Parties; Allocation of Losses. Notwithstanding anything herein or in any other Credit Document to the contrary, the Canadian Secured Parties, by receipt of the benefits of the US Collateral, hereby acknowledge the marshaling rights of the US Administrative Agent and US Lenders. The Canadian Administrative Agent is hereby authorized on behalf of the Canadian Lenders for the Canadian Lenders and its Affiliates that are Swap Counterparties to, and the US Administrative Agent is hereby authorized on behalf of the US Lenders for the US Lenders and its Affiliates that are Swap Counterparties to, enter into an intercreditor agreement in form and substance reasonably acceptable to the Administrative Agents addressing certain allocation of losses among the Secured Parties, as more particularly provided therein. A copy of such intercreditor agreement will be made available to each Secured Party on the Effective Date and thereafter upon request. Each Secured Party acknowledges and agrees to the terms of such intercreditor agreement and agrees that the terms thereof shall be binding on such Secured Party and its successors and assigns, as if it were a party thereto.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. Each Borrower shall pay, within 30 days of invoice, (i) all reasonable out-of-pocket expenses incurred by either Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for such Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Credit Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by Issuing Lenders in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by any Lender Party (including the fees, charges and disbursements of any counsel for any Lender Party), in connection with the enforcement or protection of its rights, (A) in connection with this Agreement and the other Credit Documents, including its rights under this Section, or (B) in connection with the Advances made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring, negotiations or legal proceedings in respect of such Advances or Letters of Credit.

(b) Indemnification by the Borrowers. Each Borrower shall, and does hereby indemnify, each Administrative Agent (and any sub-agent thereof), each Lender and each Issuing Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Borrower or any other Credit Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of either Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Credit Documents, (ii) any Advance or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by an Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged Release of Hazardous Substance on or from any property owned or operated by any Borrower or any of its Subsidiaries, or any Environmental Claim related in any way to any Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Company or any other Credit Party, and regardless of whether any Indemnitee is a party thereto, **IN ALL CASES, WHETHER OR**

NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, or (y) result from a claim brought by the Company or any other Credit Party against an Indemnitee for breach in bad faith of such Indemnitee' s obligations hereunder or under any other Credit Document, if the Company or such other Credit Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Legal Requirement, no Credit Party shall assert, agrees not to assert and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Advance or Letter of Credit or the use of the proceeds thereof. To the fullest extent permitted by applicable Legal Requirement, no Indemnitee shall assert, agrees not to assert, and hereby waives, any claim against any Credit Party or any Affiliate thereof, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby. For the avoidance of doubt, the parties hereto acknowledge and agree that a claim for indemnity under Section 9.1(b) above, to the extent covered thereby, is a claim of direct or actual damages. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(d) Survival. Without prejudice to the survival of any other agreement hereunder, the agreements in this Section shall survive the resignation of any Administrative Agent and any Issuing Lender, the replacement of any Lender, the termination of the Aggregate Commitments, termination or expiration of all Letters of Credit, and the repayment, satisfaction or discharge of all the other Obligations.

(e) Payments. All amounts due under this Section 9.1 shall, unless otherwise set forth above, be payable not later than 10 days after demand therefor.

(f) Reimbursement by Lenders. To the extent that the Borrowers for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to any Administrative Agent (or any sub-agent thereof), any Issuing Lender, Swingline Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to such Administrative Agent (or any such sub-agent), such Issuing Lender, the Swingline

Lender or such Related Party, as the case may be, such Lender' s pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender' s share of the aggregate Maximum Exposure Amount at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that with respect to such unpaid amounts owed to any Administrative Agent, Issuing Lender or Swingline Lender solely in its capacity as such, only the Lenders of the applicable Facility shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided further that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Administrative Agent (or any such sub-agent), such Issuing Lender or the Swingline Lender in its capacity as such, or against any Related Party of any of the foregoing acting for such Administrative Agent (or any such sub-agent), such Issuing Lender or Swingline Lender in connection with such capacity. The obligations of the Lenders under this subsection (f) are subject to the provisions of Section 2.6(e).

Section 9.2 Waivers and Amendments. No amendment or waiver of any provision of this Agreement or any other Credit Document (other than the Fee Letter or any AutoBorrow Agreement), nor consent to any departure by any Credit Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the applicable Majority Lenders and the Applicable Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that:

(a) no amendment, waiver, or consent shall, unless in writing and signed by all the US Lenders and the US Borrower (in addition to such other parties that may be required under this Section 9.2), change the number of US Lenders which shall be required for the US Lenders to take any action hereunder or under any other Credit Document;

(b) no amendment, waiver, or consent shall, unless in writing and signed by all the Term Loan Lenders and the US Borrower (in addition to such other parties that may be required under this Section 9.2), change the number of Term Loan Lenders which shall be required for the Term Loan Lenders to take any action hereunder or under any other Credit Document;

(c) no amendment, waiver, or consent shall, unless in writing and signed by all the Canadian Lenders and the Canadian Borrower, change the number of Canadian Lenders which shall be required for the Canadian Lenders to take any action hereunder or under any other Credit Document;

(d) no amendment, waiver, or consent shall, unless in writing and signed by all the Lenders and both Borrowers, do any of the following: (i) waive any of the conditions specified in Section 3.1 or Section 3.2, (ii) reduce the principal or interest amounts payable hereunder or under any other Credit Document (provided that, the consent of the Majority Lenders shall be sufficient to waive or reduce the increased portion of interest resulting from Section 2.10(a)), (iii) increase the aggregate Commitments (except pursuant to Section 2.17), (iv) amend Section 2.14(f), Section 7.6, this Section 9.2 or any other provision in any Credit

Document which expressly requires the consent of, or action or waiver by, all of the Lenders, (v) other than as a result of acceleration pursuant to Article VII, change the Maturity Date with respect to the Term Loan Facility to a date that is earlier than one day after the then effective Maturity Date with respect to the US Facility and Canadian Facility, amend the amortization schedule thereof to increase the quarterly installment amounts, or otherwise change any provision hereof which would have the effect of increasing the aggregate amount of Term Loan Advances that are required to be paid in any given year, (vi) release all or substantially all of the Guarantors from their respective obligations under any Guaranty except as specifically provided in the Credit Documents or release the US Borrower from its obligations under the US Guaranty, (vii) release all or substantially all of the Collateral except as permitted under Section 8.7(b), or (viii) amend the definitions of "Majority Lenders", "US Majority Lenders", "Term Loan Majority Lenders", "Canadian Majority Lenders", or "Maximum Exposure Amount";

(e) no amendment, waiver, or consent shall, unless in writing and signed by each Lender directly and adversely affected thereby, do any of the following: (i) postpone any date fixed for any interest, fees or other amounts payable hereunder or extend the Maturity Date with respect to US Advances or Canadian Advances, or (ii) reduce any fees or other amounts payable hereunder or under any other Credit Document (other than the principal or interest) with respect to US Advances or Canadian Advances;

(f) no amendment, waiver, or consent shall, unless in writing and signed by all the Term Loan Lenders, do any of the following: (i) reduce the principal of, or interest on, the Term Loan Advances, or (ii) postpone or extend any date fixed for any payment of principal of, or interest on, the Term Loan Advances, including, without limitation, the Maturity Date;

(g) no Commitment of a Lender or any obligations of a Lender may be increased without such Lender' s written consent;

(h) no amendment, waiver, or consent shall, unless in writing and signed by the applicable Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of such Administrative Agent under this Agreement or any other Credit Document;

(i) no amendment, waiver or consent shall, unless in writing and signed by the Applicable Issuing Lender in addition to the Lenders required above to take such action, affect the rights or duties of such Issuing Lender under this Agreement or any other Credit Document; and

(j) no amendment, waiver or consent shall, unless in writing and signed by the Swingline Lender in addition to the Lenders required above to take such action, affect the rights or duties of such Swingline Lender under this Agreement or any other Credit Document.

For the avoidance of doubt, no Lender or any Affiliate of a Lender shall have any voting rights under this Agreement or any Credit Document as a result of the existence of obligations owed to it under Hedging Arrangements or Banking Services Obligations.

Section 9.3 Severability. In case one or more provisions of this Agreement or the other Credit Documents shall be invalid, illegal or unenforceable in any respect under any applicable Legal Requirement, the validity, legality, and enforceability of the remaining provisions contained herein or therein shall not be affected or impaired thereby.

Section 9.4 Survival of Representations and Obligations. All representations and warranties contained in this Agreement or made in writing by or on behalf of the Credit Parties in connection herewith shall survive the execution and delivery of this Agreement and the other Credit Documents, the making Credit Extensions and any investigation made by or on behalf of the Lenders, none of which investigations shall diminish any Lender' s right to rely on such representations and warranties. Without limiting the provisions hereof which expressly provide for the survival of obligations, all obligations of any Borrower or any other Credit Party provided for in Section 2.10(f), Section 2.12, Section 2.13, Section 2.15(c), and Section 9.1(a), (b), (c) and (e) and all of the obligations of the Lenders in Section 8.3, Section 9.1(c) and Section 9.1(f) shall survive any termination of this Agreement, repayment in full of the Obligations, and termination or expiration of all Letters of Credit.

Section 9.5 Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrowers, and the Administrative Agents, and when the US Administrative Agent shall have, as to each Lender, either received a counterpart hereof executed by such Lender or been notified by such Lender that such Lender has executed it.

Section 9.6 Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender Party or pursuant to a transaction permitted under Section 6.7(a) and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (a) to an Eligible Assignee in accordance with the provisions of Section 9.7, (b) by way of participation in accordance with the provisions of Section 9.7(c), or (c) by way of pledge or assignment of a security interest subject to the restrictions of Section 9.7(e) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 9.7(e) and, to the extent expressly contemplated hereby, the Related Parties of each Administrative Agent and each Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

Section 9.7 Lender Assignments and Participations.

(a) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it); provided that

(i) except in the case of an assignment of the entire remaining amount of the assigning Lender' s applicable Commitment and the Advances under such Commitment at the time owing to it (in each case with respect to any Facility) or in the case of an assignment to a Lender or an Affiliate of a Lender, the aggregate amount of the applicable Commitment (which for this purpose includes Advances outstanding

thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Applicable Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000 unless the Applicable Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrowers otherwise consent (each such consent not to be unreasonably withheld or delayed);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender' s rights and obligations under this Agreement with respect to the applicable Class of Advances or the applicable Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-pro rata basis;

(iii) any assignment of a Commitment must be approved by the Applicable Administrative Agent, the Applicable Issuing Lender and, if applicable, the Swingline Lender, unless the Person that is the proposed assignee is itself a Lender with a Commitment under the applicable Facility (whether or not the proposed assignee would otherwise qualify as an Eligible Assignee);

(iv) the parties to each assignment shall execute and deliver to the Applicable Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided that the Applicable Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment, and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Applicable Administrative Agent an Administrative Questionnaire; and

(v) copies of any Assignment and Assumption received by the Canadian Administrative Agent shall be promptly forwarded to the US Administrative Agent;

Subject to acceptance and recording thereof by the Applicable Administrative Agent pursuant to paragraph (b) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender' s rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 2.12, Section 2.13, Section 2.15(b) and Section 9.1 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender' s having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(b) Register. The US Administrative Agent, acting solely for this purpose as an agent of the US Borrower, shall maintain at its address referred to in Section 9.9 a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the US Lenders, the US Commitments, and principal amounts of the US Advances owing to, each US Lender pursuant to the terms hereof from time to time (the "**US Register**"). The Canadian Administrative Agent, acting solely for this purpose as an agent of the Canadian Borrower, shall maintain at its address referred to in Section 9.9 a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Canadian Lenders, and the Canadian Commitments of, and principal amounts of the Canadian Advances owing to, each Lender pursuant to the terms hereof from time to time (the "**Canadian Register**"; together with the US Register, the "**Registers**"). The entries in the applicable Register shall be conclusive absent manifest error, and the Borrowers and the Lender Parties may treat each Person whose name is recorded in the applicable Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. Each Borrower hereby agrees that the Applicable Administrative Agent acting as its agent solely for the purpose set forth above in this clause (b), shall not subject either Administrative Agent to any fiduciary or other implied duties, all of which are hereby waived by each Borrower.

(c) Participations. Any Lender may at any time, without the consent of, or notice to, any Borrower or either Administrative Agent, sell participations to any Person (other than a natural person) (each, a "**Participant**") in all or a portion of such Lender' s rights and/or obligations under this Agreement (including all or a portion of its Commitments and/or the Advances owing to it); provided that (i) such Lender' s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers and the Lender Parties shall continue to deal solely and directly with such Lender Party in connection with such Lender Party' s rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (a) – (e) of Section 9.2 (that adversely affects such Participant). Subject to paragraph (d) of this Section, each Borrower agrees that each Participant shall be entitled to the benefits of, and subject to the requirements of, Section 2.12, Section 2.13 and Section 2.15 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (a) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 7.4 as though it were a Lender, provided such Participant agrees to be subject to Section 2.14(f)(i) as though it were a Lender.

Each US Lender or Term Loan Lender that sells a participation shall, acting solely for this purpose as an agent of the US Borrower, maintain a register in the United States on which it enters the name and address of each Participant and the principal amounts (and stated interest) of

each Participant' s interest in the Obligations under the Credit Documents (the "**Participant Register**") and no US Lender or Term Loan Lender shall have any obligation to disclose any information contained in any Participant Register (including the identity of any Participant or any information relating to the Participant' s interests under this Agreement) except to the extent that such disclosure is necessary to ensure that the rights and obligations reflected in such register, or in any Register, are in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such US Lender or Term Loan Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. Each Borrower hereby agrees that each US Lender or Term Loan Lender acting as its agent solely for the purpose set forth above in this clause (c), shall not subject such US Lender or Term Loan Lender to any fiduciary or other implied duties, all of which are hereby waived by each Borrower.

(d) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 2.13 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Applicable Borrower' s prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.15 unless the Applicable Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of such Borrower, to comply with Section 2.15(e), in which case Section 2.15 shall be applied as if such Participant had become a Lender and had acquired its interest by assignment pursuant to paragraph (a) of this Section; provided that, in no event shall such Participant be entitled to receive any greater payment under Section 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 9.8 Confidentiality. Each Lender Party agrees to keep confidential any information furnished or made available to it by any Restricted Entity pursuant to this Agreement; provided that nothing herein shall prevent any Lender Party from disclosing such information (a) to any other Lender Party or any Affiliate of any Lender Party, or any officer, director, employee, agent, or advisor of any Lender Party or Affiliate of any Lender Party for purposes of administering, negotiating, considering, processing, implementing, syndicating, assigning, or evaluating the credit facilities provided herein and the transactions contemplated hereby, (b) to any other Person if directly incidental to the administration of the credit facilities provided herein, (c) as required by any Legal Requirement, (d) upon the order of any court or administrative agency, (e) upon the request or demand of any regulatory agency or authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (f) that is or becomes available to the public or that is or becomes available to any Lender Party other than as a result of a disclosure by any other Lender Party prohibited by this Agreement, (g) in connection with any litigation relating to this Agreement or any other

Credit Document to which such Lender Party or any of its Affiliates may be a party, (h) to the extent necessary in connection with the exercise of any right or remedy under this Agreement or any other Credit Document, and (i) to any actual or proposed participant or assignee, in each case, subject to provisions similar to those contained in this Section 9.8. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, nothing in this Agreement shall (a) restrict any Lender Party from providing information to any bank or other regulatory or Governmental Authorities, including the Federal Reserve Board and its supervisory staff; (b) require or permit any Lender Party to disclose to any Credit Party that any information will be or was provided to the Federal Reserve Board or any of its supervisory staff; or (c) require or permit any Lender Party to inform any Credit Party of a current or upcoming Federal Reserve Board examination or any nonpublic Federal Reserve Board supervisory initiative or action.

Section 9.9 Notices, Etc.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows: (i) if to the US Borrower, the Canadian Borrower, or any other Credit Party, at the applicable address (or facsimile numbers) set forth on Schedule II; (ii) if to the US Administrative Agent, Canadian Administrative Agent, US Issuing Lender or Canadian Issuing Lender, at the applicable address (or facsimile numbers) set forth on Schedule II; and (iii) if to a Lender, to it at its address (or facsimile number) set forth in its Administrative Questionnaire. Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications.

(i) The Borrowers and the Lenders agree that the Administrative Agents may make any material delivered by any Borrower to either Administrative Agent, as well as any amendments, waivers, consents, and other written information, documents, instruments and other materials relating to the Company, any of its Subsidiaries, or any other materials or matters relating to this Agreement, the Notes or any of the transactions contemplated hereby (collectively, the "**Communications**") available to the Lenders by posting such notices on an electronic delivery system (which may be provided by either Administrative Agent, an Affiliate of an Administrative Agent, or any Person that is not an Affiliate of an Administrative Agent), such as IntraLinks, or a substantially similar electronic system (the "**Platform**"). The Borrowers acknowledge that (i) the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution, (ii) the Platform is provided "as is" and "as available" and (iii) none of the Administrative

Agents nor any of their respective Affiliates warrants the accuracy, completeness, timeliness, sufficiency, or sequencing of the Communications posted on the Platform. The Administrative Agents and their respective Affiliates expressly disclaim with respect to the Platform any liability for errors in transmission, incorrect or incomplete downloading, delays in posting or delivery, or problems accessing the Communications posted on the Platform and any liability for any losses, costs, expenses or liabilities that may be suffered or incurred in connection with the Platform. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by either Administrative Agent or any of their respective Affiliates in connection with the Platform. In no event shall any Administrative Agent or any of its Related Parties have any liability to the Company or the other Credit Parties, any Lender Party or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Company' s, any Credit Party' s or any Lender Party' s transmission of communications through the Platform.

(ii) Each Lender agrees that notice to it (as provided in the next sentence) (a "**Notice**") specifying that any Communication has been posted to the Platform shall for purposes of this Agreement constitute effective delivery to such Lender of such information, documents or other materials comprising such Communication. Each Lender agrees (i) to notify, on or before the date such Lender becomes a party to this Agreement, the Applicable Administrative Agent in writing of such Lender' s e-mail address to which a Notice may be sent (and from time to time thereafter to ensure that the Agent has on record an effective e-mail address for such Lender) and (ii) that any Notice may be sent to such e-mail address.

(c) Change of Address, Etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

Section 9.10 Usury Not Intended. It is the intent of each Credit Party and each Lender Party in the execution and performance of this Agreement and the other Credit Documents to contract in strict compliance with applicable usury laws, including conflicts of law concepts, governing the Advances of each Lender including such applicable laws of the State of New York, if any, and the United States of America and Canada from time to time in effect, including the Criminal Code (Canada). In furtherance thereof, the Lender Parties and the Credit Parties stipulate and agree that none of the terms and provisions contained in this Agreement or the other Credit Documents shall ever be construed to create a contract to pay, as consideration for the use, forbearance or detention of money, interest at a rate in excess of the Maximum Rate and that for purposes of this Agreement "interest" shall include the aggregate of all charges which constitute interest under such laws that are contracted for, charged or received under this Agreement; and in the event that, notwithstanding the foregoing, under any circumstances the aggregate amounts taken, reserved, charged, received or paid on the Advances, include amounts which by applicable Legal Requirement are deemed interest which would exceed the Maximum Rate, then such excess shall be deemed to be a mistake and each Lender receiving same shall credit the same on

the principal of its Obligations (or if such Obligations shall have been paid in full, refund said excess to the Applicable Borrower). In the event that the maturity of the Obligations are accelerated by reason of any election of the holder thereof resulting from any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest may never include more than the Maximum Rate, and excess interest, if any, provided for in this Agreement or otherwise shall be canceled automatically as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited on the applicable Obligations (or, if the applicable Obligations shall have been paid in full, refunded to the Applicable Borrower of such interest). In determining whether or not the interest paid or payable under any specific contingencies exceeds the Maximum Rate, the Credit Parties and the Lender Parties shall to the maximum extent permitted under applicable law amortize, prorate, allocate and spread in equal parts during the period of the full stated term of the Obligations all amounts considered to be interest under applicable law at any time contracted for, charged, received or reserved in connection with the Obligations. The provisions of this Section shall control over all other provisions of this Agreement or the other Credit Documents which may be in apparent conflict herewith. Notwithstanding any other provision of this Agreement or any Credit Document, no Credit Party existing under the laws of Canada or any province or territory of Canada shall be obligated to make any payments of interest or other amounts payable to the Lender Parties in excess of an amount or rate which would be prohibited by law or would result in the receipt by the Lender Parties of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada).

Section 9.11 **Usury Recapture**. In the event the rate of interest chargeable under this Agreement at any time is greater than the Maximum Rate, the unpaid principal amount of the Advances shall bear interest at the Maximum Rate until the total amount of interest paid or accrued on the Advances equals the amount of interest which would have been paid or accrued on the Advances if the stated rates of interest set forth in this Agreement had at all times been in effect. In the event, upon payment in full of the Advances, the total amount of interest paid or accrued under the terms of this Agreement and the Advances is less than the total amount of interest which would have been paid or accrued if the rates of interest set forth in this Agreement had, at all times, been in effect, then the Applicable Borrower shall, to the extent permitted by applicable Legal Requirement, pay the Applicable Administrative Agent for the account of the applicable Lenders an amount equal to the difference between (i) the lesser of (A) the amount of interest which would have been charged on its Advances if the Maximum Rate had, at all times, been in effect and (B) the amount of interest which would have accrued on its Advances if the rates of interest set forth in this Agreement had at all times been in effect and (ii) the amount of interest actually paid under this Agreement on its Advances. In the event the Lenders ever receive, collect or apply as interest any sum in excess of the Maximum Rate, such excess amount shall, to the extent permitted by applicable Legal Requirement, be applied to the reduction of the principal balance of the Advances, and if no such principal is then outstanding, such excess or part thereof remaining shall be paid to the Applicable Borrower.

Section 9.12 **Judgment Currency**. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from any Borrower hereunder in the currency expressed to be payable herein (the "**specified currency**") into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with usual and customary banking procedures the US

Administrative Agent could purchase the specified currency with such other currency at any of the US Administrative Agent' s offices in the United States of America on the Business Day preceding that on which final judgment is given. The obligations of the Borrowers in respect of any sum due to any Lender Party hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Lender, such Issuing Lender or such Administrative Agent (as the case may be) of any sum adjudged to be so due in such other currency such Lender, such Issuing Lender or such Administrative Agent (as the case may be) may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender, such Issuing Lender or such Administrative Agent, as the case may be, in the specified currency, the Applicable Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender, such Issuing Lender or such Administrative Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Lender, such Issuing Lender or such Administrative Agent, as the case may be, in the specified currency and (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender under Section 2.14, each Lender, Issuing Lender or each Administrative Agent, as the case may be, agrees to promptly remit such excess to the Applicable Borrower.

Section 9.13 Payments Set Aside. To the extent that any payment by or on behalf of any Borrower is made to any Lender Party, or any Lender Party exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by any Lender Party in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each Issuing Lender severally agrees to pay to the Applicable Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Applicable Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Overnight Rate from time to time in effect, in the applicable currency of such recovery or payment. The obligations of the Lenders and the Issuing Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

Section 9.14 Governing Law. This Agreement, the Notes and the other Credit Documents (other than such Credit Documents which expressly provide otherwise) shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations Law of the State of New York). Each Letter of Credit shall be governed by either (i) the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600, or (ii) the ISP, in either case, including any subsequent revisions thereof approved by a Congress of the International Chamber of Commerce and adhered to by the Applicable Issuing Lender.

Section 9.15 **Submission to Jurisdiction**. EACH PARTY TO THIS AGREEMENT IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LEGAL REQUIREMENT. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AGAINST ANY OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

Section 9.16 **Waiver of Venue**. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY COURT REFERRED TO IN SECTION 9.15. EACH OF THE PARTIES HERETO HEREBY AGREES THAT SECTIONS 5-1401 AND 4-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS AGREEMENT AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

Section 9.17 **Service of Process**. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.9. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable Legal Requirement.

Section 9.18 **Execution in Counterparts**. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or by e-mail "PDF" copy shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 9.19 **Electronic Execution of Assignments**. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to

include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 9.20 **Waiver of Jury**. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.21 **USA Patriot Act**. Each US Lender that is subject to the Patriot Act and the US Administrative Agent (for itself and not on behalf of any US Lender) hereby notifies each Credit Party that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies such Credit Party, which information includes the name and address of such Credit Party and other information that will allow such US Lender or the US Administrative Agent, as applicable, to identify such Credit Party in accordance with the Patriot Act.

Section 9.22 **Integration. THIS AGREEMENT AND THE CREDIT DOCUMENTS, AS DEFINED IN THIS AGREEMENT, REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES WITH RESPECT TO THE SUBJECT MATTERS SET FORTH HEREIN AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.**

Section 9.23 **Amendment and Restatement; No Novation**. This Agreement constitutes an amendment and restatement of the Existing Credit Agreement, effective from and after the Effective Date. The execution and delivery of this Agreement shall not constitute a novation of any indebtedness or other obligations owing to the Lenders or the Administrative Agent under the Existing Credit Agreement based on facts or events occurring or existing prior to the execution and delivery of this Agreement. On the Effective Date, the outstanding loans and other obligations described in the Existing Credit Agreement shall be modified and extended by the credit facilities described herein (including all "Commitments" under the Existing Credit Agreement being restated in their entirety), and all loans and other obligations of the Borrowers outstanding as of such date under the Existing Credit Agreement shall be deemed to be loans and

obligations outstanding under the corresponding facilities described herein, without any further action by any Person, except that the applicable Administrative Agent shall make such transfers of funds as are necessary in order that the outstanding balance of such Advances, together with any Advances funded on the Effective Date, reflect the respective Commitments of the Lenders hereunder.

[Remainder of this page intentionally left blank. Signature pages follow.]

EXECUTED as of the date first above written.

US BORROWER

NINE ENERGY SERVICE, INC.

By: /s/ Ann Fox
Name: Ann Fox
Title: Vice President

[Signature Page to Amended and Restated Credit Agreement]

CANADIAN BORROWER

NINE ENERGY CANADA, INC.

By: /s/ Ann Fox
Name: Ann Fox
Title: Chief Financial Officer

[Signature Page to Amended and Restated Credit Agreement]

US ADMINISTRATIVE AGENT

HSBC BANK USA, N.A.

By: /s/ Ecliff Jackman
Name: ECLIFF JACKMAN
Title: VICE PRESIDENT

[Signature Page to Amended and Restated Credit Agreement]

US ISSUING BANK AND A US LENDER

HSBC BANK USA, N.A.

By: /s/ Wadie C. Habiby
Name: Wadie C. Habiby
Title: Vice President

[Signature Page to Amended and Restated Credit Agreement]

CANADIAN ADMINISTRATIVE AGENT

HSBC BANK CANADA

By: /s/ Dave Adamowicz
Name: Dave Adamowicz
Title: Senior Account Manager
Energy Financing

By: /s/ Wade Schuler
Name: Wade Schuler
Title: Assistant Vice President
Energy Financing

[Signature Page to Amended and Restated Credit Agreement]

CANADIAN ISSUING LENDER AND A LENDER

HSBC BANK CANADA

By: /s/ Dave Adamowicz
Name: Dave Adamowicz
Title: Senior Account Manager
Energy Financing

By: /s/ Wade Schuler
Name: Wade Schuler
Title Assistant Vice President
Energy Financing

[Signature Page to Amended and Restated Credit Agreement]

SYNDICATION AGENT, SWINGLINE BANK AND A LENDER

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Benjamin Kerr
Name: Benjamin Kerr
Title: Portfolio Manager – Vice President

[Signature Page to Amended and Restated Credit Agreement]

LENDER

AMEGY BANK, N.A.

By: /s/ G. Scott Collins
Name: G. Scott Collins
Title: Senior Vice President

[Signature Page to Amended and Restated Credit Agreement]

LENDER

JPMORGAN CHASE BANK, N.A.

By: /s/ Stephanie Balette
Name: Stephanie Balette
Title: Authorized Officer

[Signature Page to Amended and Restated Credit Agreement]

LENDER

BANK OF AMERICA, N.A.

By: /s/ Julie Castano
Name: Julie Castano
Title: Senior Vice President

[Signature Page to Amended and Restated Credit Agreement]

LENDER

IBERIA BANK

By: /s/ Wes Harris
Name: Wes Harris
Title: Vice President

[Signature Page to Amended and Restated Credit Agreement]

LENDER

THE BANK OF NOVA SCOTIA

By: /s/ Mark Sparrow
Name: Mark Sparrow
Title: Director

[Signature Page to Amended and Restated Credit Agreement]

LENDER

REGIONS BANK

By: /s/ Richard Kaufman
Name: Richard Kaufman
Title: Senior Vice President

[Signature Page to Amended and Restated Credit Agreement]

EXHIBIT A

FORM OF
ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "**Assignment and Assumption**") is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the "**Assignor**") and [Insert name of Assignee] (the "**Assignee**"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "**Credit Agreement**"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex I attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth fully herein.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, effective as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor' s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below (including any letters of credit, guarantees and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "**Assigned Interest**"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor:
2. Assignee:

   [an Affiliate of [identify Lender][1]]
3. Borrower: [Nine Energy Service, Inc., as US Borrower] [Nine Energy Canada Inc., as Canadian Borrower]
4. Administrative Agent: [HSBC Bank USA, N.A., as the US Administrative Agent] [HSBC Bank Canada, as the Canadian Administrative Agent] under the Credit Agreement

---

1 Include as applicable.

5. Credit Agreement: The Amended and Restated Credit Agreement dated as of June 30, 2014 among Nine Energy Service, Inc., as US Borrower, Nine Energy Canada Inc., as Canadian Borrower, the Lenders party thereto, HSBC Bank USA, N.A., as US Administrative Agent and US Issuing Lender, HSBC Bank Canada, as Canadian Administrative Agent and Canadian Issuing Lender and Wells Fargo Bank, National Association, as Swingline Lender.

6. Assigned Interest:

Facility Assigned	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/ Loans Assigned	Percentage Assigned of Commitment/ Loans[2]
	$	$	%
	$	$	%
	$	$	%

Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The Assignee agrees to deliver to the [US/Canadian] Administrative Agent a completed administrative questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrowers and their Affiliates and their Related Parties or their respective Securities) will be made available and who may receive such information in accordance with the Assignee' s compliance procedures and applicable laws, including Federal and state securities laws.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Title:

2 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Title:

[Consented to and][3] Accepted:

HSBC BANK USA, N.A., as
US Administrative Agent

By _____
Title:

[HSBC BANK CANADA, as
Canadian Administrative Agent

By _____
Title:]

[Consented to:][4]

[NAME OF RELEVANT PARTY]

By _____
Title:

3 To be added only if the consent of either Administrative Agent is required by the terms of the Credit Agreement.

4 To be added only if the consent of either Borrower and/or other parties (e.g. Swingline Lender, either Issuing Lender) is required by the terms of the Credit Agreement.

ANNEX I

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of the Credit Agreement or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under the Credit Agreement.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.2 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT B

FORM OF CANADIAN GUARANTEE

● [INSERT NAME OF RELEVANT ENTITY]

GUARANTEE

MADE AS OF ●, 201●

TABLE OF CONTENTS

Exhibit B

● [INSERT NAME OF RELEVANT ENTITY]

GUARANTEE

THIS GUARANTEE is made as of ●, 201●

WHEREAS the Guarantor is a Subsidiary or Affiliate of the Canadian Borrower;

AND WHEREAS the Guarantor has agreed to provide a guarantee with respect to the Obligations (as defined herein) and with respect to the Banking Services Obligations and the Lender Financial Instruments Obligations;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the sum of Cdn. $10.00 now paid by the Beneficiaries to the Guarantor and other good and valuable consideration (the receipt and sufficiency of which are hereby conclusively acknowledged), the Guarantor hereby covenants and agrees with the Beneficiaries as follows:

ARTICLE 1.
INTERPRETATION

1.1 Definitions

(a) In this Guarantee and the recitals hereto, unless something in the subject matter or context is inconsistent therewith:

"**Banking Services Obligations**" means, collectively, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, mature or not) of the Canadian Borrower under, pursuant or relating to any and all Banking Services.

"**Beneficiaries**" means, collectively, the Canadian Administrative Agent, the Canadian Lenders, the Canadian Issuing Lender, the Banking Services Providers and the Swap Counterparties that are owed Obligations and "**Beneficiary**" means any one of the foregoing.

"**Beneficiaries' Counsel**" means Borden Ladner Gervais LLP or such other firm of lawyers as may be selected by the Beneficiaries from time to time.

"**Canadian Borrower**" means Nine Energy Canada Inc., a corporation organized under the laws of the Province of Alberta, Canada.

"**Credit Agreement**" means the amended and restated credit agreement dated as of June 30, 2014 among Nine Energy Services, Inc., as US Borrower, the Canadian Borrower, as Canadian Borrower, HSBC Bank USA, N.A., as US Administrative Agent and US Issuing Lender, Wells Fargo Bank, National Association, as Syndication Agent and Swingline Lender, HSBC Bank Canada, as Canadian Administrative Agent and Canadian Issuing Lender, and the lenders party thereto, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.

"**Default Rate**" means a rate per annum that is equal the rate of interest then payable under the Credit Agreement on Canadian Base Rate Advances plus 2.0% per annum.

"**Documents**" means, collectively, the Credit Documents as defined in the Credit Agreement together with any and all Lender Financial Instruments.

"**Guarantee**" means this guarantee, as amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

"**Guarantor**" means ● **[INSERT NAME OF RELEVANT SUBSIDIARY OR AFFILIATE]** and its successors.

"**Lender Financial Instrument**" means a Hedging Arrangement entered into between a Swap Counterparty and the Canadian Borrower.

"**Lender Financial Instrument Obligations**" means, collectively, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, mature or not) of the Canadian Borrower under, pursuant or relating to any and all Lender Financial Instruments.

"**Obligations**" means, collectively and at any time and from time to time, all of the obligations, liabilities and indebtedness (present or future, matured or otherwise) of the Canadian Borrower to the Beneficiaries including, without limitation, (i) all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, matured or not) of the Canadian Borrower to the Canadian Administrative Agent, the Canadian Lenders and the Canadian Issuing Lender under, pursuant or relating to the Credit Agreement and other Documents and including all Canadian Outstandings and all interest, commissions, legal and other costs, charges and expenses payable by the Canadian Borrower under the Credit Agreement and other Documents, (ii) all Lender Financial Instrument Obligations and (iii) all Banking Services Obligations, whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again.

(b) Capitalized words and phrases used in this Guarantee and the recitals hereto without express definition herein shall, unless something in the subject matter or context is inconsistent therewith, have the same defined meanings as are ascribed to such words and phrases in the Credit Agreement. For certainty, if the Credit Agreement ceases to be in force for any reason whatsoever, then for all purposes hereof the aforementioned capitalized words and phrases shall continue to have the same defined meanings set forth in the Credit Agreement as if such agreement remained in force in the form immediately prior to its ceasing to be in force.

1.2 Headings

The division of this Guarantee into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Guarantee. The terms "this Guarantee", "hereof", "hereunder" and similar expressions refer to this Guarantee and not to any particular Article, Section or other

portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Guarantee.

1.3 Number; persons; including

Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, limited and unlimited liability companies, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.4 *Interest Act* (Canada)

Whenever a rate of interest hereunder is calculated on the basis of a year (the "deemed year") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for the purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

1.5 Nominal Rates

The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Guarantee; all interest payments to be made hereunder shall be paid without allowance or deduction for deemed reinvestment or otherwise, before and after demand, default and judgment. The rates of interest specified in this Guarantee are intended to be nominal rates and not effective rates and any interest calculated hereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

1.6 [References to Guarantor]

[All references in this Guarantee to representations and warranties by, covenants of, actions and steps by, or the performance of the terms and conditions hereof by the "Guarantor" shall, as the context requires, be and shall be construed as being by the partners of ● on behalf of and in respect of such partnership.] [Note: Insert Section 1.6, with appropriate conforming changes, for a guarantee by a general partnership; insert similar provisions, with additional conforming changes, for a guarantee by a limited partnership, trust or other unincorporated entity.]

ARTICLE 2.
GUARANTEE

2.1 Guarantee of Obligations

The Guarantor hereby unconditionally and irrevocably guarantees to the Beneficiaries the payment and performance of all of the Obligations, together with interest thereon as provided in Section 5.4.

2.2 Indemnity

If any or all of the Obligations are not duly paid or performed by the Canadian Borrower and are not recoverable under Section 2.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Beneficiaries from and against all losses resulting from the failure of the Canadian Borrower to pay and perform such Obligations. **[In addition to and without limiting the foregoing, each partner of the Guarantor hereby agrees, on a joint and several basis, to indemnify and hold harmless each of the Beneficiaries, forthwith after demand as provided herein, from and against all losses resulting from the failure of the Canadian Borrower to pay and perform any or all of the Obligations, it being the express intention of the partners of the Guarantor that each of the partners of the Guarantor shall be jointly and severally liable for the Obligations.] [Note: Insert the foregoing square-bracketed wording in Section 2.2 for any guarantee by a general partnership which includes the Canadian Borrower as a partner.]**

2.3 Guarantor as Principal Obligor

If any or all of the Obligations are not duly paid or performed by the Canadian Borrower and are not recoverable under Section 2.1 or the Beneficiaries are not indemnified under Section 2.2, in each case, for any reason whatsoever, such Obligations shall, as a separate and distinct obligation, be recoverable by the Beneficiaries from the Guarantor as the primary obligor and principal debtor in respect thereof and shall be paid to the Beneficiaries forthwith after demand therefore as provided herein.

2.4 Guarantee Absolute and Unconditional

The liability and obligations of the Guarantor hereunder shall be continuing, unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged, limited or otherwise affected by:

(a) any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release in respect of any Obligation, security, person or otherwise, including any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release of any of the Obligations, covenants or undertakings of the Canadian Borrower under the Documents;

(b) any modification or amendment of or supplement to the Obligations;

(c) any loss of or in respect of any security held by the Beneficiaries, whether occasioned by the fault of the Beneficiaries or otherwise, including any release, non-perfection or invalidity of any such security;

(d) any change in the existence, structure, constitution, name, control or ownership of the Canadian Borrower or any other person, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Canadian Borrower or any other person or their respective assets;

(e) the existence of any set-off, counterclaim, claim or other right which the Guarantor or the Canadian Borrower may have at any time against the Beneficiaries or any other person, whether in connection with the Credit Agreement, this Guarantee or any unrelated transaction;

(f) any provision of applicable law purporting to prohibit or limit the payment by the Canadian Borrower of any Obligation, and the foregoing is hereby waived by the Guarantor to the extent permitted under applicable law;

(g) any limitation, postponement, prohibition, subordination or other restriction on the right of a Beneficiary to payment of the Obligations;

(h) any release, substitution or addition of any other guarantor of the Obligations;

(i) any defence arising by reason of any failure of any Beneficiary to make any presentment, or protest or to give any other notice, including notice of all of the following: acceptance of this Guarantee, partial payment or non-payment of all or any part of the Obligations and the existence, creation, or incurring of new or additional Obligations;

(j) any defence arising by reason of any failure of a Beneficiary to proceed against the Canadian Borrower or any other person, or to apply or exhaust any security held from the Canadian Borrower or any other person for the Obligations, to proceed against, apply or exhaust any security held from the Guarantor or any other person, or to pursue any other remedy available to the Beneficiaries;

(k) any defence arising by reason of the invalidity, illegality or lack of enforceability of the Obligations or any part thereof or of any security or guarantee in support thereof, or by reason of any incapacity, lack of authority, or other defence of the Canadian Borrower or any other person, or by reason of any limitation, postponement or prohibition on a Beneficiary' s rights to payment, or the cessation from any cause whatsoever of the liability of the Canadian Borrower or any other person with respect to all or any part of the Obligations (other than irrevocable payment to the Beneficiaries in full, in cash, of the Obligations), or by reason of any act or omission of the Beneficiaries or others which directly or indirectly results in the discharge or release of the Canadian Borrower or any other person or of all or any part of the Obligations or any security or guarantee therefor, whether by contract, operation of law or otherwise;

(l) any defence arising by reason of the failure by a Beneficiary to obtain, register, perfect or maintain a Lien in or upon any property of the Canadian Borrower or any other person, or by reason of any interest of the Beneficiaries in any property, whether as owner thereof or as holder of a Lien therein or thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment of any right or recourse to collateral;

(m) any defence based upon or arising out of any impossibility, impracticality, frustration of purpose, illegality, *force majeure* or act of government;

(n) any defence arising by reason of the failure of the Beneficiaries to marshal assets;

(o) to the extent permitted under applicable law, any defence based upon any failure of the Beneficiaries to give to the Canadian Borrower or the Guarantor notice of any sale or other disposition of any property securing any or all of the Obligations or any other guarantee thereof, or any notice that may be given in connection with any sale or other disposition of any such property;

(p) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against the Canadian Borrower or any other person, including any discharge or bar against collection of any of the Obligations; **[or**

(q) **[the fact that the Canadian Borrower has a general partnership interest in the Guarantor;] or [Note: Insert subparagraph (p) if applicable.]**

(r) any other law, event or circumstance or any other act or failure to act or delay of any kind by the Canadian Borrower, the Beneficiaries or any other person, which might, but for the provisions of this Section, constitute a legal or equitable defence to or discharge, limitation or reduction of the Guarantor' s obligations hereunder, other than as a result of the payment or extinguishment in full of the Obligations.

The foregoing provisions apply and the foregoing waivers, to the extent permitted under applicable law, shall be effective even if the effect of any action or failure to take action by the Beneficiaries is to destroy or diminish the Guarantor' s subrogation rights, the Guarantor' s right to proceed against the Canadian Borrower for reimbursement, the Guarantor' s right to recover contribution from any other guarantor or any other right or remedy of the Guarantor.

ARTICLE 3.
DEALINGS WITH THE CANADIAN BORROWER AND OTHERS

3.1 No Release

The Beneficiaries, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor' s liability and obligations hereunder, may:

(a) grant time, renewals, extensions, indulgences, releases and discharges to the Canadian Borrower or any other guarantor or endorser;

(b) take or abstain from taking security or collateral from the Canadian Borrower or any other guarantor or endorser or from perfecting security or collateral of the Canadian Borrower or any other guarantor or endorser;

(c) accept compromises from the Canadian Borrower or any other guarantor or endorser;

(d) subject to the Documents, apply all money at any time received from the Canadian Borrower or from security upon such part of the Obligations as the Beneficiaries may see fit or change any such application in whole or in part from time to time as the Beneficiaries may see fit; or

(e) otherwise deal with the Canadian Borrower and all other persons and security as the Beneficiaries may see fit.

3.2 No Exhaustion of Remedies

The Beneficiaries shall not be bound or obligated to exhaust their recourse against the Canadian Borrower or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Article 5) before the Beneficiaries shall be entitled to demand, enforce and collect payment from the Guarantor hereunder.

3.3 Evidence of Obligations

Any account settled or stated in writing by or between a Beneficiary or the Beneficiaries, as the case may be, and the Canadian Borrower shall be *prima facie* evidence that the balance or amount thereof appearing due to the same is so due.

3.4 No Set-off

In any claim by the Beneficiaries against the Guarantor hereunder, the Guarantor shall not claim or assert any set-off, counterclaim, claim or other right that either the Canadian Borrower or the Guarantor may have against one or more of the Beneficiaries.

ARTICLE 4.
CONTINUING GUARANTEE

4.1 Continuing Guarantee

This Guarantee shall be a continuing guarantee and shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by any Beneficiary for any reason whatsoever (including the insolvency, bankruptcy or reorganization of the Canadian Borrower), all as though such payment had not been made.

4.2 Revival of Indebtedness

If at any time, all or any part of any payment previously received by a Beneficiary and applied to any Obligation must be rescinded or returned by the Beneficiary for any reason whatsoever (including the insolvency, bankruptcy or reorganization of the Canadian Borrower), such Obligation shall, for the purpose of this Guarantee, to the extent that such payment must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Beneficiary, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligation as though such application by the Beneficiary had not been made.

ARTICLE 5.
DEMAND FOR PAYMENT, EXPENSES AND INTEREST

5.1 Demand for Payment

The Beneficiaries shall be entitled to make demand upon the Guarantor at any time during the continuance of a Event of Default and upon any such demand the Beneficiaries may treat all Obligations as due and payable and may forthwith collect from the Guarantor all Obligations. The Guarantor shall make payment to or performance in favour of the Beneficiaries of all Obligations forthwith after demand therefor is made upon the Guarantor by the Beneficiaries as aforesaid.

5.2 Stay of Acceleration

If acceleration of the time for payment of any amount payable by the Canadian Borrower in respect of the Obligations is stayed upon the insolvency, bankruptcy, arrangement or reorganization of the Canadian Borrower or any moratorium affecting the payment of the Obligations, all such amounts that would otherwise be subject to acceleration shall nonetheless be payable by the Guarantor hereunder forthwith on demand by the Beneficiaries.

5.3 Expenses

The Guarantor shall pay to the Beneficiaries all reasonable out of pocket costs and expenses, including all reasonable legal fees (on a solicitor and his own client basis) and other expenses incurred by the Beneficiaries from time to time in the enforcement, realization and collection of or in respect of this Guarantee. All such amounts shall be payable by the Guarantor on demand by the Beneficiaries.

5.4 Interest

Any payment obligation comprised in the Obligations guaranteed hereunder which is not paid when due hereunder shall bear interest, to the extent not already included in the Obligations, both before and after default or judgment, from the date of demand pursuant to Section 5.1 to the date of payment at the rate or rates provided in the relevant Document for such Obligations or, in the event no such rate is provided for therein, at a rate per annum that is equal to the Default Rate. Any other amounts payable pursuant hereto, including pursuant to Section 5.3, which are not paid when due hereunder shall bear interest, both before and after default or judgment, from the date of demand pursuant to Section 5.1 to the date of payment or reimbursement thereof by the Guarantor at a rate per annum that is equal to the Default Rate. All such interest shall accrue daily and shall be payable by the Guarantor on demand by the Beneficiaries.

ARTICLE 6.
SUBROGATION

6.1 Subrogation

(a) Until all the Obligations have been irrevocably paid in full in cash, the Guarantor shall have no right of subrogation to, and waives to the fullest extent permitted by applicable law, any right to enforce any remedy which the Beneficiaries now have or may hereafter have against the Canadian Borrower in respect of the Obligations, and until such time the Guarantor waives any benefit of, and any right to participate in, any security, now or hereafter held by the Beneficiaries for the Obligations.

(b) If (i) the Guarantor performs or makes payment to the Beneficiaries of all amounts owing by the Guarantor under this Guarantee, and (ii) the Obligations are performed and irrevocably paid in full then the Beneficiaries will, at the Guarantor' s request, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of the Beneficiaries' interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

ARTICLE 7.
COVENANTS

7.1 Covenants Contained in the Credit Agreement and Other Documents

The Guarantor hereby covenants and agrees with the Beneficiaries that the Guarantor shall observe, perform and comply with any and all of the covenants of the Canadian Borrower contained in the Credit Agreement or other Documents that the Canadian Borrower agrees that the Guarantor and other Subsidiaries shall observe, perform and comply with or that the Canadian Borrower shall cause the Guarantor and other Subsidiaries to observe, perform and comply with.

ARTICLE 8.
GENERAL

8.1 Waiver of Notices

The Guarantor hereby waives promptness, diligence, presentment, notice of acceptance and any other notice with respect to this Guarantee and the obligations guaranteed hereunder, except for the demand pursuant to Section 5.1.

8.2 Benefit of the Guarantee

This Guarantee shall enure to the benefit of the respective successors and permitted assigns of the Beneficiaries and be binding upon the successors of the Guarantor.

8.3 Foreign Currency Obligations

The Guarantor shall make payment relative to each Obligation in the currency (the "**original currency**") in which the Canadian Borrower is required to pay such Obligation. If the Guarantor makes payment relative to any Obligation to the Beneficiaries in a currency (the "**other currency**") other than the original currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment shall constitute a discharge of the liability of the Guarantor hereunder in respect of such Obligation only to the extent of the amount of the original currency which the Beneficiaries are able to purchase with the amount of other currency they receive on the date of receipt in accordance with normal practice. If the amount of the original currency which the Beneficiaries are able to purchase is less than the amount of such currency originally due in respect of the relevant Obligation, the Guarantor shall indemnify and save the Beneficiaries 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 Guarantee, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Beneficiaries 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 a Beneficiary as to any such loss or damage shall constitute *prima facie* evidence thereof, in the absence of manifest error.

8.4 Taxes and Set-off by Guarantor

All payments by the Guarantor under this Guarantee, whether in respect of principal, interest, interest on overdue and unpaid interest, fees or any other Obligations, shall be made in full without any deduction or withholding (whether in respect of set-off, counterclaim, duties, Taxes, charges or otherwise whatsoever) unless the Guarantor is prohibited by applicable laws from doing so, in which event the Guarantor shall:

(a) ensure that the deduction or withholding does not exceed the minimum amount legally required;

(b) forthwith pay to the Beneficiaries such additional amount so that the net amount received by the Beneficiaries will equal the full amount which would have been received by it had no such deduction or withholding been made;

(c) pay to the relevant taxation or other authorities, within the period for payment required by applicable laws, the full amount of the deduction or withholding (including the full amount of any deduction or withholding from any additional amount paid pursuant to this Section); and

(d) furnish to the Beneficiaries promptly, as soon as available, an official receipt of the relevant taxation or other authorities involved for all amounts deducted or withheld as aforesaid.

8.5 No Waiver; Remedies

No failure on the part of the Beneficiaries to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

8.6 Severability

If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

8.7 Amendments and Waivers

Any provision of this Guarantee may be amended, waived or a consent given in respect thereof with the concurrence of the Guarantor and the Canadian Administrative Agent on behalf of the Beneficiaries in accordance with Section 9.2 of the Credit Agreement. Any waiver and any consent by the Canadian Administrative Agent on behalf of the Beneficiaries under any provision of this Guarantee must be in writing signed by the Canadian Administrative Agent and may be given subject to any conditions thought fit by the Canadian Administrative Agent acting reasonable. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

8.8 Additional Security

This Guarantee is in addition and without prejudice to any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Beneficiaries and any other rights or remedies they might have.

8.9 Notices

Any demand, notice or other communication (hereinafter in this Section referred to as a "**Communication**") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery, telecopier or by registered mail addressed to the recipient as follows:

To the Canadian Administrative Agent on behalf of the Beneficiaries as follows:

HSBC Bank Canada
407-8th Avenue SW
Calgary, Alberta
T2P 1E5
Attention: ●
Facsimile: (403) 693-8561

To the Guarantor:

[INSERT NAME OF RELEVANT SUBSIDIARY]
c/o Nine Energy Services, Inc.
●
●
●
Attention: ●
Facsimile: (●) ●

or such other address or telecopy number as may be designated by notice by any party to the other. Any Communication given by personal delivery or telecopier shall be conclusively deemed to have been given on the day of actual delivery or transmittal thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery or telecopier.

8.10 Assignment

The rights of the Beneficiaries under this Guarantee may be assigned by the Beneficiaries in accordance with the provisions of the Credit Agreement and without the consent of the Canadian Borrower or the Guarantor during the continuance of an Event of Default and, at all other times, with the prior written consent of the Guarantor (such consent not to be unreasonably withheld). The Guarantor may not assign its obligations under this Guarantee.

8.11 Time of Essence

Time is of the essence with respect to this Guarantee and the time for performance of the obligations of the Guarantor under this Guarantee may be strictly enforced by the Beneficiaries.

8.12 Financial Condition of the Canadian Borrower

The Guarantor is fully aware of the financial condition of the Canadian Borrower and acknowledges that it shall receive a benefit from the Beneficiaries entering into the Documents to which the Beneficiaries are a party. The Guarantor assumes all responsibility for being and keeping itself informed of the Canadian Borrower' s financial condition and assets, and of all other circumstances bearing upon the risk of non-payment or non-performance of the Obligations and the nature, scope and extent of the risks which Guarantor assumes and incurs hereunder, and agrees that the Beneficiaries shall not have a duty to advise Guarantor of information known to any of them regarding such circumstances or risks.

8.13 Acknowledgement of Documentation

The Guarantor hereby acknowledges receipt of a true and complete copy of the other Documents and all of the terms and conditions thereof.

8.14 Entire Agreement

This Guarantee and the other Documents constitute the entire agreement between the Beneficiaries and the Guarantor with respect to the subject matter hereof and cancel and supersede any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth herein or therein.

8.15 Governing Law

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

8.16 Attornment

The Guarantor and each of the Beneficiaries hereby attorn and submit to the non-exclusive jurisdiction of the courts of the Province of Alberta in regard to legal proceedings relating to this Guarantee. For the purpose of all such legal proceedings, the courts of the Province of Alberta shall have jurisdiction to entertain any action arising under this Guarantee. Notwithstanding the foregoing, nothing in this Section shall be construed nor operate to limit the right of the Guarantor or the Beneficiaries to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Guarantor has executed this Guarantee.

● [INSERT NAME OF RELEVANT ENTITY]

Per: _____

Name:
Title:

Per: _____

Name:
Title:

EXHIBIT C

FORM OF CANADIAN GENERAL SECURITY AGREEMENT
(● [INSERT NAME OF RELEVANT ENTITY])

THIS AGREEMENT made as of ●, 201●

B E T W E E N :

- **[INSERT NAME OF RELEVANT ENTITY]**, a ● existing under the laws of ● (hereinafter referred to as the "**Debtor**")

- and -

HSBC BANK CANADA, a Canadian chartered bank, in its capacity as Canadian Administrative Agent (hereinafter referred to as the "**Secured Party**").

WHEREAS the Debtor has agreed to grant, as general and continuing security for the payment and performance of the Obligations (as hereinafter defined), the security interest and assignment, mortgage and charge granted herein;

AND WHEREAS the Canadian Lenders, the Canadian Issuing Lender, the Banking Services Providers and Swap Counterparties have appointed and authorized the Secured Party to act as their agent and attorney for the purpose of holding security granted by the Debtor;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties agree as follows:

ARTICLE 1.

INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals hereto, this Section and any schedules or attachments hereto, unless something in the subject matter or context is inconsistent therewith:

"**Agreement**" means this agreement, as amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

"**Beneficiaries**" means, collectively, the Canadian Administrative Agent, the Canadian Lenders, the Canadian Issuing Lender, the Banking Services Providers and the Swap Counterparties that are owed Obligations and "**Beneficiary**" means any one of the forgoing.

"**Charge**" means the security interests, assignments, mortgages and charges created hereunder.

"**Collateral**" has the meaning set out in Section 2.1.

"**Credit Agreement**" means the amended and restated credit agreement dated as of June 30, 2014 among Nine Energy Services, Inc., as US Borrower, Nine Energy Canada Inc., as Canadian Borrower, HSBC Bank USA, N.A., as US Administrative Agent and US Issuing Lender, Wells Fargo Bank, National Association, as Syndication Agent and Swingline Lender, HSBC Bank Canada, as Canadian Administrative Agent and Canadian Issuing Lender, and the lenders party thereto, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.

"**Excluded Collateral**" means that notwithstanding anything to the contrary contained in Section 2.1 and other than to the extent set forth in this definition, the following property shall be excluded from the lien and security interest granted hereunder (and shall, as applicable, not be included as "**Collateral**" for purposes of this Agreement):

(i) commercial tort claims;

(ii) letter of credit rights;

(iii) Excluded Contracts;

(iv) Excluded JV Equity Interests;

(v) Excluded Governmental Approvals;

(vi) Excluded PMSI Collateral;

(vii) Excluded Foreign Stock;

(viii) Excluded Trademark Collateral; and

(ix) owned and leased real property,

provided, however, that (x) the exclusion from the Lien and security interest granted by any Debtor hereunder of any Excluded Collateral shall not limit, restrict or impair the grant by such Debtor of the Lien and security interest in any accounts or receivables arising under any such Excluded Collateral or any payments due or to become due thereunder unless the conditions in effect which qualify such Property as Excluded Collateral applies with respect to such accounts and receivables and (y) any proceeds received by any Debtor from the sale, transfer or other disposition of Excluded Collateral shall constitute Collateral unless the conditions in effect which qualify such Property as an Excluded Collateral applies with respect to such proceeds.

"**Excluded Contract**" means any contract (and any contract rights arising thereunder) to which any of the Debtors is a party on the date hereof or which is entered into by any Debtor after the date hereof which complies with Section 6.4 of the Credit Agreement (and the provisions of which are not agreed to by a Debtor for the purposes of excluding such Contract from the Lien granted hereunder), in any case to the extent (but only to the extent) that a Debtor

is prohibited from granting a security interest in, pledge of, or charge, mortgage or lien upon any such Property by reason of (a) a negative pledge, anti-assignment provision or other contractual restriction in existence on the date hereof or, as to contracts entered into after the date hereof, in existence in compliance with Section 6.4 of the Credit Agreement (and the provisions of which are not agreed to by a Debtor for the purposes of excluding such Contract from the Lien granted hereunder), or (b) applicable Legal Requirement to which such Debtor or such Property is subject; provided, however, to the extent that (i) either of the prohibitions discussed in clause (a) and (b) above is ineffective or subsequently rendered ineffective under Sections 9-406, 9407, 9-408 or 9-409 of the UCC or under any other Legal Requirement or is otherwise no longer in effect or enforceable, or (ii) the applicable Debtor has obtained the consent of the other parties to such Excluded Contract to the creation of a lien and security interest in, such Excluded Contract, then such contract (and any contract rights arising thereunder) shall cease to be an "**Excluded Contract**" and shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Security Agreement as a "**Collateral**"; provided further, that any proceeds received by any Debtor from the sale, transfer or other disposition of Excluded Contracts shall constitute Collateral unless any Property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Collateral.

"**Excluded Governmental Approvals**" means any Governmental Approval to the extent (but only to the extent) that a Debtor is prohibited from granting a security interest in, pledge of, or charge, mortgage or lien upon any such Property by reason of (a) a negative pledge, anti-assignment provision or other contractual restriction or (b) applicable Legal Requirement to which such Debtor or such Property is subject; provided, however, to the extent that (i) either of the prohibitions discussed in clause (a) and (b) above is ineffective or subsequently rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or under any other Legal Requirement or is otherwise no longer in effect or enforceable, or (ii) the applicable Debtor has obtained the consent of the applicable Governmental Authority to the creation of a lien and security interest in, such Excluded Governmental Approval, then such Governmental Approval shall cease to be an "**Excluded Governmental Approval**" and shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Security Agreement as a "**Collateral**"; provided further, that any proceeds received by any Debtor from the sale, transfer or other disposition of Excluded Governmental Approval shall constitute Collateral unless any Property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Collateral

"**Excluded JV Equity Interests**" means the Equity Interests owned by any Debtor in a joint venture to the extent (but only to the extent) (a) the organizational documents of such joint venture prohibits the granting of Lien on such Equity Interests or (b) such Equity Interests of such joint venture are otherwise pledged as collateral to secure (i) obligations to the other holders of the Equity Interests in such joint venture (other than a holder that is a Subsidiary of a Borrower) or (ii) Debt of such joint venture that is non-recourse to any of the Credit Parties or to any of the Credit Parties' Properties; provided however, if any of the foregoing conditions cease to be in effect for any reason, then the Equity Interest in such joint venture shall cease to be an "**Excluded JV Equity Interest**" and shall automatically be subject to the lien and security interest granted hereby and to the terms and provisions of this Security Agreement as a "**Collateral**"; provided further, that any proceeds received by any Debtor from the sale, transfer or other disposition of Excluded JV Equity Interest shall constitute Collateral unless any Property constituting such proceeds are themselves subject to the exclusions set forth above.

"**Excluded Perfection Collateral**" shall mean, unless otherwise elected by the Canadian Administrative Agent during the continuance of an Event of Default, collectively (a) Certificated Equipment, (b) deposit accounts, commodities accounts and securities accounts other than the Cash Collateral Account, and (c) any other Property (i) in which a security interest cannot be perfected by the filing of a financing statement under the UCC or the PPSA and (ii) with respect to which the Canadian Administrative Agent has determined, in its reasonable discretion that the cost of perfecting a security interest in such Property are excessive in relation to the value of the Lien to be afforded thereby.

"**Excluded PMSI Collateral**" means any Property and proceeds thereof (including insurance proceeds) of a Debtor that is now or hereafter subject to a Lien securing purchase money debt or a Capital Lease obligation to the extent (and only to the extent) that (a) the Debt associated with such Lien is permitted under Section 6.1(f), (l) or (n) of the Credit Agreement, and (b) the documents evidencing such purchase money debt or Capital Lease obligation prohibit or restrict the granting of a Lien in such Property; provided, however, to the extent that either of the prohibitions discussed in clause (a) and (b) above is ineffective or subsequently rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or under any other Legal Requirement or is otherwise no longer in effect, then such Property and proceeds thereof shall cease to be "**Excluded PMSI Collateral**" and shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Security Agreement as "**Collateral**"; provided further, that any proceeds received by any Debtor from the sale, transfer or other disposition of Excluded PMSI Collateral shall constitute Collateral unless any Property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Collateral.

"**Excluded Foreign Stock**" means the Equity Interests issued by Foreign Subsidiaries other than (a) 65% of the Voting Securities issued by a First Tier Foreign Subsidiary and (b) 100% of Equity Interests issued by a First Tier Foreign Subsidiary that is not Voting Securities.

"**Excluded Trademark Collateral**" means all United States and Canadian intent to use trademark applications with respect to which the grant of a security interest therein would impair the validity or enforceability of said intent to use trademark application under federal law; provided, however, to the extent that such applicable law is no longer in effect, then such trademark application shall cease to be an "**Excluded Trademark Collateral**" and shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Security Agreement as a "**Collateral**"; provided further, that any proceeds received by any Debtor from the sale, transfer or other disposition of Excluded Trademark Collateral shall constitute Collateral unless any Property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Collateral.

["Guarantee" means the guarantee made as of even date herewith by the Debtor in favour of the Beneficiaries, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.] [Note: Insert the foregoing definition for a Subsidiary of the Canadian Borrower].

["Obligations" means, collectively and at any time and from time to time, all of the obligations, liabilities and indebtedness (present or future, matured or otherwise) of the Debtor to the Beneficiaries including, without limitation, (i) all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, matured or not) of the Debtor to the Canadian Administrative Agent, the Canadian Lenders and the Canadian Issuing Lender under, pursuant or relating to the Credit Agreement and other Documents and including all Canadian Outstandings and all interest, commissions, legal and other costs, charges and expenses payable by the Debtor under the Credit Agreement and other Documents, (ii) all Lender Financial Instrument Obligations and (iii) all Banking Services Obligations, whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again.] [Note: Insert the foregoing square-bracketed definition for the Canadian Borrower].

["Obligations" means, collectively and at any time and from time to time, all present and future obligations, liabilities and indebtedness (absolute or contingent, matured or otherwise) of the Debtor to the Beneficiaries under, pursuant or relating to the Guarantee and other Credit Documents, in each case whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again.] [Note: Insert the foregoing square-bracketed wording for a Subsidiary of the Canadian Borrower].

1.2 Definitions used in the Credit Agreement

Capitalized terms used herein without express definition shall, unless something in the subject matter or context is inconsistent therewith, have the same meanings as are ascribed to such terms in the Credit Agreement.

1.3 Personal Property Security Act Definitions

The terms "accessions", "accounts", "chattel paper", "documents of title", "goods", "instruments", "intangibles", "inventory", "investment property", "money" and "proceeds" whenever used herein shall have the meanings given to those terms in the *Personal Property Security Act* (Alberta) (the "**PPSA**"), as now enacted or as the same may from time to time be amended, re-enacted or replaced.

1.4 Headings and References

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

1.5 Included Words

In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.6 Calculation of Interest

Whenever a rate of interest hereunder is calculated on the basis of a year (the "**deemed year**") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for the purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

1.7 Schedules

Any schedule to this Agreement is incorporated by reference and shall be deemed to be part of this Agreement.

1.8 [References to Debtor]

[All references in this Agreement to representations and warranties by, covenants of, actions and steps by, or the performance of the terms and conditions hereof by the "Debtor" shall, as the context requires, be and shall be construed as being by the partners of ● on behalf of and in respect of such partnership.] [Note: Insert Section 1.8, with appropriate conforming changes, for an Agreement by a general partnership; insert similar provisions, with additional conforming changes, for an Agreement by a limited partnership, trust or other unincorporated entity.]

ARTICLE 2.
GRANT OF SECURITY

2.1 Security

As general and continuing security for the payment and performance of the Obligations, the Debtor hereby grants to the Secured Party a security interest in all of the present and future undertaking and personal property of the Debtor (collectively, the "**Collateral**"), and as further general and continuing security for the payment and performance of the Obligations and the Debtor hereby assigns the Collateral to the Secured Party. Without limiting the generality of the foregoing, the Collateral shall include all right, title and interest that the Debtor now has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in all property of the following kinds:

(a) Accounts Receivable: all debts, accounts, accounts receivables, claims and choses in action which are now or which may hereafter become due, owing or accruing due to the Debtor (collectively, the "**Receivables**");

(b) Inventory: all inventory of whatever kind and wherever situated including, without limiting the generality of the foregoing, all goods held for sale or lease, or furnished or to be furnished under contracts for service, or that are work in progress, or that are raw materials used or consumed in the business of the Debtor (collectively, the "**Inventory**");

(c) Equipment: all goods, machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property which are not Inventory, including, without limiting the generality of the foregoing, the tangible personal property described in any schedule hereto executed by both the Debtor and the Secured Party;

(d) Chattel Paper: all chattel paper;

(e) Documents of Title: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;

(f) Investment Property and Instruments: all shares, stock, warrants, bonds, debentures, debenture stock and other investment property and all instruments (collectively, the "**Securities**");

(g) Intangibles: all intangibles not described in Section 2.1(a) including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other industrial property;

(h) Money: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;

(i) Books, Records, Etc.: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in Sections 2.1(a) to (h) inclusive, and all contracts, securities, instruments and other rights and benefits in respect thereof;

(j) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in Sections 2.1(a) to (i) inclusive; and

(k) Proceeds.: all proceeds of the property described in Sections 2.1(a) to (j) inclusive including, without limiting the generality of the foregoing, all personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for the loss of or damage to such property;

provided that the Charge shall not: (i) extend, include or apply to the last day of the term of any other lease now held or hereafter acquired by the Debtor, but should the Secured Party enforce the said Charge, the Debtor shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of the said Charge, (ii) render the Secured Party liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Debtor is a party or by which it is bound and (iii) extend to, and the Collateral shall not include any agreement, right, franchise, licence or permit (the "**Contractual Rights**") to which the Debtor is a party or of which the Debtor has benefit, to the extent that the creation of the Charge herein would constitute a breach of the terms of, or permit any person to terminate, the Contractual Rights, but the Debtor shall hold its interest therein in trust for the Secured Party and shall assign such Contractual Rights to the Secured Party forthwith upon obtaining the consent of all other parties thereto and (iv) include any Excluded Collateral. The Debtor agrees that it shall, upon the request of the Secured Party, use all commercially reasonable efforts to obtain any consent required to permit any Contractual Rights to be subjected to the Charge herein.

2.2 Attachment of Security Interest

The Debtor acknowledges that value has been given and agrees that the security interest granted hereby shall attach when the Debtor signs this Agreement and the Debtor has any rights in the Collateral.

ARTICLE 3.
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR

3.1 Representations and Warranties

The Debtor hereby represents and warrants to the Secured Party and the Beneficiaries that (and acknowledges that the Secured Party and the Beneficiaries are relying on the same):

(a) the address of the Debtor' s chief executive office (as such term is utilized in the *Personal Property Security Act* (Alberta)) is that given at the end of this Agreement;

(b) all of the tangible property and assets of the Debtor, real or personal, are located in the Provinces of Alberta and Britsh Columbia; and

(c) it has not granted "control" (within the meaning of such term under Section 1(1.1) of the PPSA) over any investment property to any person other than the Secured Party.

3.2 Survival of Representations and Warranties

The representations and warranties set out in this Agreement shall survive the execution and delivery of this Agreement notwithstanding any investigations or examinations which may be made by any of the Beneficiaries or their legal counsel. Such representations and warranties shall survive until this Agreement has been terminated and discharged in accordance with Section 6.7 hereof.

3.3 Covenants

The Debtor covenants with the Secured Party that the Debtor shall:

(a) not change its name or its chief executive office or the location of the office where it keeps its records respecting the Receivables without giving 15 days' prior written notice thereof to the Secured Party;

(b) from time to time promptly at the request of the Secured Party execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by the Secured Party except as expressly prohibited in the Credit Agreement to effectively carry out the full intent and meaning of this Agreement, including, without limitation, to enforce the Charge and remedies provided hereunder, or to better evidence and perfect the Charge, and, upon the occurrence of an Event of Default, the Debtor hereby irrevocably constitutes and appoints the Secured Party, or any receiver or receiver and manager appointed by the court or the Secured Party, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever the Secured Party or any such Receiver may consider it to be necessary or expedient;

(c) pay to the Secured Party forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all reasonable legal, Receiver' s and accounting fees and expenses) incurred by or on behalf of the Secured Party in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, protecting and preserving the Charge and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the Obligations secured hereunder; and

(d) not grant "control" (within the meaning of such term under Section 1(1.1) of the PPSA) over any investment property to any person other than the Secured Party.

ARTICLE 4.
SECURITIES; ACCOUNT DEBTORS

4.1 Registration of Securities

If an Event of Default has occurred and is continuing, the Secured Party may require that the Debtor have any Securities, subject to those securities that are Excluded Collateral, registered in the name of the Secured Party or in the name of its nominee and shall be entitled but not bound or required to exercise any of the rights that any holder of such Securities may at any time have, provided that, until an Event of Default has occurred and is continuing, the Debtor shall be entitled to exercise all voting power from time to time exercisable in respect of the Securities.

The Beneficiaries shall not be responsible for any loss occasioned by the exercise of any of such rights or by failure to exercise the same within the time limited for the exercise thereof. The Debtor shall from time to time forthwith upon the request of the Secured Party deliver to the Secured Party those Securities requested by the Secured Party duly endorsed for transfer to the Secured Party or its nominee to be held by the Secured Party subject to the terms of this Agreement.

4.2 Notification of Account Debtors

If an Event of Default has occurred and is continuing, the Secured Party may give notice of this Agreement and the Charge granted hereby to any account debtors of the Debtor or to any other person liable to the Debtor and may give notice to any such account debtors or other person to make all further payments to the Secured Party, and, after the occurrence and during the continuance of an Event of Default, any payment or other proceeds of Collateral received by the Debtor from account debtors or from any other person liable to the Debtor whether before or after any notice is given by the Secured Party shall be held by the Debtor in trust for the Secured Party and forthwith paid over to the Secured Party on request.

ARTICLE 5.
REMEDIES

5.1 Remedies

(a) Upon the occurrence and during the continuance of any Event of Default any or all security granted hereby shall, at the option of the Secured Party, become immediately enforceable and, in addition to any right or remedy provided by law, the Secured Party will have subject to applicable law the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently, or both, and are in addition to and not in substitution for any other rights or remedies the Secured Party may have:

(i) the Secured Party may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "**Receiver**") of the Collateral (which term when used in this Section 5.1 shall include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "**Secured Party**" when used in this Section 5.1 shall include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Secured Party shall not be in any way responsible for any misconduct or negligence of any such Receiver;

(ii) the Secured Party may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at such place or places as may be specified by the Secured Party;

(iii) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral;

(iv) the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor;

(v) the Secured Party may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;

(vi) the Secured Party may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Secured Party may determine and without notice to the Debtor unless required by law and may execute and deliver to the purchaser or purchasers of the Collateral or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, any officer or duly authorized representative of the Secured Party being hereby constituted the irrevocable attorney of the Debtor for the purpose of making such sale and executing such deeds or conveyances, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Debtor and all other persons claiming all or any part of the Collateral by, from, through or under the Debtor;

(vii) the Secured Party may accept the Collateral in satisfaction or partial satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law;

(viii) the Secured Party may borrow money on the security of the Collateral for the purpose of the carrying on of the business of the Debtor or for the maintenance, preservation, protection or realization of the Collateral in priority to the Charge;

(ix) the Secured Party may enter upon, occupy and use all or any of the Collateral occupied by the Debtor and use all or any of the Collateral for such time as the Secured Party requires to facilitate the realization of the Collateral, free of charge, and the Secured Party and the Beneficiaries will not be liable to the Debtor for any neglect in so doing (other than gross negligence or wilful misconduct on the part thereof) or in respect of any rent, charges, depreciation or damages in connection with such actions;

(x) the Secured Party may charge on its own behalf and pay to others all amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Beneficiaries hereunder, including, without limiting the generality of the foregoing, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at a rate per annum

equal to the rate of interest per annum then payable on Canadian Base Rate Advances plus 2.0% per annum, shall be added to and form part of the Obligations hereby secured; and

(xi) the Secured Party may discharge any claim, Lien, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with all reasonable costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured.

(b) The Secured Party and the Beneficiaries may:

(i) grant extensions of time,

(ii) take and perfect or abstain from taking and perfecting security,

(iii) give up securities,

(iv) accept compositions or compromises,

(v) grant releases and discharges, and

(vi) release any part of the Collateral or otherwise deal with the Debtor, debtors and creditors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party sees fit,

without prejudice to the liability of the Debtor to the Secured Party and the Beneficiaries or the Beneficiaries' rights hereunder.

(c) The Beneficiaries shall not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, in respect of the Collateral.

(d) The Secured Party shall apply any proceeds of realization of the Collateral to payment of reasonable expenses in connection with the preservation and realization of the Collateral as above described and the Secured Party shall apply any balance of such proceeds to payment of the Obligations in accordance with the Credit Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, the Debtor will be liable to pay any deficiency to the Secured Party and the Beneficiaries forthwith on demand. Subject to the requirements of applicable law, any surplus realized in excess of the Obligations shall be paid over to the Debtor.

(e) Any Receiver shall be entitled to exercise all rights and powers of the Secured Party hereunder. To the extent permitted by law, any Receiver shall for all purposes be deemed to be the agent of the Debtor and not of the Secured Party and the Debtor shall be solely responsible for the Receiver' s acts or defaults and remuneration.

ARTICLE 6.
GENERAL

6.1 Benefit of the Agreement

This Agreement shall be binding upon the successors and permitted assigns of the Debtor and shall benefit the successors and permitted assigns of the Secured Party and other Beneficiaries.

6.2 Conflict of Terms; Entire Agreement

This Agreement has been entered into as collateral security for the Obligations and is subject to all the terms and conditions of the **[Guarantee,]** Credit Agreement, Banking Services with Banking Services Providers and Hedging Arrangements with Swap Counterparties and, if there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the **[Guarantee,]** Credit Agreement, Banking Services with Banking Services Providers or Hedging Arrangements with Swap Counterparties, the rights and obligations of the Debtor, Secured Party and Beneficiaries shall be governed by the provisions of the Credit Agreement. This Agreement together with the **[Guarantee,]** Credit Agreement, Banking Services with Banking Services Providers, Hedging Arrangements with Swap Counterparties and all other Credit Documents constitute the entire agreement between the Debtor and the Secured Party with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Beneficiaries and the Debtor except as expressly set forth therein and herein. **[Note: Insert the foregoing square-brackets for a Subsidiary of the Canadian Borrower].**

6.3 No Waiver

No delay or failure by the Beneficiaries in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right.

6.4 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

6.5 Notices

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and may be given by personal delivery, facsimile or other electronic means, addressed to the recipient as follows:

To the Debtor:

● INSERT NAME OF RELEVANT ENTITY]
c/o Nine Energy Services, Inc.
●
●
Attention: ●
Facsimile: ●

To the Secured Party:

HSBC Bank Canada
407-8th Avenue SW
Calgary, Alberta
T2P 1E5
Attention: ●
Facsimile: (403) 693-8561

or such other address, electronic communication number, or to the attention of such other individual as may be designated by notice by any party to the other. Any demand, notice or communication made or given by personal delivery or by facsimile or other electronic means of communication during normal business hours at the place of receipt on a Business Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Business Day. Any demand, notice or communication made or given by personal delivery or by facsimile or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Business Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Calgary time) on the first Business Day following actual delivery or transmittal, as the case may be.

6.6 Modification; Waivers; Assignment

This Agreement may not be amended or modified in any respect except by written instrument signed by the Debtor and the Secured Party. No waiver of any provision of this Agreement by the Secured Party shall be effective unless the same is in writing and signed by the Secured Party, and then such waiver shall be effective only in the specific instance and for the specific purpose for which it is given. The rights of the Secured Party (including those of any Beneficiary) under this Agreement may only be assigned in accordance with the requirements of the Credit Agreement. The Debtor may not assign its obligations under this Agreement. Any assignee of a Beneficiary shall be bound hereby, *mutatis mutandis*.

6.7 Additional Continuing Security

This Agreement and the Charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Secured Party or the Beneficiaries and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by the Secured Party.

6.8 Discharge

The Debtor and the Collateral shall not be discharged from the Charge or from this Agreement except by a release or discharge in writing signed by the Secured Party.

6.9 No Release

The loss, injury or destruction of the Collateral shall not operate in any manner to release or discharge the Debtor from any of its liabilities to the Beneficiaries.

6.10 No Obligation to Act

Notwithstanding any provision of this Agreement or any other Credit Document or the operation, application or effect hereof, the Secured Party, the other Beneficiaries or any Receiver, or any representative or agent acting for or on behalf of the foregoing, shall not have any obligation whatsoever to exercise or refrain from exercising any right, power, privilege or interest hereunder or to receive or claim any benefit hereunder.

6.11 Admit to Benefit

Subject to Section 6.5, no person other than the Debtor and the Beneficiaries shall have any rights or benefits under this Agreement, nor is it intended that any such person gain any benefit or advantage as a result of this Agreement nor shall this Agreement constitute a subordination of any security in favour of such person.

6.12 Time of the Essence

Time shall be of the essence with regard to this Agreement.

6.13 Waiver of Financing Statement, etc.

The Debtor hereby waives the right to receive from the Secured Party or the other Beneficiaries a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Agreement.

6.14 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

6.15 Saskatchewan Waiver

The Debtor agrees that:

(a) *The Land Contract (Actions) Act* (Saskatchewan) shall have no application to any action, as defined in that Act, with respect to this Agreement; and

(b) *The Limitation of Civil Rights Act* (Saskatchewan) shall have no application to this Agreement or any agreement renewing, extending or collateral to this Agreement.

6.16 Attornment

The Debtor and each of the Beneficiaries each hereby attorn and submit to the non-exclusive jurisdiction of the courts of the Province of Alberta. For the purpose of all legal proceedings, this Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action or proceeding arising under this Agreement. Notwithstanding the foregoing, nothing herein shall be construed nor operate to limit the right of the Debtor or any Beneficiary to commence any action or proceeding relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action, proceeding or matter relating hereto.

6.17 Executed Copy

The Debtor hereby acknowledges receipt of a fully executed copy of this Agreement.

6.18 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

[THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

● [INSERT NAME OF RELEVANT ENTITY]

Per: _____
Name:
Title:

Per: _____
Name:
Title:

HSBC BANK CANADA, as Canadian
Administrative Agent and Secured Party

Per: _____
Name:
Title:

Per: _____
Name:
Title:

chief executive office of the Debtor and
office where the Debtor keeps its records
concerning the Receivables: ●

EXHIBIT D

COMPLIANCE CERTIFICATE

FOR THE PERIOD FROM , 201 TO , 201

This certificate dated as of , is prepared pursuant to the Amended and Restated Credit Agreement dated as of June 30, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**") among Nine Energy Service, Inc., a Delaware corporation ("**US Borrower**"), Nine Energy Canada Inc., as Canadian Borrower, the lenders party thereto (the "**Lenders**"), HSBC Bank USA, N.A., as US Administrative Agent, and US Issuing Lender, HSBC Bank Canada, as Canadian Administrative Agent and Canadian Issuing Lender and Wells Fargo Bank, National Association, as Swingline Lender (as each such term is defined in the Credit Agreement). Unless otherwise defined in this certificate, capitalized terms used herein that are defined in the Credit Agreement shall have the meanings assigned to them in the Credit Agreement.

The undersigned, on behalf of the US Borrower, certifies that:

(a) all of the representations and warranties made by any Credit Party or any officer of any Credit Party contained in the Credit Documents are true and correct in all material respects (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof) as if made on this date, except that any representation and warranty which by its terms is made as of a specified date is true and correct in all material respects (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date;

(b) attached hereto in Schedule A is a reasonably detailed spreadsheet reflecting the calculations of, as of the date and for the periods covered by this certificate, Funded Debt, EBITDA, Interest Expense, Capital Expenditures expended by US Borrower or any Restricted Subsidiary, any Equity Funded Capital Expenditures and any Capital Expenditures that constitute a Permitted Acquisition;

(c) no Default or Event of Default has occurred or is continuing as of the date hereof; and]

–or–

[(c) the following Default[s] or Event[s] of Default exist[s] as of the date hereof, if any, and the actions set forth below are being taken to remedy such circumstances:

; and]

(d) [as of the date hereof for the periods set forth below the following statements, amounts, and calculations included herein and in Schedule A, are true and correct in all material respects:

I. Leverage Ratio for the period of four fiscal quarters ending , 20 (the "Testing Period")

(a)	Funded Debt as of the last day of such fiscal quarter	$_____
(b)	Company' s consolidated EBITDA[1]	$_____
	Leverage Ratio = (a) to (b)	= _____
	Maximum Leverage Ratio	_____ to 1.00[2]
	Compliance	**Yes No**

II. Interest Coverage Ratio

(a)	EBITDA (See I(b) above)	= $_____
	Interest Expense = Company' s consolidated	
(b)	Interest Expense for such fiscal period	$_____
	Interest Coverage Ratio = (a) to (b)	= _____
	Minimum Interest Coverage Ratio	3.00 to 1.00
	Compliance	**Yes No**

III. Capital Expenditures:[3]

(a)	Capital Expenditures expended by the US Borrower or any Restricted Subsidiary for the fiscal year most recently ended prior to the date hereof (including, any Capital Expenditures incurred by Crest during such fiscal year prior to the Crest Acquisition)[4]	= $_____
(b)	Equity Funded Capital Expenditures for the fiscal year most recently ended prior to the date hereof	= $_____
(c)	Capital Expenditures for the fiscal year most recently ended prior to the date hereof that constitute a Permitted Acquisition	= $_____

1 In accordance with the Credit Agreement, EBITDA shall be subject to pro forma adjustments for Acquisitions and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be in a manner reasonably acceptable to the US Administrative Agent

2 US Borrower shall not permit the Leverage Ratio as of the last day of each fiscal quarter, commencing with the fiscal quarter ending September 30, 2014, to be more than (a) 3.50 to 1.00 for each fiscal quarter ending on or prior to December 31, 2014, (b) 3.25 to 1.00 for each fiscal quarter ending after December 31, 2014 and on or prior to June 30, 2015, and (c) 3.00 to 1.00 for each fiscal quarter ending after June 30, 2015.

3 Only calculated for the compliance certificate delivered with the year end financials.

4 With respect to any Restricted Subsidiary acquired during the fiscal year, calculated for the portion of such fiscal year that such Restricted Subsidiary was a Restricted Subsidiary.

(d)	US Borrower's consolidated EBITDA for the fiscal year ended immediately prior to the fiscal year most recently ended prior to the date hereof[5]	= $_____
(e)	limit for Capital Expenditures expended in the fiscal year most recently ended prior to the date hereof 6[6]	= $_____
	Capital Expenditure Covenant:	[(a) - (b) - (c)] ≤ (e)
	Compliance	**Yes No**

IN WITNESS THEREOF, I have hereto signed my name to this Compliance Certificate as of _____, ____.

NINE ENERGY SERVICE, INC.

By: _____

Name: _____

Title: _____

5 Including Crest's EBITDA on a pro forma basis for the fiscal year ended December 31, 2013.

6 75% of Company's consolidated EBITDA for the immediately prior fiscal year.

EXHIBIT E

EXHIBIT E-1

NOTICE OF BORROWING (US FACILITY)

,

HSBC Bank USA, N.A.
Corporate Trust & Loan Agency
8 East 40th Street, 6th Floor
New York, New York 10016
Attn: Agency Services
Telephone: (212) 525-7253
Telecopy: (917) 229-6659

Ladies and Gentlemen:

The undersigned, Nine Energy Service, Inc., a Delaware corporation ("**US Borrower**"), refers to the Amended and Restated Credit Agreement dated as of June 30, 2014 (as the same may be amended or modified from time-to- time, the "**Credit Agreement,**" the defined terms of which are used in this Notice of Borrowing as defined therein unless otherwise defined in this Notice of Borrowing) among the US Borrower, Nine Energy Canada Inc., as Canadian Borrower, the lenders party thereto (the "**Lenders**"), HSBC Bank USA, N.A., as US Administrative Agent and US Issuing Lender (as each such term is defined therein), HSBC Bank Canada, as Canadian Administrative Agent and Canadian Issuing Lender (as each such term is defined therein) and Wells Fargo Bank, National Association, as Swingline Lender (as defined therein). The US Borrower hereby gives you irrevocable notice pursuant to [Section 2.4(e)][Section 2.6(a)] of the Credit Agreement that the US Borrower hereby requests a Borrowing consisting of [US Advances][Term Loan Advance] [Swingline Advances], and in connection with that request sets forth below the information relating to such Borrowing (the "**Proposed Borrowing**") as required by [Section 2.4(e)][Section 2.6(a)] of the Credit Agreement:

(a) The Business Day of the Proposed Borrowing is , .

(b) The Proposed Borrowing will be composed of [US Base Rate Advances][Eurocurrency Advances][Swingline Advances].

(c) The aggregate amount of the Proposed Borrowing is $.

(d) [The Interest Period for each Eurocurrency Advance made as part of the Proposed Borrowing is month(s)].

The US Borrower hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(i) the representations and warranties contained in the Credit Agreement and each of the other Credit Documents are true and correct in all material respects (except that such materiality qualifier does not apply to any

representations and warranties that already are qualified or modified by materiality in the text thereof), on and as of the date of the Proposed Borrowing, before and after giving effect to such Proposed Borrowing, as though made on the date of the Proposed Borrowing except for those representations and warranties that are expressly made as of an earlier date or period which are true and correct as of such earlier date or period (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof); and

(ii) no Default has occurred and is continuing, or would result from such Proposed Borrowing.

Very truly yours,

NINE ENERGY SERVICE, INC.

By: _____
Name: _____
Title: _____

EXHIBIT E-2

NOTICE OF BORROWING (CANADIAN FACILITY)

,

HSBC Bank Canada
408 - 8th Avenue S.W.
Calgary, Alberta
T2P 1E5 Canada
Attn: Senior Account Manager, Energy Financing
Telephone: (403) 693-8649
Telecopy: (403) 693-8561

Ladies and Gentlemen:

The undersigned, Nine Energy Canada Inc., a corporation amalgamated under the laws of the Province of Alberta, Canada ("**Canadian Borrower**"), refers to the Amended and Restated Credit Agreement dated as of June 30, 2014 (as the same may be amended or modified from time-to-time, the "**Credit Agreement,**" the defined terms of which are used in this Notice of Borrowing as defined therein unless otherwise defined in this Notice of Borrowing) among the Canadian Borrower, Nine Energy Service, Inc., as US Borrower, the lenders party thereto (the "**Lenders**"), HSBC Bank USA, N.A., as US Administrative Agent and US Issuing Lender (as each such term is defined therein), HSBC Bank Canada, as Canadian Administrative Agent and Canadian Issuing Lender (as each such term is defined therein) and Wells Fargo Bank, National Association, as Swingline Lender (as defined therein). The Canadian Borrower hereby gives you irrevocable notice pursuant to Section 2.6(a) of the Credit Agreement that the Canadian Borrower hereby requests a Borrowing consisting of [Canadian Prime Rate Advances][Base Rate Advances][Eurocurrency Advances][B/A Advances], and in connection with that request sets forth below the information relating to such Borrowing (the "**Proposed Borrowing**") as required by Section 2.6(a) of the Credit Agreement:

(a) The Business Day of the Proposed Borrowing is , .

(b) The Proposed Borrowing will be composed of [Canadian Prime Rate Advances][Base Rate Advances][Eurocurrency Advances][B/A Advances].

(c) The aggregate amount of the Proposed Borrowing is [C$][US$] .

(d) [The Interest Period for each Eurocurrency Advance made as part of the Proposed Borrowing is month(s)[The Contract Period for each B/A Advance made as part of the Proposed Borrowing is days].

The Canadian Borrower hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(i) the representations and warranties contained in the Credit Agreement and each of the other Credit Documents are true and correct in all material

respects (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof), on and as of the date of the Proposed Borrowing, before and after giving effect to such Proposed Borrowing, as though made on the date of the Proposed Borrowing except for those representations and warranties that are expressly made as of an earlier date or period which are true and correct as of such earlier date or period (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof); and

(ii) no Default has occurred and is continuing, or would result from such Proposed Borrowing.

Very truly yours,

NINE ENERGY CANADA INC.

By: _____
Name: _____
Title: _____

EXHIBIT F

EXHIBIT F-1

NOTICE OF CONTINUATION OR CONVERSION (US FACILITY)

,

HSBC Bank USA, N.A.
Corporate Trust & Loan Agency
8 East 40th Street, 6th Floor
New York, New York 10016
Attn: Agency Services
Telephone: (212) 525-7253
Telecopy: (917) 229-6659

Ladies and Gentlemen:

The undersigned, Nine Energy Service, Inc., a Delaware corporation ("**US Borrower**"), refers to the Amended and Restated Credit Agreement dated as of June 30, 2014 (as the same may be amended or modified from time to time, the "**Credit Agreement,**" the defined terms of which are used in this Notice of Continuation or Conversion as defined therein unless otherwise defined in this Notice of Continuation or Conversion) among the US Borrower, Nine Energy Canada Inc., as Canadian Borrower, the lenders party thereto (the "**Lenders**"), HSBC Bank USA, N.A., as US Administrative Agent and US Issuing Lender (as each such term is defined therein), HSBC Bank Canada, as Canadian Administrative Agent and Canadian Issuing Lender (as each such term is defined therein) and Wells Fargo Bank, National Association, as Swingline Lender (as defined therein). The US Borrower hereby gives you irrevocable notice pursuant to Section 2.6(b) of the Credit Agreement that the US Borrower hereby requests a [Conversion][Continuation] of outstanding [US Advances][Term Loan Advances] and in connection with that request sets forth below the information relating to such Borrowing (the "**Proposed Borrowing**") as required by Section 2.6(b) of the Credit Agreement:

1. The Business Day of the Proposed Borrowing is , .

2. The aggregate amount of the existing [US Advances][Term Loan Advances] to be [Converted] [Continued] is $ and is comprised of [US Base Rate Advances] [Eurocurrency Advances] ("**Existing Advances**").

3. The Proposed Borrowing consists of [a Conversion of the Existing Advances to [US Base Rate Advances] [Eurocurrency Advances]] [a Continuation of the Existing Advances].

4. [The Interest Period for the Proposed Borrowing is [month[s]].]

The US Borrower hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

A. the representations and warranties contained in the Credit Agreement and each of the other Credit Documents are true and correct in all material respects (except that such materiality qualifier does not apply to any representations and warranties that already are

qualified or modified by materiality in the text thereof), on and as of the requested funding date of this Proposed Borrowing, before and after giving effect to such Proposed Borrowing, as though made on and as of such date except for those representations and warranties which were expressly made as of an earlier date or period which are true and correct as of such earlier date or period (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof); and

B. no Default has occurred and is continuing or would result from such Proposed Borrowing.

Very truly yours,

NINE ENERGY SERVICE, INC.

By: _____
Name: _____
Title: _____

Exhibit F-1-2

EXHIBIT F-2

NOTICE OF CONTINUATION OR CONVERSION
(CANADIAN FACILITY)

,

HSBC Bank Canada
408 - 8th Avenue S.W.
Calgary, Alberta
T2P 1E5 Canada
Attn: Senior Account Manager, Energy Financing
Telephone: (403) 693-8649
Telecopy: (403) 693-8561

Ladies and Gentlemen:

The undersigned, Nine Energy Canada Inc., a corporation amalgamated under the laws of the Province of Alberta, Canada ("**Canadian Borrower**"), refers to the Amended and Restated Credit Agreement dated as of June 30, 2014 (as the same may be amended or modified from time-to-time, the "**Credit Agreement,**" the defined terms of which are used in this Notice of Continuation or Conversion as defined therein unless otherwise defined in this Notice of Continuation or Conversion) among the Canadian Borrower, Nine Energy Service, Inc., as US Borrower, the lenders party thereto (the "**Lenders**"), HSBC Bank USA, N.A., as US Administrative Agent and US Issuing Lender (as each such term is defined therein), HSBC Bank Canada, as Canadian Administrative Agent and Canadian Issuing Lender (as each such term is defined therein) and Wells Fargo Bank, National Association, as Swingline Lender (as defined therein). The Canadian Borrower hereby gives you irrevocable notice pursuant to Section 2.6(b) of the Credit Agreement that the Canadian Borrower hereby requests a [Conversion][Continuation] of outstanding [Canadian Prime Rate Advances][Base Rate Advances][Eurocurrency Advances][B/A Advances] and in connection with that request sets forth below the information relating to such Borrowing (the "**Proposed Borrowing**") as required by Section 2.6(b) of the Credit Agreement:

1. The Business Day of the Proposed Borrowing is , .

2. The aggregate amount of the existing [Canadian Prime Rate Advances][Base Rate Advances][Eurocurrency Advances][B/A Advances] to be [Converted][Continued] is [C$][US$] ("**Existing Advances**").

3. The Proposed Borrowing consists of [a Conversion of the Existing Advances to [Canadian Prime Rate Advances] [Base Rate Advances] [Eurocurrency Advances][B/A Advances]] [a Continuation of the Existing Advances].

4. [The Interest Period for the Proposed Borrowing is [month[s]].

[(4) The Contract Period for the Proposed Borrowing is [days].

The Canadian Borrower hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

A. the representations and warranties contained in the Credit Agreement and each of the other Credit Documents are true and correct in all material respects (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof), on and as of the requested funding date of this Proposed Borrowing, before and after giving effect to such Proposed Borrowing, as though made on and as of such date except for those representations and warranties which were expressly made as of an earlier date or period which are true and correct as of such earlier date or period (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof); and

B. no Default has occurred and is continuing or would result from such Proposed Borrowing.

Very truly yours,

NINE ENERGY CANADA INC.

By: _____
Name: _____
Title: _____

SCHEDULE I

PRICING SCHEDULE

The Applicable Margin with respect to Commitment Fees and Advances (including, if applicable, Swingline Advances) shall be determined in accordance with the following Table based on the US Borrower' s Leverage Ratio as reflected in the Compliance Certificate delivered in connection with the financial statements most recently delivered pursuant to Section 5.2. Adjustments, if any, to such Applicable Margin shall be effective on the date the US Administrative Agent receives the applicable financial statements and corresponding Compliance Certificate as required by the terms of this Agreement. If the US Borrower fails to deliver the financial statements and corresponding Compliance Certificate to the US Administrative Agent at the time required pursuant to Section 5.2, then effective as of the date such financial statements and Compliance Certificate were required to be delivered pursuant to Section 5.2, the Applicable Martin with respect to Commitment Fees and Advances shall be determined at Level VI and shall remain at such level until the date such financial statements and corresponding Compliance Certificate are so delivered by the US Borrower. Initial pricing will be set at the level based on the US Borrower' s actual Leverage Ratio based on the pro forma compliance certificate delivered on the Closing Date (which is expected to be at Level III until the delivery of the compliance certificate and accompanying financial statements for the fiscal quarter ending September 30, 2014). Notwithstanding anything to the contrary contained herein, the determination of the Applicable Margin for any period shall be subject to the provisions of Section 2.10(f). For the voidance of doubt, the levels on the pricing grid set forth below are set forth from lowest (Level I) to the highest (Level VI).

	Leverage Ratio	LIBOR or B/A Margin	Base Rate or Canadian Prime Rate Margin	Commitment Fee
Level I	<1.00x	175.0 bps	75.0 bps	37.5 bps
Level II	>1.00x; <1.50x	200.0 bps	100.0 bps	37.5 bps
Level III	>1.50x; <2.00x	225.0 bps	125.0 bps	50.0 bps
Level IV	>2.00x; <2.50x	250.0 bps	150.0 bps	50.0 bps
Level V	>2.50x; <3.00x	275.0 bps	175.0 bps	50.0 bps
Level VI	>3.00x	300.0 bps	200.0 bps	50.0 bps

SCHEDULE II

COMMITMENTS, CONTACT INFORMATION

US ADMINISTRATIVE AGENT, US ISSUING BANK AND US LENDER,

Notices: Principal/Interest/Fees

HSBC Bank USA NA
Corporate Trust & Loan Agency
8 East 40th Street, 6th Floor
New York, NY 10016

Attn: Agency Services
Phone: 1-212-525-7253
Fax: 1-917-229-6659
Email: CTLANY.LoanAgency@us.hsbc.com

Documentation Contact:

HSBC Bank USA NA
Corporate Trust & Loan Agency
8 East 40th Street, 6th Floor
New York, NY 10016

Attn: Transaction Management
Phone: 1-212-525-7258
Fax: 1-917-229-6659
Email: CTLANY.TransactionManagement@us.hsbc.com

CANADIAN ADMINISTRATIVE AGENT, CANADIAN ISSUING LENDER AND CANADIAN LENDER

Credit Contact:

HSBC Bank Canada
408 - 8th Avenue S.W.
Calgary, Alberta T2N 3PG
Canada

Attn: Nicholas Power, Sr. Account Manager,
Commercial Banking - Energy
Phone: 1-403-693-8649
Fax: 1-403-693-8561
Email: Nicholas_power@hsbc.ca

Administration Contact:

HSBC Bank Canada
11th Floor, 70 York Street
Toronto, Ontario M5J 1S9
Canada

Attn: Cheryl Saldanha, Agency Administrator
Phone: 1-416-868-8223
Fax: 1-647-788-2185
Email: cacmbagency2@hsbc.ca

SYNDICATION AGENT, US SWINGLINE LENDER AND US LENDER

Credit Contact:

Wells Fargo Bank, N.A.
1000 Louisiana St., 9th Floor
Houston, Texas 77002

Attn: Phil Lauinger
Phone: 1-713-319-1313
Fax: 1-713-739-1087
Email: lauingpc@wellsfargo.com

Administration Contact:

Wells Fargo Bank, N.A.
1000 Louisiana St., 9th Floor
Houston, Texas 77002

Attn: Sally Weir
Phone: 1-713-319-1366
Fax: 1-713-739-1087
Email: weirs@wellsfargo.com

CREDIT PARTIES

Borrowers/Guarantors

Address: c/o Nine Energy Service, Inc.
Greenspoint Plaza 4
16945 Northchase Drive, Suite 1600
Houston, Texas 77060
Attn: Ann Fox
Fax: 713-227-7850

LENDERS	TERM COMMITMENT	REVOLVING COMMITMENT
HSBC Bank Canada	$ 1,250,000.00	$30,000,000 (Canadian)
HSBC Bank USA, N.A.	$ 8,981,481.48	$22,268,518.52
Wells Fargo Bank, National Association	$ 19,675,925.93	$42,824,074.07
Amegy Bank, N.A.	$ 12,592,592.59	$27,407,407.41
JPMorgan Chase Bank, N.A.	$ 12,592,592.59	$27,407,407.41
Bank of America, N.A.	$ 12,592,592.59	$27,407,407.41
IberiaBank	$ 6,296,296.30	$13,703,703.70
The Bank of Nova Scotia	$ 6,296,296.30	$13,703,703.70
Regions Bank	$ 4,722,222.22	$10,277,777.78
TOTAL:	**$ 85,000,000**	**$215,000,000**

SCHEDULE 4.1
ORGANIZATIONAL INFORMATION

US Credit Parties

#	Entity Name	Type of Organization	State of Formation
1.	Nine Energy Service, Inc.	Corporation	Delaware
2.	Northern States Completions, Inc.	Corporation	Delaware
3.	Tripoint, L.L.C.	Limited Liability Company	Louisiana
4.	CDK Perforating Holdings, Inc.	Corporation	Delaware
5.	CDK Intermediate, LLC	Limited Liability Company	Delaware
6.	CDK Perforating, LLC	Limited Liability Company	Texas
7.	Peak Pressure Control, LLC	Limited Liability Company	Texas
8.	Dak-Tana Wireline, LLC	Limited Liability Company	Delaware
9.	Crest Pumping Technologies, LLC	Limited Liability Company	Delaware
10.	Nine Energy Service, LLC	Limited Liability Company	Delaware

Canadian Credit Parties

#	Entity Name	Type of Organization	Jurisdiction of Formation
1.	Nine Energy Canada Inc.	Corporation	Alberta, Canada

SCHEDULE 4.10
ENVIRONMENTAL CONDITIONS

None.

SCHEDULE 4.11
SUBSIDIARIES

#	Entity Name	Owner	Type of Organization	Jurisdiction of Formation
1.	Northern States Completions, Inc.	Nine Energy Service, Inc.	Corporation	Delaware
2.	Tripoint, L.L.C.	Nine Energy Service, Inc.	Limited Liability Company	Louisiana
3.	CDK Perforating Holdings, Inc.	Nine Energy Service, Inc.	Corporation	Delaware
4.	CDK Intermediate, LLC	CDK Perforating Holdings, Inc.	Limited Liability Company	Delaware
5.	CDK Perforating, LLC	CDK Intermediate, LLC	Limited Liability Company	Texas
6.	Nine Energy Canada Inc.	Nine Energy Service, Inc.	Corporation	Alberta, Canada
7.	Peak Pressure Control, LLC	Nine Energy Service, Inc.	Limited Liability Company	Texas
8.	Dak-Tana Wireline, LLC	Nine Energy Service, Inc.	Limited Liability Company	Delaware
9.	Crest Pumping Technologies, LLC	Nine Energy Service, Inc.	Limited Liability Company	Delaware
10.	Nine Energy Service, LLC	Nine Energy Service, Inc.	Limited Liability Company	Delaware

SCHEDULE 5.7
REQUIREMENTS FOR NEW SUBSIDIARIES

Within 14 days (or within 30 days with respect to any Foreign Subsidiary) of (i) creating a new Subsidiary or acquiring a new Subsidiary, and (ii) designating an Unrestricted Subsidiary as a Restricted Subsidiary under Section 5.7(b), the Applicable Administrative Agent shall have received each of the following to the extent applicable:

(a) Guaranty. A joinder and supplement to the US Guaranty executed by such Subsidiary if such Subsidiary is a Wholly-Owned Domestic Restricted Subsidiary; otherwise, and provided that such guaranty would not violate any applicable Legal Requirement and would be enforceable, a joinder and supplement to the Canadian Guaranty;

(b) U.S. Security Agreement. A joinder and/or supplement to the US Security Agreement (i) if such Subsidiary is a Wholly-Owned Domestic Restricted Subsidiary, executed by such new Subsidiary and (ii) if such new Subsidiary is a Domestic Subsidiary or a First Tier Foreign Subsidiary, executed by the US Borrower and any other Credit Party that owns Equity Interests in such new Subsidiary, together with, if applicable, stock certificates and stock powers executed in blank, UCC-1 financing statements, and any other documents, agreements, or instruments necessary to create and perfect an Acceptable Security Interest in the Collateral described in the Security Agreement, as so supplemented, which joinder and/or supplement will grant a Lien in, among other things, 100% of the Equity Interests of such new Subsidiary owned by the US Borrower or any other Credit Party (but in the case of any First Tier Foreign Subsidiary limited to no greater than 65% of the Voting Securities issued by such First Tier Foreign Subsidiary);

(c) Canadian Security Agreement. A joinder and/or supplement to the Canadian Security Agreement, if such Subsidiary is a Foreign Subsidiary, and provided that such grant of collateral would not violate any applicable Legal Requirement and would be enforceable, executed by such new Subsidiary together with, if applicable, stock certificates and stock powers executed in blank, UCC- 1 and PPSA financing statements, and any other documents, agreements, or instruments necessary to create and perfect an Acceptable Security Interest in the Collateral described in the Canadian Security Agreement, as so supplemented;

(d) Corporate Documents. A secretary' s certificate from such new Wholly-Owned Domestic Restricted Subsidiary or such new Foreign Subsidiary certifying such Subsidiary' s (i) officers' incumbency, (ii) authorizing resolutions, (iii) organizational documents, (iv) necessary governmental approvals, and (v) certificate of good standing from the state, province or territory in which each such Person is organized dated a date not earlier than 30 days prior to date of delivery or otherwise in effect on the date of delivery;

(e) Patriot Act. All documentation and other information that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act; and

(f) Opinion of Counsel. If reasonably requested by either Administrative Agent, an opinion of counsel in form and substance reasonably acceptable to such

Administrative Agent related to such new Restricted Subsidiary and substantially similar to the legal opinions delivered at the Effective Date with respect to the other Restricted Subsidiaries in existence on the Effective Date.

Schedule 5.7-2

SCHEDULE 6.1
PERMITTED DEBT

#	Debtor	Lender	Loan #/ Vehicle #/ Other Description	Approximate Balance
1.	Tripoint, L.L.C.	Hyster Capital	8452322-001	$636.35
2.	Tripoint, L.L.C.	Hyster Capital	8452322-002	$636.35
3.	Tripoint, L.L.C.	Hyster Capital	8452322-003	$29,967.66
4.	Tripoint, L.L.C.	Enterprise FM Trust	BEC34603	$11,573.84
5.	Tripoint, L.L.C.	Enterprise FM Trust	BEC94792	$7,745.17
6.	Tripoint, L.L.C.	Enterprise FM Trust	BEC24431	$8,727.58
7.	Tripoint, L.L.C.	Enterprise FM Trust	BEC80782	$8,864.05
8.	Tripoint, L.L.C.	Enterprise FM Trust	BEC40579	$12,112.38
9.	Tripoint, L.L.C.	Enterprise FM Trust	CEA56581	$12,181.20
10.	CDK Perforating, LLC	Wells Fargo Bank, N.A.	Factory Cat Sweeper TR with serial number 75083	$11,559.24
			TOTAL	$104,003.82

SCHEDULE 6.2
PERMITTED LIENS

1. Liens granted by Tripoint, L.L.C. securing the debt described in items 1-9 on Schedule 6.1.

2. Lien granted by CDK Perforating, LLC securing the debt described in item 10 on Schedule 6.1.

SCHEDULE 6.3
PERMITTED INVESTMENTS

1. Investment of Tripoint, L.L.C. in Completion Innovations, LLC.

2. Promissory Note dated October 3, 2011, made by Blake Cox in favor of NSC-Tripoint, Inc., in the original principal amount of $189,547.15.

3. Promissory Note dated October 3, 2011, made by Bobby McMillin in favor of NSC-Tripoint, Inc., in the original principal amount of $163,353.96.

4. Promissory Note dated October 3, 2011, made by Gary Haynes in favor of NSC-Tripoint, Inc., in the original principal amount of $174,882.49.

5. Promissory Note dated October 3, 2011, made by Howard Burch in favor of NSC-Tripoint, Inc., in the original principal amount of $23,931.10.

6. Promissory Note dated October 3, 2011, made by Kent Coder in favor of NSC-Tripoint, Inc., in the original principal amount of $19,383.34.

7. Promissory Note dated October 3, 2011, made by Kevin Olivier in favor of NSC-Tripoint, Inc., in the original principal amount of $16,680.73.

8. Promissory Note dated October 3, 2011, made by Loren McNeely in favor of NSC-Tripoint, Inc., in the original principal amount of $173,333.34.

9. Promissory Note dated October 3, 2011, made by Patrick Mulcahy in favor of NSC-Tripoint, Inc., in the original principal amount of $67,997.11.

10. Promissory Note dated October 3, 2011, made by Michael McNeely in favor of NSC-Tripoint, Inc., in the original principal amount of $173,333.34.

SCHEDULE 6.10
PERMITTED AFFILIATE TRANSACTIONS

CDK Perforating, LLC ("CDK")

1. Residential Lease, dated May 31, 2011, by and between John and Barbara Nolen (Landlord) and A. Rick Saheb (Tenant), for the premises located at 192 Verona Drive, Washington, Pennsylvania at $1,600 per month. The term expired May 31, 2012 and automatically renewed for an additional term of 60 days. The rent is paid by CDK pursuant to a verbal agreement.

2. Apartment Lease Agreement, dated October 21, 2012, by and between Greenridge Apartments LLC (Landlord) and CDK/ Kenneth D. Preston (Tenants), for the premises located at 106 Woodview Drive, Horseheads, New York at $1,195 per month. The initial term has expired and the lease is month-to-month. The rent is paid by

DK pursuant to a verbal agreement, and Kenneth D. Preston uses the apartment when he travels to the area.

Tripoint, L.L.C. ("Tripoint")

1. Lease Agreement, dated as of May 1, 2011, by and between Past Properties, LLC (Landlord), and Tripoint (Tenant), as amended by that certain First Amendment to Lease Agreement, dated as of October 3, 2011, for certain premises located at 1244-1250 Wall Road, Broussard, LA (St. Martin Parish). Past Properties, LLC, is owned by Loren McNeely and Charles R. Carlton, each a former employee of Tripoint.

2. Lease Agreement, dated as of May 1, 2011, by and between Vast Properties, LLC (Landlord), and Tripoint (Tenant), as amended by that certain First Amendment to Lease Agreement, dated as of October 3, 2011, for certain premises located at 159 Enterprise, Victoria, Texas 77905. Loren McNeely and Michael McNeely (each former Tripoint employees) each own 33% interests in Vast Properties, LLC, and Loren McNeely owns a 50% interest in the note issued by Vast Properties, LLC, to purchase this property. This location will close on August 29, 2014.

3. C&T Dirt Service has performed certain construction work on a limited basis for Tripoint in the past and may continue to do so in the future. Charles Carlton, a former Tripoint employee, is an officer and agent of C&T Dirt Service.

Nine Energy Service, Inc. ("Nine Energy")

1. Oral sublease by and between Nine Energy and Universal Wellhead Services, for part of a building located at 154 Windcrest Road, Odessa, Texas. Former employees Gary Haynes, Mike McNeely and Loren McNeely each own an indirect interest in Universal Wellhead Service. This location will close on June 30, 2014.

2. Promissory Notes described in items 2-10 of Schedule 6.3.

3. Promissory Notes evidencing loans to shareholders of Nine Energy permitted by Section 6.2(i)(y) of the Agreement.

Nine Energy Canada Inc. ("Nine Canada") (formerly Integrated Production Services Ltd. ("IPS"))

1. Nine Canada leases one property in Brooks, Alberta and two properties in Grande Prairie, Alberta from companies that are owned or controlled by one employee of Nine Canada and one former employee of Nine Canada.

Dak-Tana Wireline, LLC ("Dak-Tana")

1. Lease agreement between Dak-Tana and Mon-Ota Rental, LLC for Dak-Tana' s facility in Dickinson, TX. Bill Hall is the owner of Mon-Ota Rental, LLC and was the former owner of Dak-Tana. Bill Hall maintains an ownership interest in Nine Energy.

Crest Pumping Technologies, LLC ("Crest")

1. Orteq Energy Technologies, LLC sells cementing pumps, pump down trailers, and ancillary equipment to Crest. Cody Ortowski and Cole Ortowski have an ownership interest in Orteq Energy Technologies, LLC.
2. Wood Flowline Products, LLC provides float and ancillary equipment to Crest. Cody Ortowski and Cole Ortowski have an ownership interest in the parent company of Wood Flowline Products, LLC (Forum Energy Technologies, Inc.). John Schmitz of B-29 Investments, LP serves on the Board of Directors for Forum Energy Technologies, Inc. and has an ownership interest. Buddy Wood of Buddy Wood Family Investments, LLC founded this entity and has an ownership interest in the parent company (Forum Energy Technologies, Inc.).
3. C&C Enterprises provides cleaning services to Crest' s yards located in Jacksboro, TX and Pleasanton, TX. C&C Enterprises also rents forklifts to Crest. David Crombie has an ownership interest in C&C Enterprises.
4. TimberCreek Real Estate Partners, LP is the landlord to Crest for the Jacksboro, TX yard. Cody Ortowski and Cole Ortowski have an ownership interest in TimberCreek Real Estate Partners, LP.
5. Ortowski Construction Co., LTD provides construction services to Crest' s facilities. Cody Ortowski and Cole Ortowski have an ownership interest in Ortowski Construction Co., LTD.
6. Texas Specialty Sands, LLC provides sand and other raw materials to Crest. Cody Ortowski and Cole Ortowski have an ownership interest in Texas Specialty Sands, LLC.
7. Forum Flow Equipment provides float and ancillary equipment to Crest. Cody Ortowski and Cole Ortowski have an ownership interest in the parent company of Forum Flow Equipment (Forum Energy Technologies, Inc.). John Schmitz of B-29 Investments, LP

serves on the Board of Directors for Forum Flow Equipment and also has an ownership interest in Forum Flow Equipment. Buddy Wood of Buddy Wood Family Investments, LLC has an ownership interest in Forum Energy Technologies, Inc.

8. Resource Transport, LLC transports raw materials and equipment for Crest. Cody Ortowski and Cole Ortowski have an ownership interest in Resource Transport, LLC.

9. Mesa Real Estate Partners, LP is landlord to Crest for the Pleasanton, TX yard. Cody Ortowski and Cole Ortowski have an ownership interest in Mesa Real Estate Partners, LP. B-29 Investments, LP has an ownership interest in Mesa Real Estate Partners, LP and an ownership interest in the general partner of Mesa Real Estate Partners, LP (Mesa Real Estate Partners GP, LLC). Steve Schmitz of B-29 Investments, LP serves on the Advisory Committee of Mesa Real Estate Partners, LP.

10. Pumpco Energy Services, Inc. provides assistance on pump down service work to Crest. Cody Ortowski and Cole Ortowski have an ownership interest in the parent company of Pumpco Energy Services, Inc. (Superior Energy Services, Inc.).

11. Peak Oilfield Services, LLC rents accommodation items to Crest. Cody Ortowski and Cole Ortowski have an ownership interest in the parent company of Peak Oilfield Services, LLC (SES Holdings, LLC) and are employees of SES Holdings, LLC. B-29 Investments, LP is an owner of SES Holdings, LLC. John Schmitz serves as the Chairman, President and CEO of SES Holdings, LLC.

12. Bell Supply Company, LLC is a supplier to Crest. Cody Ortowski and Cole Ortowski have an ownership interest in the parent company of Bell Supply Company, LLC (Synergy Energy Holdings, LLC). B-29 Investments, LP is an owner of Synergy Energy Holdings, LLC. John Schmitz serves as the Chairman, President and CEO of Synergy Energy Holdings, LLC.

13. Hard Way, LLC provides private aircraft services to Crest. Cody Ortowski and Cole Ortowski have an ownership interest in Hard Way, LLC.

14. ProFuel, LLC distributes fuel to Crest. Cody Ortowski and Cole Ortowski have an ownership interest in ProFuel, LLC.

Combination Merger Documents

1. Combination Agreement, dated as of February 15, 2013, by and among Nine Energy, CDK Perforating Holdings, Inc., a Delaware corporation ("**CDK Holdings**"), CDK Merger Sub, LLC, a Delaware limited liability company, IPS, and SCF-VII, L.P., a Delaware limited partnership ("**SCF**").

2. Amended and Restated Stockholders Agreement, dated as of February 28, 2013, by and among Nine Energy and the persons listed as "**Stockholders**" and "**Warrantholders**" on the signature pages thereto.

3. Share Purchase Agreement, dated as of February 28, 2013, by and among Nine Energy, IPS, and the Shareholders of IPS listed on Schedule A thereto.

4. Secondment Agreement, dated as of February 28, 2013, by and among L.E. Simmons & Associates, Incorporated, Nine Energy Service, Inc. and Ann G. Fox.

5. Warrant Assumption Agreement, dated as of February 28, 2013, by Nine Energy for the benefit of each of the holders of warrants to purchase shares of common stock of CDK Holdings, pursuant to that certain Warrant for the Purchase of Shares of Common Stock, dated as of April 27, 2012, by and between CDK Holdings and SCF, or that certain Warrant Agreement for the Purchase of Shares of Common Stock, dated as of April 27, 2012, by and among CDK Holdings, SCF, Chris Payson, Kenneth Preston and A. Rick Saheb.

6. Warrant Exercise and Termination Agreement dated as of June 30, 2014 by Nine Energy and the holders of the CDK Warrants.

7. Agreement and Plan of Merger dated June 30, 2014 by and among Crest, Nine Energy, Sweetwater Acquisition Company, LLC, The Series A Members of Crest (as defined therein) and the Principals (as defined therein).

Exhibit 10.2

FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT AND US PLEDGE AND SECURITY AGREEMENT

This First Amendment to Amended and Restated Credit Agreement and US Pledge and Security Agreement dated as of May 13, 2016 (this "**Amendment**") is among (a) Nine Energy Service, Inc., a Delaware corporation ("**US Borrower**" or the "**Company**"), (b) Nine Energy Canada, Inc., a corporation organized under the laws of the Province of Alberta, Canada ("**Canadian Borrower**"; together with the US Borrower, the "**Borrowers**"), (c) each of the Guarantors party hereto (the "**Guarantors**"), (d) each of the Lenders party hereto (the "**Lenders**"), (e) HSBC Bank USA, N.A., as US Administrative Agent and as US Issuing Lender (f) HSBC Bank Canada, as Canadian Issuing Lender and as Canadian Administrative Agent and (g) Wells Fargo Bank, National Association, as Swingline Lender.

WHEREAS, the Borrowers, the Lenders, US Administrative Agent and US Issuing Lender, Canadian Administrative Agent and Canadian Issuing Lender and the Swingline Lender entered into that certain Credit Agreement dated February 28, 2013, as amended by that certain First Amendment to Credit Agreement dated May 29, 2013, as amended by that certain Second Amendment to Credit Agreement dated September 30, 2013 and as amended and restated by that certain Amended and Restated Credit Agreement dated June 30, 2014 (as amended hereby and as from time to time further amended, modified, supplemented, restated or amended and restated, the "**Credit Agreement**");

WHEREAS, in connection with the Credit Agreement, the US Borrower and the Guarantors entered into that certain US Pledge and Security Agreement, dated as of February 28, 2013 (the "**Original US Security Agreement**"), as amended and supplemented by (A) that certain Ratification and Amendment of US Pledge and Security Agreement, dated June 30, 2014 (the "**Security Agreement Amendment**"); (B) that certain Supplement No. 1 to the Pledge and Security Agreement, dated September 13, 2013 ("**Supplement No. 1**"); (C) that certain Supplement No. 2 to the Pledge and Security Agreement, dated May 9, 2014 ("**Supplement No. 2**"); (D) that certain Supplement No. 3 to the Pledge and Security Agreement, dated June 30, 2014 ("**Supplement No. 3**"); and (E) Supplement No. 4 to the Pledge and Security Agreement dated September 14, 2015 ("**Supplement No. 4**") (the Original US Security Agreement, as amended by the Security Agreement Amendment, Supplement No. 1, Supplement No. 2, Supplement No. 3 and Supplement. No. 4, the "**US Security Agreement**");

WHEREAS, the Borrowers have requested that the US Administrative Agent, the Canadian Administrative Agent and the Lenders agree to amend certain provisions of the Credit Agreement and the US Security Agreement;

WHEREAS, the US Administrative Agent, the Canadian Administrative Agent and the Lenders are willing to do so subject to the terms and conditions set forth herein, provided that the Borrowers and Guarantors ratify and confirm all of their respective obligations under the Credit Agreement and the Loan Documents;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

1. Certain Defined Terms. Unless otherwise defined herein, capitalized terms used herein have the meanings assigned to them in the Credit Agreement.

2. Amendment to Section 1.1 of the Credit Agreement. Section 1.1 of the Credit Agreement is hereby amended by inserting the following new definitions therein in proper alphabetical order:

"***Bail-In Action***" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"***Bail-In Legislation***" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"***Fixed Charges***" means, for any period, without duplication, cash Interest Expense, plus scheduled principal payments on Indebtedness actually made, *plus* expense for taxes paid in cash, plus Capital Expenditures and Capital Expenditures financed with borrowed money other than US Advances or Canadian Advances.

"***Mortgage***" means any mortgage, deed of trust or other agreement which conveys or evidences a Lien in favor of the Administrative Agent, for the benefit of the Administrative Agent and the other Secured Parties, on real property of a Credit Party, including any amendment, restatement, modification or supplement thereto.

3. Amendment to Section 1.1 of the Credit Agreement. Section 1.1 of the Credit Agreement is hereby amended by amending and restating the following definitions in their entirety, respectively, to read as follows:

"***Acceptance Fee***" means a fee payable in Canadian Dollars by the Canadian Borrower to the Canadian Administrative Agent for the account of the Canadian Lenders with respect to the acceptance of a B/A or the making of a B/A Equivalent Advance on the date of such acceptance or loan, calculated on the face amount of the B/A or the B/A Equivalent Advance at the Applicable Margin for Eurocurrency Advances or B/A Advances on the basis of the number of days in the applicable Contract Period (including the date of acceptance and excluding the date of maturity) and a year of 365 days (it being agreed that the rate per annum applicable to any B/A Equivalent Advance is equivalent to the rate per annum otherwise applicable to the discount relating to the Bankers' Acceptance which has been replaced by the making of such B/A Equivalent Advance pursuant to Section 2.5).

"***Anti-Corruption Laws***" means all laws, rules, and regulations of any jurisdiction applicable to the Borrowers and their affiliated companies from time to time concerning or relating to bribery or corruption, including, without limitation, the United Kingdom Bribery Act 2010, the U.S. Foreign Corrupt Practices Act of 1977 and any Canadian Anti-Terrorism Laws.

"***Applicable Margin***" means, at any time, a rate per annum equal to (a) 4.50% with respect to Eurocurrency Advances or B/A Advances, and (b) 3.50% with respect to Base Rate Advances or Canadian Prime Rate Advances.

"***Canadian Commitment***" means, for each Canadian Lender, the obligation of such Lender to advance to Canadian Borrower the amount set opposite such Lender' s name on Schedule II as its Canadian Commitment, or if such Lender has entered into any

Assignment and Assumption, set forth for such Lender as its Canadian Commitment in the applicable Register, as such amount may be reduced pursuant to Section 2.1; provided that, after the Maturity Date, the Canadian Commitment for each Lender shall be zero.

"***Canadian Letter of Credit Maximum Amount***" means C$5,000,000; provided that on and after the Maturity Date, the Canadian Letter of Credit Maximum Amount shall be zero.

"***Excluded Properties (Canada)***" means (a) all fee owned and leased real property of any Credit Party other than the real property listed on Schedule IV, (b) commercial tort claims, (c) any Properties owned by any Foreign Subsidiary that is not a Canadian Subsidiary, (d) letter of credit rights, and (e) the "Excluded Collateral" as defined in the Canadian Security Agreement.

"***Excluded Properties (US)***" means (a) all fee owned and leased real property of any Credit Party other than the real property listed on Schedule IV (as amended from time to time), (b) any Properties owned by any Foreign Subsidiary, (c) commercial tort claims, (d) letter of credit rights, and (e) the "Excluded Collateral" as defined in the US Security Agreement which includes, but is not limited to, (i) the Equity Interests issued by Foreign Subsidiaries other than 65% of the Voting Securities issued by First Tier Foreign Subsidiaries (but including 100% of non-Voting Securities of such Subsidiaries), and (ii) Excluded JV Equity Interests, as defined therein.

"***Material Real Property***" means, as of any date of determination, the real property listed on Schedule IV and any real property owned by the US Borrower or any Domestic Restricted Subsidiary that (a) has a net book value equal to or greater than 10% of the aggregate net book value of the US Borrower' s and the Domestic Restricted Subsidiaries' property, plant and equipment or (b) when taken together with all other real property owned by the US Borrower or any Domestic Restricted Subsidiary has an aggregate net book value equal to or greater than 10% of the aggregate net book value of the US Borrower' s and the Domestic Restricted Subsidiaries' property, plant and equipment.

"***Maturity Date***" means the earlier of (a) January 1, 2018 or (b) the earlier termination in whole of the Commitments pursuant to Section 2.1(d) or Article VII.

"***Sanctioned Entity***" means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, (d) a Person resident in a country, in each case, that is subject to a country sanctions program administered and enforced by OFAC, including, without limitation, currently, the Crimea Region of Ukraine, Cuba, Iran, North Korea, Sudan and Syria.

"***Security Documents***" means the Security Agreements, including any supplements thereto, the Ratification Agreements, the Mortgages and any and all other instruments, documents or agreements, now or hereafter executed by any Credit Party or any other Person to secure the Obligations.

"***Swingline Sublimit Amount***" means $10,000,000; provided that, (a) such Swingline Sublimit Amount may be adjusted as provided in Section 2.4(h) and (b) on and after the Maturity Date, the Swingline Sublimit Amount for all purposes shall be zero.

"***US Commitment***" means, for each Lender, the obligation of such Lender to advance to US Borrower the amount set opposite such Lender' s name on Schedule II as its US Commitment, or if such Lender has entered into any Assignment and Assumption, set forth for such Lender as its US Commitment in the applicable Register, as such amount may be reduced pursuant to Section 2.1; provided that, after the Maturity Date, the US Commitment for each Lender shall be zero.

"***US Letter of Credit Maximum Amount***" means $10,000,000, or the Dollar Equivalent thereof; provided that, on and after the Maturity Date, the US Letter of Credit Maximum Amount shall be zero.

4. Amendment to Section 2.7(c) of the Credit Agreement. Section 2.7(c) of the Credit Agreement is hereby amended by adding new clause (iv) to Section 2.07(c) to read as follows:

(iv) Upon the receipt by any Credit Party of any United States, state or local tax refunds resulting from or arising out of net operating losses of the US Borrower, US Borrower shall immediately prepay Advances in an amount equal to one hundred (100%) percent of such refund. All prepayments required to be made under this clause (iv) shall be applied first to prepay Term Loan Advances in reduction of scheduled repayments of Term Loans to be made pursuant to Section 2.8(b) in inverse order of maturity; second to repay US Advances (including Swingline Loans) without a corresponding reduction in the US Commitment and third to cash collateralize outstanding US Letter of Credit Exposure.

5. Amendment to Section 2.8(b) of the Credit Agreement. Section 2.8(b) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(b) Term Loan Advances. The US Borrower hereby unconditionally promises to pay to the US Administrative Agent for the account of and ratable benefit of each Term Loan Lender the principal amount of the Term Loan Advances in installments payable on each March 31, June 30, September 30 and December 31 (or, if any such date is not a Business Day, on the immediately following Business Day) in an amount equal to (i) 2.50% of the initial aggregate principal amount of the Term Loan Facility during the period commencing on December 31, 2014 and continuing until June 30, 2016, (ii) 3.75% of the initial aggregate principal amount of the Term Loan Facility during the period commencing on September 30, 2016 and continuing until June 30, 2017, and (iii) 5.00% of the initial aggregate principal amount of the Term Facility during any period thereafter. To the extent not previously irrevocably paid in full in cash, the then unpaid principal amount of the Term Loan Advances shall be due and payable the Maturity Date.

6. Amendment to Section 2.9 of the Credit Agreement. Section 2.9 of the Credit Agreement is hereby amended by amending and restating paragraphs (a) and (b) in their entirety to read as follows:

(a) US Commitment Fees. The US Borrower agrees to pay to the US Administrative Agent for the account of each US Lender a US Commitment Fee on the average daily amount by which such Lender' s US Commitment exceeds such Lender' s outstanding US Advances plus such Lender' s Applicable Percentage of the US Letter of Credit Exposure at the per annum rate equal to 0.75%. The US Commitment Fee is due quarterly in arrears on March 31, June 30, September 30, and December 31 of each year commencing on September 30, 2014, and on the Maturity Date. For purposes of this Section 2.9(a) only, amounts advanced as Swingline Advances shall not reduce the amount of the unused US Commitment.

(b) Canadian Commitment Fees. The Canadian Borrower agrees to pay to the Canadian Administrative Agent for the account of each Canadian Lender a Canadian Commitment Fee on the average daily amount by which such Lender' s Canadian Commitment exceeds such Lender' s outstanding Canadian Advances plus such Lender' s Applicable Percentage of the Canadian Letter of Credit Exposure at the per annum rate equal to 0.75%. The Canadian Commitment Fee is due quarterly in arrears on March 31, June 30, September 30, and December 31 of each year commencing on September 30, 2014, and on the Maturity Date.

7. Amendment to Section 2.17 of the Credit Agreement. Section 2.17 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

[Section Intentionally Omitted]

8. Amendment to Section 4.19 of the Credit Agreement. Section 4.19 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

OFAC; Anti-Terrorism; Anti-Corruption Laws. (a) Neither Borrower nor any Subsidiary of a Borrower is in violation of any of the country or list based economic and trade sanctions administered and enforced by OFAC or Canadian Anti-Terrorism Laws. Neither Borrower nor any Subsidiary of a Borrower (a) is a Sanctioned Person or a Sanctioned Entity, (b) has its assets located in Sanctioned Entities, or (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. No proceeds of any Advance will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

(b) Neither Borrower, nor to the knowledge of either Borrower, any director, officer, agent, employee, Affiliate or other person acting on behalf of either Borrower or any of its Subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of any Anti-Corruption Laws. Furthermore, each Borrower and, to the knowledge of such Borrower, its Affiliates have conducted their businesses in compliance with Anti-Corruption Laws and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

9. Amendment to Section 5.2 of the Credit Agreement. Section 5.2 of the Credit Agreement is hereby amended by amending and restating paragraph (b) in its entirety to read as follows:

Quarterly Financial Reports. (i) The Company shall provide, or shall cause to be provided, to the US Administrative Agent, as soon as available, but in any event within 45 days after the end of each fiscal quarter of each fiscal year of the Company, a consolidated and consolidating balance sheet of the US Borrower and its Restricted Subsidiaries as at the end of such fiscal quarter, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the US Borrower' s fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, such consolidated statements to be certified by the chief

executive officer, chief financial officer, director of finance or controller of the US Borrower as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the US Borrower and its Restricted Subsidiaries, in all material respects, in accordance with GAAP, subject only to normal year- end audit adjustments and the absence of footnotes.

10. Amendment to Section 5.2 of the Credit Agreement. Section 5.2 of the Credit Agreement is hereby amended by inserting new paragraph (q) to Section 5.2 to read ads follows:

(q) on or before the last Business Day of each April and October, the US Borrower shall provide the US Administrative Agent a true and complete list of all Certificated Equipment (as defined in the US Security Agreement) owned by any U.S. Credit Party, including a summary identifying any changes from the prior list provided.

11. Amendment to Section 5.8 of the Credit Agreement. Section 5.8 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

Records; Inspections. Each Credit Party shall maintain, in all material respects, proper, complete and consistent books of record with respect to such Person' s operations, affairs, and financial condition. From time to time upon reasonable prior notice, each Credit Party shall permit representatives of the US Administrative Agent or any Lender , at such reasonable times and intervals and to a reasonable extent and under the reasonable guidance of officers of or employees delegated by officers of such Credit Party, subject to any applicable confidentiality considerations, to examine and copy the books and records of such Credit Party, to visit and inspect the Property of such Credit Party, and to discuss the business operations and Property of such Credit Party with the officers and directors thereof, (b) permit representatives or third party appraisers to conduct equipment appraisals of the equipment of the Borrowers and each other Credit Party at Borrower' s cost and expense no more than once per calendar year and (c) permit representatives of US Administrative Agent to conduct a field examination and audit of the assets of Borrowers and each other Credit Party no more than once per calendar year at Borrowers' cost and expense; provided US Administrative Agent may conduct such appraisals, field examinations and audits, at Borrowers' cost and expense, with such frequency as US Administrative Agent or Majority Lenders shall determine to be desirable following the occurrence and during the continuance of an Event of Default.

12. Amendment to Section 6.9 of the Credit Agreement. Section 6.9 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

Restricted Payments. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to make any Restricted Payments except that (i) the Restricted Subsidiaries of the US Borrower may make Restricted Payments to the US Borrower or any other US Credit Party, and (ii) the Foreign Restricted Subsidiaries may make Restricted Payments to any Credit Party.

13. Amendment to Section 6.10 of the Credit Agreement. Section 6.10 of the Credit Agreement is hereby amended by deleting paragraph (f) in its entirety.

14. Amendment to Section 6.16 of the Credit Agreement. Section 6.16 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

Leverage Ratio. US Borrower shall not permit the Leverage Ratio as of the last day of each fiscal quarter, commencing with the quarter ending September 30, 2017, to be more than 4.50 to 1.00.

15. Amendment to Section 6.17 of the Credit Agreement. Section 6.17 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

Fixed Charge Coverage Ratio. US Borrower shall not permit the Fixed Charge Coverage Ratio as of the last day of each fiscal quarter, commencing with the quarter ending March 31, 2017, to be less than (a) 1.00 to 1.00 for each fiscal quarter ending on or prior to June 30, 2017 and (b) 1.25 to 1.00 for each fiscal quarter ending after June 30, 2017.

16. Amendment to Section 6.18 of the Credit Agreement. Section 6.18 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

Capital Expenditures. No Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, cause the aggregate Capital Expenditures (other than Equity Funded Capital Expenditures and Capital Expenditures that constitute a Permitted Acquisition) expended by the US Borrower or any of its Restricted Subsidiaries to exceed $6,000,000 for the fiscal year ending 2016 and $10,100,000 for the fiscal year ending 2017.

17. Amendment to Section 6.20 of the Credit Agreement. Section 6.20 of the Credit Agreement is hereby amended by adding the following sentence immediately after the last sentence of Section 6.20 to read as follows:

Notwithstanding any provision herein to the contrary, no Credit Party shall, nor shall it permit any of its Restricted Subsidiaries to, make any single payment or series of related payments to any third party, other than bi-weekly payroll, of $1,000,000 or more without the prior written approval of the US Administrative Agent.

18. Amendment to Article VI of the Credit Agreement. Article VI of the Credit Agreement is hereby amended by adding new Sections 6.21 and 6.22 each to read as follows:

Section 6.21. **Minimum EBITDA**. US Borrower will not permit EBITDA, measured as of the last day of each fiscal quarter for the four quarter period then ended, to be less than (i) $17,700,000 for the fiscal quarter ending March 31, 2016, (ii) $9,100,000 for the fiscal quarter ending June 30, 2016, (iii) $2,400,000 for the fiscal quarter ending September 30, 2016, (iv) ($1,000,000) for the fiscal quarter ending December 31, 2016, (v) $8,000,000 for the fiscal quarter ending March 31, 2017, and (vi) $14,300,000 for the fiscal quarter ending June 30, 2017.

Section 6.22 **Cash Management Systems**. Except for deposit accounts subject to a control agreement in favor of the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent, executed on or before June 13, 2016 (but in no event later than 30 days after the effective date of the First Amendment which is anticipated to be May 13, 2016), no Credit Party shall maintain cash on deposit in

deposit accounts not maintained with the Administrative Agent in excess of outstanding checks and wire transfers payable from such accounts and amounts necessary to meet minimum balance requirements; provided that in no event shall the average daily balance as of the end of the most recent statement period with respect to such deposit accounts exceed $50,000 individually or $100,000 in the aggregate and; provided further that this Section 6.22 shall not apply to deposit accounts used solely for payroll, workers compensation or 401(k) or other employee benefits.

19. Amendment to Section 7.7 of the Credit Agreement. Section 7.7 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(a) Notwithstanding anything to the contrary contained in Section 7.1, in the event of any Event of Default under the covenants set forth in Section 6.16, Section 6.17 or Section 6.21 and until the expiration of the tenth (10th) Business Day after the date on which financial statements are required to be delivered pursuant to Section 5.2(a) or (b) with respect to the applicable fiscal quarter hereunder, the US Borrower may sell or issue common Equity Interests of the US Borrower to any of the Equity Interest holders (to the extent such transaction would not result in a Change in Control) and apply the Equity Issuance Proceeds thereof to increase consolidated EBITDA of the US Borrower with respect to such applicable quarter (and include it as consolidated EBITDA in such quarter for any four fiscal quarter period including such quarter); provided that (i) such Equity Issuance Proceeds are actually received by the US Borrower no later than ten (10) Business Days after the date on which financial statements are required to be delivered pursuant to Section 5.2(a) or (b) with respect to such fiscal quarter hereunder and (ii) the amount of such Equity Issuance Proceeds included as consolidated EBITDA for any such fiscal quarter shall not exceed the amount necessary to cause (y) the maximum Leverage Ratio or Fixed Charge Coverage Ratio on a pro forma basis after giving effect to the cure provided herein, for any applicable period to be 1.00x greater than, or less than, as applicable, the then required levels under Section 6.16, Section 6.17 or (z) EBITDA for any applicable period to be less than the required levels under Section 6.21. Subject to the terms set forth above and the terms in clauses (b) and (c) below, upon (A) application of the Equity Issuance Proceeds as provided above within the ten (10) Business Day period described above in such amounts sufficient to cure the Events of Default under the covenants set forth in Section 6.16, Section 6.17 or Section 6.21 and (B) delivery of an updated Compliance Certificate executed by a Responsible Officer of the US Borrower to the US Administrative Agent reflecting compliance with Section 6.16, Section 6.17 and Section 6.21 such Events of Default shall be deemed cured and no longer in existence.

(b) The parties hereby acknowledge and agree that this Section 7.7 may not be relied on for purposes of calculating any financial ratios or other conditions or compliances other than any of the covenants set forth in Section 6.16, Section 6.17 and Section 6.21 and shall not result in any adjustment to any amounts (including, for the avoidance of doubt, any Debt that is prepaid or repaid with the Equity Issuance Proceeds) other than the amount of the consolidated EBITDA referred to in Section 7.7(a) above for purposes of determining the US Borrower' s compliance with Section 6.16, Section 6.17, or Section 6.21.

(c) In each period of four fiscal quarters, there shall be at least two (2) fiscal quarters in which no cure set forth in this Section 7.7 is made. Furthermore, the US Borrower may not utilize more than three cures provided in this Section 7.7.

20. Schedule I of the Credit Agreement. Schedule I of the Credit Agreement is hereby deleted in its entirety.

21. Schedule II of the Credit Agreement. Schedule II of the Credit Agreement is hereby amended and restated in its entirety in the form attached hereto as Schedule II.

22. Schedule IV of the Credit Agreement. The Credit Agreement is hereby amended by adding new Schedule IV in the form attached hereto as Schedule IV.

23. Amendment to Section 4.2 of the US Security Agreement. Section 4.2 of the US Security Agreement is hereby amended and restated in its entirety to read as follows:

> As to Deposit Accounts. With respect to any Deposit Account owned or held by any Grantor (other than any Deposit Account used solely for payroll, workers compensation or 401(k) or other employee benefits), such Grantor will, promptly following the request of the US Administrative Agent, either (i) cause the depositary bank maintaining such Deposit Account to execute a Control Agreement relating to such Deposit Account and the funds therein pursuant to which such depositary bank agrees to comply with the US Administrative Agent' s instructions with respect to such Deposit Account without further consent by such Grantor, or (2) transfer the funds in such Deposit Account to depositary banks that have or will agree to execute such Control Agreements and close such Deposit Account.

24. Amendment to Section 4.5 of the US Security Agreement. Section 4.5 of the US Security Agreement is hereby amended and restated in its entirety to read as follows:

> As to Equipment and Inventory and Goods. Upon the request by the US Administrative Agent in its sole discretion, each Grantor agrees to promptly take such action (or cause its Restricted Subsidiaries that are also Credit Parties to take such action), including endorsing certificates of title or executing applications for transfer of title, as is reasonably required by the US Administrative Agent to enable it to properly perfect and protect its Lien on all Certificated Equipment and to transfer the same. Each Grantor agrees to take such action (or cause its Restricted Subsidiaries that are also Credit Parties to take such action) as is reasonably requested by the US Administrative Agent to enable it to properly perfect and protect its Lien on Equipment and Inventory and Goods (other than, as to perfection, Excluded Perfection Collateral) that such Grantor has transferred from a jurisdiction within the United States of America or its offshore waters to a jurisdiction outside of the United States of America or its offshore waters.

25. Amendment to Section 4.8 of the US Security Agreement. Section 4.8 of the US Security Agreement is hereby amended and restated in its entirety to read as follows:

> As to Certificated Equipment. Until requested by the US Administrative Agent, the certificates of title with respect to Certificated Equipment shall be maintained at the applicable Grantor' s offices.

26. Conditions Precedent. The effectiveness of this Amendment is subject to satisfaction of the following conditions precedent:

(a) the US Administrative Agent and the Canadian Administrative Agent shall have received counterparts of this Amendment, duly executed by the Borrowers, the Guarantors and the Majority Lenders.

(b) the US Administrative Agent shall have received new US Notes in favor of all Lenders requesting the same, duly executed by the US Borrower, in form and substance satisfactory to the US Administrative Agent and such Lenders.

(c) the US Administrative Agent shall have received the favorable written opinion of Vinson & Elkins LLP, special counsel to the Credit Parties, covering such matters relating to the this Amendment and the Loan Documents as the US Administrative Agent shall reasonably request and in form and substance satisfactory to the US Administrative Agent. The Borrowers hereby request such counsel to deliver such opinions.

(d) the US Administrative Agent shall have received a certificate signed by a Responsible Officer of the US Borrower certifying that (A) after giving effect to the Amendment, the representations and warranties contained in Article IV of the Credit Agreement and the other Loan Documents are true and correct, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that the representations and warranties contained in subsection (a) of Section 4.4 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 5.2 of the Credit Agreement; and (B) no Default or Event of Default exists and is continuing.

(e) the US Administrative Agent shall have received a true and complete list of all Certificated Equipment (as defined in the US Security Agreement) owned by any U.S. Credit Party, in form satisfactory to the US Administrative Agent.

(f) all fees and expenses payable to the US Administrative Agent, the Canadian Administrative Agent and the Lenders (including the reasonable fees and expenses of counsels to the US Administrative Agent and the Canadian Administrative Agent) invoiced prior to this date shall have been paid in full.

(g) the US Administrative Agent shall have received such other documents as the US Administrative Agent or special counsel to the US Administrative Agent may reasonably request.

27. Conditions Subsequent.

(a) Within 30 days of the date hereof (or such later time as the US Administrative Agent may allow in its sole discretion) the US Administrative Agent shall have received a deposit account control agreement relating to each deposit account listed on Exhibit A hereto, in each case, in form and substance satisfactory to the US Administrative Agent.

(b) Within 90 days of the date hereof (or such later time as the US Administrative Agent may allow in its sole discretion) the US Administrative Agent shall have received, with respect to each parcel of real property listed on Schedule IV of the Credit Agreement, each of the following, in form and substance reasonably satisfactory to the US Administrative Agent:

(i) Mortgage on such property;

(ii) evidence that a counterpart of the Mortgage has been recorded in the place necessary, in the Administrative Agent' s judgment, to create a valid and enforceable first priority Lien in favor of the Administrative Agent for the benefit of itself and the Secured Parties;

(iii) ALTA or other mortgagee' s title policy;

(iv) an ALTA survey prepared and certified to the Administrative Agent by a surveyor acceptable to the Administrative Agent;

(v) an opinion of counsel in the state in which such parcel of real property is located in form and substance and from counsel reasonably satisfactory to the Administrative Agent;

(vi) if any such parcel of real property is determined by the Administrative Agent to be in a flood zone, a flood notification form signed by the applicable Credit Party and evidence that flood insurance is in place for the building and contents, all in form and substance satisfactory to the Administrative Agent;

(vii) a current appraisal of the real property prepared by an appraiser reasonably acceptable to the Administrative Agent, and in form and substance satisfactory to the Lenders;

(viii) Phase I environmental assessment of the real property prepared by an environmental engineer reasonably acceptable to the Administrative Agent, and accompanied by such reports, certificates, studies or data as Administrative Agent may reasonably require; and

(ix) such other information, documentation, and certifications as may be reasonably required by the US Administrative Agent.

(c) The US Borrower shall have paid or made arrangements to pay all applicable recording taxes, fees, charges, costs and expenses required for the recording of any Security Documents or amendments or modifications thereto to be recorded in accordance with this Section 27.

28. Ratification and Reaffirmation. Each of the Borrowers and Guarantors hereby ratifies and reaffirms all of its Obligations under the Credit Agreement and each of the Loan Documents to which it is a party, and agrees and acknowledges that the Credit Agreement and each of the Loan Documents to which it is a party are and shall continue to be in full force and effect as amended and modified by this Amendment. Nothing in this Amendment extinguishes, novates or releases any right, claim, lien, security interest or entitlement of any of the Lenders, the US Administrative Agent or the Canadian Administrative Agent created by or contained in any of such documents nor are the Borrowers nor Guarantors released from any covenant, warranty or obligation created by or contained herein or therein, except as amended or modified by this Amendment.

29. Representations and Warranties. Each of the Borrowers and Guarantors hereby represents and warrants to the Lenders, the US Administrative Agent and the Canadian Administrative Agent that (a) this Amendment has been duly executed and delivered on behalf of each of such Borrower or

Guarantor, (b) this Amendment constitutes a valid and legally binding agreement enforceable against each of the Borrowers and Guarantors in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, (c) after giving effect to this Amendment, the representations and warranties contained in the Credit Agreement and the Loan Documents are true and correct on and as of the date hereof in all material respects as though made as of the date hereof, except for such representations and warranties as are by their express terms limited to a specific date, in which case such representations and warranties were true and correct in all material respects as of such specific date, (d) after giving effect to this Amendment, no Default or Event of Default exists under the Credit Agreement or under any Loan Document, (e) the Persons appearing as Guarantors on the signature pages to this Amendment constitute all Persons who are required to be Guarantors pursuant to the terms of the Credit Agreement and each such Person has executed and delivered a guaranty agreement; and (f) the execution, delivery and performance of this Amendment has been duly authorized by such Borrower and Guarantor.

30. Release and Indemnity.

(a) Each of the Borrowers and Guarantors hereby releases and forever discharges the US Administrative Agent, the Canadian Administrative Agent and each of the Lenders and each affiliate thereof and each of their respective employees, officers, directors, parents, subsidiaries, affiliates, trustees, agents, attorneys, successors, assigns or other representatives from any and all claims, demands, damages, actions, cross-actions, causes of action, costs and expenses (including legal expenses), of any kind or nature whatsoever, whether based on law or equity, including, without limitation, any claims of usury, fraud, duress, misrepresentation, lender liability, control, exercise of remedies and all similar items and claims, which may, or could be, asserted by the Borrower **INCLUDING ANY SUCH CLAIMS CAUSED BY THE ACTIONS OR NEGLIGENCE OF THE INDEMNIFIED PARTY (OTHER THAN ITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS DETERMINED BY A COURT OF COMPETENT JURISDICTION BY FINAL AND NONAPPEALABLE JUDGMENT)** which any of said parties has held or may now own or hold, whether known or unknown, for or because of any matter or thing done, omitted or suffered to be done on or before the effective date of this Amendment (i) arising directly or indirectly out of the Loan Documents, or any other documents, or instruments relating thereto and/or (ii) relating directly or indirectly to all transactions by and between such Borrowers and/or Guarantors or their representatives and the US Administrative Agent, the Canadian Administrative Agent, and each of the Lender or any of their respective directors, officers, parents, subsidiaries, affiliates, agents, employees, attorneys or other representatives.

(b) Each of the Borrowers and Guarantors hereby ratifies and reaffirms the indemnification provisions contained in the Loan Documents, as applicable, including, without limitation, Section 9.1 of the Credit Agreement, and agrees that this Amendment and losses, claims, damages and expenses related thereto shall be covered by such indemnities.

31. Counterparts. This Amendment may be signed in any number of counterparts, which may be delivered in original, facsimile or electronic form each of which shall be construed as an original, but all of which together shall constitute one and the same instrument.

32. Governing Law. This Amendment shall be governed by and construed in accordance with the law of the State of New York, without regard to such state' s conflict of laws rules that would result in the application of the laws of a different jurisdiction.

33. Final Agreement of the Parties. THIS AMENDMENT, THE CREDIT AGREEMENT AS MAY BE AMENDED HEREBY AND THE LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENTS BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

[*Remainder of this page intentionally left blank. Signature pages follow*.]

EXECUTED as of the date first above written

US BORROWER AND GUARANTOR:
NINE ENERGY SERVICE, INC.

By: /s/ Ann Fox
Name: Ann Fox
Title: President and Chief Executive Officer

[Signature Page to First Amendment to Amended and Restated Credit Agreement
and US Pledge and Security Agreement]

CANADIAN BORROWER:
NINE ENERGY CANADA INC.

By: /s/ Ann Fox
Name: Ann Fox
Title: Chief Financial Officer

[Signature Page to First Amendment to Amended and Restated Credit Agreement
and US Pledge and Security Agreement]

GUARANTOR:
NORTHERN STATES COMPLETIONS, INC
a Delaware corporation

By: /s/ Ann Fox
Name: Ann Fox
Title: President, Chief Executive Officer and
Chief Financial Officer

[Signature Page to First Amendment to Amended and Restated Credit Agreement
and US Pledge and Security Agreement]

GUARANTOR:
CDK PERFORATING HOLDINGS, INC.,
a Delaware corporation

By: /s/ Ann Fox
Name: Ann Fox
Title: President, Chief Executive Officer and
Chief Financial Officer

[Signature Page to First Amendment to Amended and Restated Credit Agreement
and US Pledge and Security Agreement]

GUARANTOR:
PEAK PRESSURE CONTROL, LLC
a Texas limited liability company

By: /s/ Ann Fox
Name: Ann Fox
Title: President, Chief Executive Officer and
Chief Financial Officer

[Signature Page to First Amendment to Amended and Restated Credit Agreement
and US Pledge and Security Agreement]

GUARANTOR:
DAK-TANA WIRELINE, LLC
a Delaware limited liability company

By: /s/ Ann Fox
Name: Ann Fox
Title: President, Chief Executive Officer and
Chief Financial Officer

[Signature Page to First Amendment to Amended and Restated Credit Agreement
and US Pledge and Security Agreement]

GUARANTOR:
CREST PUMPING TECHNOLOGIES, LLC
a Delaware limited liability company

By: /s/ Ann Fox
Name: Ann Fox
Title: President, Chief Executive Officer and
Chief Financial Officer

[Signature Page to First Amendment to Amended and Restated Credit Agreement
and US Pledge and Security Agreement]

GUARANTOR:
NINE ENERGY SERVICE, LLC
a Delaware limited liability company

By: /s/ Ann Fox
Name: Ann Fox
Title: President, Chief Executive Officer and
Chief Financial Officer

[Signature Page to First Amendment to Amended and Restated Credit Agreement
and US Pledge and Security Agreement]

GUARANTOR:
NINE DOWNHOLE TECHNOLOGIES, LLC
a Delaware limited liability company

By: /s/ Ann Fox
Name: Ann Fox
Title: President, Chief Executive Officer and
Chief Financial Officer

[Signature Page to First Amendment to Amended and Restated Credit Agreement
and US Pledge and Security Agreement]

CANADIAN ISSUING LENDER AND A LENDER:
HSBC BANK CANADA

By: /s/ Cameron Bailey
Name: Cameron Bailey
Title: Assistant Vice President
Loan Management Unit

HSBC Bank Canada

By: /s/ Vikas Upadhyay
Name: Vikas Upadhyay
Title: Assistant Vice President, Credit Approval

[Signature Page to First Amendment to Amended and Restated Credit Agreement and US Pledge and Security Agreement]

SWINGLINE BANK AND A LENDER:
WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Philip C. Lauinger III
Name: Philip C. Lauinger III
Title: Managing Director

[Signature Page to First Amendment to Amended and Restated Credit Agreement and US Pledge and Security Agreement]

LENDER:
ZB, N.A, DBA AMEGY BANK

By: /s/ Rachel Pletcher
Name: Rachel Pletcher
Title: Vice President

[Signature Page to First Amendment to Amended and Restated Credit Agreement
and US Pledge and Security Agreement]

LENDER:
JPMORGAN CHASE BANK, N.A.

By: /s/ Thomas Okamoto
Name: Thomas Okamoto
Title: Authorized Officer

[Signature Page to First Amendment to Amended and Restated Credit Agreement
and US Pledge and Security Agreement]

LENDER:
BANK OF AMERICA, N.A.

By: /s/ Tyler Ellis
Name: Tyler Ellis
Title: Senior Vice President

[Signature Page to First Amendment to Amended and Restated Credit Agreement
and US Pledge and Security Agreement]

LENDER:
IBERIABANK

By: /s/ Robert S. Martin
Name: Robert S. Martin
Title: Senior Vice President

[Signature Page to First Amendment to Amended and Restated Credit Agreement
and US Pledge and Security Agreement]

LENDER:
THE BANK OF NOVA SCOTIA

By: /s/ John Prazell
Name: John Prazell
Title: Director

[Signature Page to First Amendment to Amended and Restated Credit Agreement
and US Pledge and Security Agreement]

LENDER:
REGIONS BANK

By: /s/ Richard Kaufman
Name: Richard Kaufman
Title: Managing Director

[Signature Page to First Amendment to Amended and Restated Credit Agreement
and US Pledge and Security Agreement]

SCHEDULE II

COMMITMENTS, CONTACT INFORMATION

US ADMINISTRATIVE AGENT, US ISSUING BANK AND US LENDER

Notices: Principal/Interest/Fees

HSBC Bank USA NA
Corporate Trust & Loan Agency
8 East 40th Street, 6th Floor
New York, NY 10016

Attn: Agency Services
Phone: 1-212-525-7253
Fax: 1-917-229-6659
Email: CTLANY.LoanAgency@us.hsbc.com

Documentation Contact:

HSBC Bank USA NA
Corporate Trust & Loan Agency
8 East 40th Street, 6th Floor
New York, NY 10016

Attn: Transaction Management
Phone: 1-212-525-7258
Fax: 1-917-229-6659
Email: CTLANY.TransactionManagement@us.hsbc.com

CANADIAN ADMINISTRATIVE AGENT, CANADIAN ISSUING LENDER AND CANADIAN LENDER

Credit Contact:

HSBC Bank Canada
408 - 8th Avenue S.W.
Calgary, Alberta T2N 3PG
Canada

Attn: Stephen Chuang, Assistant Vice President
International Subsidiary Banking
Phone: 1-403-693-8546
Fax: 1-403-693-8556
Email: stephen_chuang@hsbc.ca

Administration Contact:

HSBC Bank Canada
11th Floor, 70 York Street
Toronto, Ontario M5J 1S9
Canada

Attn: Cheryl Saldanha, Agency Administrator
Phone: 1-416-868-8223
Fax: 1-647-788-2185
Email: cacmbagency2@hsbc.ca

SYNDICATION AGENT, US SWINGLINE LENDER AND US LENDER

Credit Contact:

Wells Fargo Bank, N.A.
1000 Louisiana St., 9th Floor
Houston, Texas 77002

Attn: Phil Lauinger
Phone: 1-713-319-1313
Fax: 1-713-739-1087
Email: lauingpc@wellsfargo.com

Administration Contact:

Wells Fargo Bank, N.A.
1000 Louisiana St., 9th Floor
Houston, Texas 77002

Attn: Sally Weir
Phone: 1-713-319-1366
Fax: 1-713-739-1087
Email: weirs@wellsfargo.com

CREDIT PARTIES

Borrowers/Guarantors

Address: c/o Nine Energy Service, Inc.
Greenspoint Plaza 4
16945 Northchase Drive, Suite 1600
Houston. Texas 77060
Attn: Ann Fox
Fax: 713-227-7850

LENDERS	TERM COMMITMENT	REVOLVING COMMITMENT
HSBC Bank Canada	$ 1,062,500.00	$13,000,000 (Canadian)
HSBC Bank USA, N.A.	$ 7,634,259.29	$13,271,990.71
Wells Fargo Bank, National Association	$ 16,724,537.03	$16,244,212.97
ZB, N.A., dba Amegy Bank	$ 10,703,703.71	$10,396,296.29
JPMorgan Chase Bank, N.A.	$ 10,703,703.71	$10,396,296.29
Bank of America, N.A.	$ 10,703,703.71	$10,396,296.29
IberiaBank	$ 5,351,851.84	$5,198,148.16
The Bank of Nova Scotia	$ 5,351,851.84	$5,198,148.16
Regions Bank	$ 4,013,888.87	$3,898,611.13
TOTAL:	**$ 72,250,000.00**	**$88,000,000**

SCHEDULE IV

REAL PROPERTY

	OWNER	ADDRESS	TYPE
1.	Peak Pressure Control, LLC	12914 W. Co. Road 91 Midland, TX 79707	Office / Shop / Yard
2.	Northern States Completions, Inc.	14069 49th Lane NW Williston, ND 58802	Office / Shop
3.	CDK Perforating, LLC	5819 Baldwin Lane Williston, ND 58801	Office / Shop / Yard

EXHIBIT A

Deposit Accounts

Credit Party	Depository Bank	Account Number
CDK Perforating, LLC	Wells Fargo Bank, N.A.	[redacted]
CDK Perforating, LLC	Wells Fargo Bank, N.A.	[redacted]
Crest Pumping Technologies, LLC	Wells Fargo Bank, N.A.	[redacted]
Crest Pumping Technologies, LLC	IberiaBank	[redacted]
Crest Pumping Technologies, LLC	IberiaBank	[redacted]
Peak Pressure Control, LLC	Wells Fargo Bank, N.A.	[redacted]
Nine Energy Service, Inc.	Wells Fargo Bank, N.A.	[redacted]
Nine Energy Service, Inc.	Wells Fargo Bank, N.A.	[redacted]

Exhibit 10.3

CREDIT AGREEMENT

dated as of May 2, 2014

among

BECKMAN PRODUCTION SERVICES, INC.,
as Borrower,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent, Issuing Lender and Swingline Lender,

and

THE LENDERS PARTY HERETO FROM TIME TO TIME
as Lenders

$170,000,000

WELLS FARGO SECURITIES, LLC,
as Joint Lead Arranger and Sole Bookrunner

and

AMEGY BANK NATIONAL ASSOCIATION,
as Joint Lead Arranger and Syndication Agent

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EXHIBITS:

SCHEDULES:

CREDIT AGREEMENT

This Credit Agreement dated as of May 2, 2014 (this "***Agreement***") is among **Beckman Production Services, Inc.**, a Delaware corporation (the "***Borrower***"), the Lenders (as defined below), and **Wells Fargo Bank, National Association**, as Administrative Agent (as defined below) for the Lenders, as Issuing Lender (as defined below) and as Swingline Lender (as defined below).

In consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

Section 1.1 Certain Defined Terms. As used in this Agreement, the defined terms set forth in the recitals above shall have the meanings set forth above and the following terms shall have the following meanings (unless otherwise indicated, such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"***Acceptable Security Interest***" means a security interest which (a) exists in favor of the Administrative Agent for its benefit and the ratable benefit of the Secured Parties, (b) is superior to all other security interests (other than the Permitted Liens and other than as to Excluded Perfection Collateral), (c) secures the Secured Obligations, (d) is enforceable against the Credit Party which created such security interest and (e) except as to Excluded Perfection Collateral, is perfected.

"***Acquisition***" means the purchase by any Credit Party of any business, division or enterprise, including (i) the purchase of associated assets or operations of, or (ii) the purchase of Equity Interests, or merger or consolidation with, any Person.

"***Additional Lender***" shall have the meaning assigned to such term in Section 2.16(a).

"***Adjusted Base Rate***" means, for any day, the fluctuating rate per annum of interest equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Rate in effect on such day plus ½ of 1.00% and (iii) a rate determined by the Administrative Agent equal to the Daily One-Month LIBOR plus 1.00%. Any change in the Adjusted Base Rate due to a change in the Prime Rate, Daily One-Month LIBOR or the Federal Funds Rate shall be effective on the effective date of such change in the Prime Rate, Daily One-Month LIBOR or the Federal Funds Rate.

"***Administrative Agent***" means Wells Fargo in its capacity as agent for the Lenders pursuant to Section 8.1, and any successor agent pursuant to Section 8.6.

"***Administrative Agent's Office***" means the Administrative Agent' s address as set forth on Schedule II, or such other address as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

"***Administrative Questionnaire***" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"***Advance***" means any advance by a Lender or the Swingline Lender to the Borrower as a part of a Borrowing.

"***Affiliate***" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"***Applicable Margin***" means, at any time with respect to each Type of Advance, the Letters of Credit and the Commitment Fees, the percentage rate per annum which is applicable at such time with respect to such Advance, Letter of Credit or Commitment Fee as set forth in Schedule I and subject to further adjustments as set forth in Section 2.9(d).

"***Applicable Period***" has the meaning set forth in Section 2.9(d).

"***Assignment and Assumption***" means an Assignment and Assumption executed by a Lender and an Eligible Assignee and accepted by the Administrative Agent, in substantially the form set forth in Exhibit A.

"***AutoBorrow Agreement***" means any agreement providing for automatic borrowing services between the Borrower and the Swingline Lender.

"***Banking Services***" means each and any of the following bank services provided to any Credit Party by any Banking Services Provider: (a) commercial credit cards, (b) stored value cards and (c) any other Treasury Management Arrangements.

"***Banking Services Obligations***" means any and all obligations of any Credit Party owing to the Banking Services Providers, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"***Banking Services Provider***" means any Lender (other than a Defaulting Lender) or Affiliate of a Lender (other than a Defaulting Lender) that provides Banking Services to any Credit Party.

"***Base Rate Advance***" means an Advance which bears interest based upon the Adjusted Base Rate.

"***Borrower***" has the meaning set forth in the preamble to this Agreement.

"***Borrowing***" means a Revolving Borrowing or a Swingline Borrowing.

"***Business Day***" means a day (a) other than a Saturday, Sunday, or other day on which the Administrative Agent is authorized to close under the laws of, or is in fact closed in, New York or Texas, and (b) if the applicable Business Day relates to any Eurodollar Advances, on which dealings are carried on by commercial banks in the London interbank market.

"***Capital Expenditures***" means, for any Person and period of its determination, without duplication, the aggregate of all expenditures and costs (whether paid in cash or accrued as liabilities during that period and including that portion of payments under Capital Leases that are capitalized on the balance sheet of such Person) of such Person during such period that, in conformity with GAAP, are required to be included in or reflected as property, plant, equipment or other similar fixed asset accounts on the balance sheet of such Person, but excluding any such expenditure made to restore, replace or rebuild Property to the condition of such Property immediately prior to any damage, loss, destruction or condemnation of such Property, to the extent such expenditure is made with insurance proceeds, condemnation awards or damage recovery proceeds relating to any such damage, loss, destruction or condemnation.

"***Capital Leases***" means, for any Person, any lease of any Property by such Person as lessee which would, in accordance with GAAP, be required to be classified and accounted for as a capital lease on the balance sheet of such Person.

"***Cash Collateral Account***" means a special cash collateral account pledged to the Administrative Agent containing cash deposited pursuant to the terms hereof to be maintained with the Administrative Agent in accordance with the terms hereof.

"***Cash Collateralize***" means, to deposit in a Cash Collateral Account or pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the Issuing Lender, Swingline Lender or Lenders, as collateral for Letter of Credit Obligations or obligations of Lenders to fund participations in respect of Letter of Credit Obligations or Swingline Advances, cash or deposit account balances or, if the Administrative Agent, the Swingline Lender and the Issuing Lender shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent, the Issuing Lender and the Swingline Lender. "***Cash Collateral***" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"***Casualty Event***" means the damage, destruction or condemnation, as the case may be, of property of any Person or any of its Subsidiaries, including by process of eminent domain or any Disposition of property in lieu of condemnation.

"***CERCLA***" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.), as amended, analogous state and local laws, and all rules and regulations and legally enforceable requirements promulgated thereunder, in each case as now or hereafter in effect.

"***Certificated Equipment***" means any equipment the ownership of which is evidenced by, or under applicable Legal Requirement, is required to be evidenced by, a certificate of title.

"***Change in Control***" means the occurrence of any of the following events: (a) prior to the closing of the Offering, (i) SCF ceases to own, directly or indirectly, more than forty percent (40%) of the Voting Securities of the Borrower or (ii) SCF and Prior Owners jointly cease to own more than fifty percent (50%) of the Voting Securities of the Borrower, and (b) after the closing of the Offering (i) any "person" or "group" (as such terms are used in Sections 13(d) and

14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than SCF becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 33% or more of the equity securities of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right), or (ii) during any period of 12 consecutive months that occurs after the closing of an Offering, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (A) who were members of that board or equivalent governing body on the first day of such period, (B) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (A) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (C) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (A) and (B) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

"***Change in Law***" means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any Legal Requirements, (b) any change in any Legal Requirement or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"***Class***" has the meaning set forth in Section 1.4.

"***Closing Date***" means the date of this Agreement.

"***Closing Date Acquisition Agreement***" means the Membership Interest Purchase Agreement dated May 2, 2014 by and among RedZone Holdco, LLC, the sellers named therein and the Borrower.

"***Closing Date Acquisition***" means the acquisition by the Borrower on the Closing Date, either directly or indirectly, of 100% of the Equity Interests in RedZone.

"***Closing Date EBITDA***" means EBITDA for the twelve month period ended February 28, 2014 after giving pro forma effect to the Closing Date Acquisition.

"***Closing Date Leverage Ratio***" means, the ratio of (a) Funded Debt as of the Closing Date after giving pro forma effect to the Transactions, to (b) Closing Date EBITDA.

"***Code***" means the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereof.

"***Collateral***" means all property of the Credit Parties which is "***Collateral***" (as defined in the Security Agreement) or similar terms used in the Security Documents.

"***Commitment Fees***" means the fees required under Section 2.8(a).

"***Commitment Increase***" has the meaning set forth in Section 2.16(a).

"***Commitment***" means, for each Lender, the obligation of each Lender to advance to the Borrower the amount set forth opposite such Lender' s name on Schedule II as its Commitment, or if such Lender has entered into any Assignment and Assumption or is an Increasing Lender or an Additional Lender, set forth for such Lender as its Commitment in the Register, as such amount may be reduced pursuant to Section 2.1(b)(i); provided that, on the Maturity Date, the Commitment for each Lender shall be zero. The initial aggregate Commitments on the Closing Date is $170,000,000.

"***Commodity Exchange Act***" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"***Communications***" shall have the meaning set forth in Section 9.9(b)(i).

"***Compliance Certificate***" means a compliance certificate executed by a Responsible Officer of the Borrower or such other Person as required by this Agreement in substantially the same form as Exhibit D.

"***Connection Income Taxes***" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"***Control***" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise, and the terms "Controlled by" or "under common Control with" shall have the correlative meanings.

"***Controlled Group***" means all members of a controlled group of corporations and all businesses (whether or not incorporated) under common control which, together with the Borrower or any Subsidiary (as applicable), are treated as a single employer under Section 414 of the Code.

"***Convert***", "***Conversion***" and "***Converted***" each refers to a conversion of Advances of one Type into Advances of another Type pursuant to Section 2.5(b) and Section 2.5(c).

"***Credit Documents***" means this Agreement, the Notes, the Letter of Credit Documents, the Guaranty, the Notices of Borrowing, the Notices of Continuation or Conversion, the Security Documents, any AutoBorrow Agreement, the Fee Letter, and each other agreement, instrument, or document executed at any time in connection with this Agreement.

"***Credit Extension***" means an Advance or a Letter of Credit Extension.

"***Credit Parties***" means the Borrower and the Guarantors.

"***Daily One-Month LIBOR***" means, for any day, the rate of interest equal to the Eurodollar Rate then in effect for delivery for a one (1) month period.

"***Debt***" means, for any Person, without duplication: (a) indebtedness of such Person for borrowed money; (b) to the extent not covered under clause (a) above, obligations under letters of credit and agreements relating to the issuance of letters of credit, bankers' acceptances, bank guaranties, surety bonds and similar instruments; (c) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (d) obligations of such Person under conditional sale or other title retention agreements relating to any Properties purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business); (e) obligations of such Person to pay the deferred purchase price of property or services (such obligations including, without limitation, any earn-out obligations, contingent obligations, or other similar obligations associated with such purchase) but excluding trade accounts payable in the ordinary course of business and, in each case, either not past due for more than 90 days after the date on which such trade account payable was created or being contested in good faith and for which adequate reserves have been made in accordance with GAAP; (f) obligations of such Person as lessee under Capital Leases and obligations of such Person in respect of synthetic leases; (g) obligations of such Person under any Hedging Arrangement; (h) all obligations of such Person to mandatorily purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person on a date certain or upon the occurrence of certain events or conditions, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends (which obligations do not include, for the avoidance of doubt, any obligations to issue Equity Interests in respect of warrants); (i) the Debt of any partnership or unincorporated joint venture in which such Person is a general partner or a joint venturer, but only to the extent to which there is recourse to such Person for the payment of such Debt; (j) obligations of such Person under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) of such Person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (a) through (i) above; and (k) indebtedness or obligations of others of the kinds referred to in clauses (a) through (j) secured by any Lien on or in respect of any Property of such Person, but if recourse is only to such Property, then only to the extent of the lesser of the amount of the Debt secured thereby and the fair market value of the Property subject to such Lien.

"***Debtor Relief Laws***" means (a) the Bankruptcy Code of the United States, and (b) all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"***Default***" means (a) an Event of Default or (b) any event or condition which with notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"***Default Rate***" means a per annum rate equal to (a) in the case of principal of any Advance, 2.00% plus the rate otherwise applicable to such Advance as provided in Section 2.9(a), Section 2.9(b), or Section 2.9(c), and (b) in the case of any other Obligation other than letter of credit fees, 2.00% plus the non-default rate applicable to Base Rate Advances as provided in Section 2.9(a), and (c) when used with respect to letter of credit fees, a rate equal to the Applicable Margin for Eurodollar Advances plus 2.00% per annum.

"***Defaulting Lender***" means, subject to Section 2.17, any Lender that (a) (except, with regards to the funding of Swingline Advances, the Swingline Lender) has failed to (i) fund all or any portion of its Advances within two Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender' s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied or waived, or (ii) pay to the Administrative Agent, the Issuing Lender, the Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Advances) within two Business Days of the date when due, (b) (except, with regards to the funding of Swingline Advances, the Swingline Lender) has notified the Borrower, the Administrative Agent or the Issuing Lender or the Swingline Lender in writing, or has made a public statement to the effect, that it does not intend to comply with its funding obligations hereunder (unless such writing or public statement relates to such Lender' s obligation to fund an Advance hereunder and states that such position is based on such Lender' s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower in form and substance satisfactory to the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide

such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.17) upon delivery of written notice of such determination to the Borrower, the Issuing Lender, the Swingline Lender and each Lender.

"***Disposition***" means any sale, lease, transfer, assignment, conveyance, or other disposition of any Property; "***Dispose***" or similar terms shall have correlative meanings.

"***Dollars***" and "***$***" means lawful money of the United States.

"***Domestic Subsidiary***" means any Subsidiary that is not a Foreign Subsidiary.

"***EBITDA***" means, for any period, without duplication, (a) the Borrower' s consolidated Net Income for such period plus (b) to the extent deducted in determining such consolidated Net Income for such period, Interest Expense, Federal, state, local and foreign income taxes (including Texas franchise taxes), depreciation, amortization and other non-cash charges for such period (including any provision for the reduction in the carrying value of assets recorded in accordance with GAAP and including non-cash charges resulting from the requirements of ASC 410, 718 and 815) for such period plus (c) to the extent deducted in determining such consolidated Net Income for such period, any cash charges or other expenses incurred in connection with the Transactions during such period plus (d) to the extent deducted in determining such consolidated Net Income for such period, reasonable non-recurring cash charges and expenses incurred in connection with Permitted Acquisitions during such period in an amount not to exceed such amount as agreed to between the Administrative Agent and the Borrower; plus (e) to the extent deducted in determining such consolidated Net Income for such period, equity-based compensation paid for such period; plus (f) to the extent deducted in determining such consolidated Net Income for such period, restructuring and other non-recurring expenses incurred during such period, including severance costs, costs associated with office or plant openings or closings and consolidation or relocation fees for such period up to a maximum of $2,000,000 in the aggregate; minus (g) all non-cash items of income which were included in determining such consolidated Net Income (including non-cash income resulting from the requirements of ASC 410, 718 and 815); provided that such EBITDA shall be subject to pro forma adjustments for Acquisitions (including the Closing Date Acquisition) and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be made in a manner reasonably acceptable to the Administrative Agent and with supporting documentation reasonably acceptable to the Administrative Agent.

"***Eligible Assignee***" means any Person that meets the requirements to be an assignee under Section 9.7(a)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 9.7(a)(iii)).

"***Environment***" or "***Environmental***" shall have the meanings set forth in 42 U.S.C. 9601(8).

"***Environmental Claim***" means any third party (including any Governmental Authority) action, lawsuit, claim, demand, regulatory action or proceeding, order, decree, consent agreement or written notice of potential or actual responsibility or violation which seeks to impose liability under any Environmental Law.

"***Environmental Law***" means all federal, state, and local laws, rules, regulations, ordinances, orders, decisions, enforceable agreements, and other Legal Requirements, including duties imposed under common law, now or hereafter in effect and relating to, or in connection with the Environment, including without limitation CERCLA, relating to (a) pollution, contamination, injury, destruction, loss, protection, cleanup, reclamation or restoration of the air, surface water, groundwater, land surface or subsurface strata, or other natural resources; (b) solid, gaseous or liquid waste generation, treatment, processing, recycling, reclamation, cleanup, storage, disposal or transportation; (c) exposure to pollutants, contaminants, hazardous, or toxic substances, materials or wastes; or (d) the manufacture, processing, handling, transportation, distribution in commerce, use, storage or disposal of hazardous, or toxic substances, materials or wastes.

"***Environmental Permit***" means any permit, license, order, approval, registration or other authorization required or issued under Environmental Law.

"***Equity Funded Capital Expenditure***" means Capital Expenditures that are fully funded solely with Equity Issuance Proceeds and were not applied in increasing EBITDA for purposes of Section 7.7.

"***Equity Interest***" means with respect to any Person, any shares, interests, participation, or other equivalents (however designated) of corporate stock, membership interests or partnership interests (or any other ownership interests) of such Person.

"***Equity Issuance***" means any issuance of equity securities or any other Equity Interests (including any preferred equity securities) by the Borrower, including any such issuance upon the exercise of warrants to purchase equity by the holders thereof.

"***Equity Issuance Proceeds***" means, with respect to any Equity Issuance, all cash proceeds and Liquid Investments received by the Borrower from such Equity Issuance (other than from any other Credit Party) after payment of, or provision for, all underwriter fees and expenses, SEC and blue sky fees, printing costs, fees and expenses of accountants, lawyers and other professional advisors, brokerage commissions and other out-of-pocket fees and expenses actually incurred in connection with such Equity Issuance.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"***Eurocurrency Liabilities***" has the meaning assigned to that term in Regulation D of the Federal Reserve Board as in effect from time to time.

"***Eurodollar Advance***" means an Advance that bears interest based upon the Eurodollar Rate (other than Advances that bear interest based upon the Daily One-Month LIBOR).

"***Eurodollar Base Rate***" means (a) in determining Eurodollar Rate for purposes of the "Daily One-Month LIBOR", the rate per annum for Dollar deposits quoted by the Administrative Agent for the purpose of calculating effective rates of interest for loans making reference to the "Daily One-Month LIBOR" or the "LIBOR Market Index Rate" or other words of similar import, as the inter-bank offered rate in effect from time to time for delivery of funds for one (1) month in amounts approximately equal to the principal amount of the applicable Advances; provided that, the Administrative Agent may base its quotation of the inter-bank offered rate upon such offers or other market indicators of the inter-bank market as the Administrative Agent in its reasonable discretion deems appropriate including, but not limited to, the rate determined under the following clause (b), and (b) in determining Eurodollar Rate for all other purposes, the rate per annum (rounded upward to the nearest whole multiple of 1/100 of 1%) equal to the interest rate per annum set forth on the Reuters Reference LIBOR01 page (or on any successor or substitute page of such service, or any successor to or substitute for such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) as the London Interbank Offered Rate, for deposits in Dollars at 11:00 a.m. (London, England time) two Business Days prior to the first day of such Interest Period and for a period equal to such Interest Period; provided that, if such quotation is not available for any reason, then for purposes of this clause (b), Eurodollar Base Rate shall then be the rate determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in immediately available funds in the approximate amount of the Advances being made, continued or Converted by the Lenders and with a term equivalent to such Interest Period would be offered by the Administrative Agent' s London Branch (or other branch or Affiliate of the Administrative Agent, or in the event that the Administrative Agent does not have a London branch, the London branch of a Lender chosen by the Administrative Agent) to major banks in the London or other offshore inter-bank market for Dollars at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period.

"***Eurodollar Rate***" means a rate per annum determined by the Administrative Agent pursuant to the following formula:

$$\text{Eurodollar Rate} = \frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

Where,

"***Eurodollar Reserve Percentage***" means, as of any day, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to liabilities or assets consisting of or including Eurocurrency Liabilities. The Eurodollar Rate for each outstanding Advance shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

"***Event of Default***" has the meaning specified in Section 7.1.

"***Excluded Swap Obligation***" means, with respect to any Guarantor, any Hedge Obligation if, and to the extent that, all or a portion of the guaranty of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Hedge Obligation (or any guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor' s failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guaranty of such Guarantor or the grant of such security interest becomes effective with respect to such Hedge Obligation. If a Hedge Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Hedge Obligation that is attributable to swaps for which such guaranty or security interest is or becomes illegal.

"***Excluded Perfection Collateral***" shall mean, unless otherwise elected by the Administrative Agent during the continuance of an Event of Default, collectively (a) Certificated Equipment that does not constitute a Material Certificated Equipment, (c) deposit accounts, commodities accounts and securities accounts other than the Cash Collateral Accounts, and (d) any other Property with respect to which the Administrative Agent has determined, in its reasonable discretion that the cost of perfecting a security interest in such Property is excessive in relation to the value of the Lien to be afforded thereby.

"***Excluded Properties***" means all (a) fee owned and leased real property, (b) commercial tort claims, (c) letter of credit rights, (d) "Excluded Collateral" as defined in the Security Agreement, and (e) all property of any Foreign Subsidiary that is not a Guarantor.

"***Excluded Taxes***" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Advance or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.15) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.14, additional amounts with respect to such Taxes were payable either to such Lender' s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient' s failure to comply with Section 2.14(g), and (d) any U.S. federal withholding Taxes imposed under FATCA.

"***Executive Officer***" means any Responsible Officer of a Subsidiary who is, as part of his/her employment with such Subsidiary, in contact with any Responsible Officer of the Borrower regarding the business and operations of such Subsidiary on a regular basis.

"***Existing Beckman Credit Agreement***" means that certain Credit Agreement, dated as of July 31, 2012, by and among the Borrower, the financial institutions from time to time party thereto as lenders, and Amegy Bank National Association, as agent for such lenders, as amended from time to time prior to the Closing Date.

"***Existing Credit Agreements***" means, collectively, the Existing Beckman Credit Agreement and the Existing RedZone Credit Agreement.

"***Existing Letter of Credit***" means that certain standby letter of credit no. SC 8357 in the stated amount of $450,000 issued on July 25, 2013 by Amegy Bank National Association, in favor of Zurich American Insurance Company for the account of the Borrower.

"Existing RedZone Credit Agreement" means that certain Credit Agreement, dated as of June 5, 2013, by and among RedZone, the financial institutions from time to time party thereto as lenders, and Wells Fargo Bank, National Association, as agent for such lenders, as amended from time to time prior to the Closing Date.

"***Facility***" means, collectively, (a) the revolving credit facility described in Section 2.1(a), (b) the Swingline subfacility provided by the Swingline Lender described in Section 2.4 and (c) the letter of credit subfacility provided by the Issuing Lender described in Section 2.3.

"***FATCA***" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to such intergovernmental agreement.

"***Federal Funds Rate***" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to the Administrative Agent (in its individual capacity) on such day on such transactions as determined by the Administrative Agent.

"***Federal Reserve Board***" means the Board of Governors of the Federal Reserve System or any of its successors.

"***Fee Letter***" means, collectively, (i) that certain engagement letter dated as of April 7, 2014, among the Borrower and the Joint Lead Arrangers, and (ii) that certain fee letter dated as of April 7, 2014 between the Borrower and Wells Fargo.

"***First Tier Foreign Subsidiary***" means any Foreign Subsidiary the Equity Interests of which are held directly by the Borrower or a Domestic Subsidiary.

"***Flood Laws***" shall have the meaning set forth in Section 9.21.

"***Foreign Lender***" means, with respect to the Borrower, any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"***Foreign Subsidiary***" means any Subsidiary of a Borrower that is not a United States person within the meaning of Section 7701(a)(30) of the Code, provided, however that any Subsidiary that is disregarded for U.S. Federal income tax purposes and the Equity Interests of which are held directly by the Borrower or a Domestic Subsidiary shall be deemed not to be a "Foreign Subsidiary".

"***Fronting Exposure***" means, at any time there is a Defaulting Lender, (a) with respect to the Issuing Lender, such Defaulting Lender' s Pro Rata Share of the outstanding Letter of Credit Exposure other than Letter of Credit Exposure as to which such Defaulting Lender' s participation obligation has been funded by it, reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swingline Lender, such Defaulting Lender' s Pro Rata Share of outstanding Swingline Advances other than Swingline Advances as to which such Defaulting Lender' s participation obligation has been funded by it or reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"***Funded Debt***" means, as to the Borrower and its consolidated Subsidiaries, without duplication:

(a) all Debt of such Person of the type described in clauses (a), (b), (c), (d) and (f) of the definition of "Debt" but excluding any Debt permitted under Section 6.1(j);

(b) all Debt of such Person of the type described in clause (e) of the definition of "Debt" other than (i) trade accounts payable incurred in the ordinary course of business, and (ii) contingent obligations of such Person to pay the deferred purchase price of property to the extent, and only to the extent, (A) such obligations are contingent and (B) with respect to earn-out obligations, the amount of such earn-out obligations is not known and payable;

(c) all Debt of such Person of the type described in clause (h) of the definition of "Debt";

(d) all Debt of such Person of the type described in clause (i) of the definition of "Debt", but only to the extent such Debt is of the type included in clause (a) - (c) above;

(e) all Debt of such Person of the type described in clause (j) of the definition of "Debt" but only in respect of Debt of any other Person (other than the Borrower or a Subsidiary) of the type included in clauses (a) - (d) above; and

(f) all Debt of others of the type included in clauses (a) - (e) above secured by any Lien on or in respect of any Property of such Person, but if recourse is only to such Property, then only to the extent of the lesser of the amount of the Debt secured thereby and the fair market value of the Property subject to such Lien.

"***GAAP***" means United States generally accepted accounting principles as in effect from time to time, applied on a basis consistent with the requirements of Section 1.3.

"***G&A Payments***" means cash payments to SCF for payment of (a) any Credit Party' s contractually allocable share of the accounting, legal and other general and administrative expenses incurred in the ordinary course of business by SCF as a result of the general and administrative functions performed on behalf of any Credit Party, (b) management fees, and (c) reimbursement for third-party cash charges or other third-party expenses incurred on behalf of the Borrower or any Guarantor in connection with the Transactions or any Acquisition.

"***Governmental Authority***" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"***Guarantors***" means any Person that now or hereafter executes the Guaranty or a joinder or supplement to the Guaranty, including each of the Subsidiaries of the Borrower as of the Closing Date; provided, that a Foreign Subsidiary will only become a Guarantor if such guarantee would not have an adverse federal income tax consequence for the Borrower.

"***Guaranty***" means the Guaranty Agreement, substantially in the form of Exhibit C, among the Guarantors and the Administrative Agent for the benefit of the Secured Parties.

"***Hazardous Substance***" means any substance or material identified as hazardous or extremely hazardous pursuant to CERCLA and those regulated as hazardous or toxic under any other Environmental Law, including without limitation pollutants, contaminants, petroleum, petroleum products, radionuclides, and radioactive materials.

"***Hazardous Waste***" means any substance or material regulated or designated as a hazardous waste pursuant to any Environmental Law.

"***Hedge Obligation***" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"***Hedging Arrangement***" means a hedge, call, swap, collar, floor, cap, option, forward sale or purchase or other contract or similar arrangement (including any obligations to purchase or sell any commodity or security at a future date for a specific price) which is entered into to reduce or eliminate or otherwise protect against the risk of fluctuations in prices or rates, including interest rates, foreign exchange rates, commodity prices and securities prices, including any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"***Increase Date***" shall have the meaning assigned to such term in Section 2.16(b).

"***Increasing Lender***" shall have the meaning assigned to such term in Section 2.16(a).

"***Indemnified Taxes***" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Credit Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"***Indemnitees***" has the meaning specified in Section 9.1(b).

"***Interest Coverage Ratio***" means, as of the last day of any fiscal quarter, the ratio of (a) EBITDA for the four fiscal quarter period ending on such date to (b) Interest Expense for such period.

"***Interest Expense***" means, for any period, total interest expense net of gross interest income (i) prior to the Closing Date, of RedZone and the Borrower and its Subsidiaries for such period and (ii) after the Closing Date, of the Borrower and its Subsidiaries for such period, letter of credit fees and other fees and expenses incurred by such Person in connection with any Debt for such period whether paid or accrued (including that attributable to obligations which have been or should be, in accordance with GAAP, recorded as Capital Leases; provided that, notwithstanding any changes in GAAP resulting from the implementation of lease accounting rules after the Closing Date, no lease payments shall be treated as "Interest Expense" to the extent that such lease payments would not have been treated as "Interest Expense" prior to such change in GAAP), including, without limitation, all commissions, discounts, and other fees and charges owed with respect to letters of credit and bankers' acceptance financing, fees owed with respect to the Secured Obligations, and net costs under Hedging Arrangements entered into addressing interest rates, all as determined in conformity with GAAP.

"***Interest Period***" means for each Eurodollar Advance comprising part of the same Borrowing, the period commencing on the date such Eurodollar Advance is made or deemed made and ending on the last day of the period selected by the Borrower pursuant to the provisions below and Section 2.5, and thereafter, each subsequent period commencing on the day following the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below and Section 2.5. The duration of each such Interest Period shall be one, three, or six months, in each case as the Borrower may select, provided that:

(g) Interest Periods commencing on the same date for Advances comprising part of the same Borrowing shall be of the same duration;

(h) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day;

(i) any Interest Period which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month in which it would have ended if there were a numerically corresponding day in such calendar month; and

(j) the Borrower may not select any Interest Period for any Advance which ends after the Maturity Date.

"***Investment***" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, or purchase or other acquisition of any Debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"***IP Rights***" has the meaning set forth in Section 4.21.

"***IRS***" means the United States Internal Revenue Service.

"***ISP***" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

"***Issuing Lender***" means, as the case may be, (i) Wells Fargo in its capacity as a Lender that issues Letters of Credit for the account of any Credit Party pursuant to the terms of this Agreement and (ii) solely with respect to the Existing Letter of Credit, Amegy Bank National Association.

"***Joint Lead Arrangers***" means Wells Fargo Securities, LLC and Amegy Bank National Association, in their respective capacities as Joint Lead Arrangers.

"***Joint Venture***" means, with respect to any Person (the "***holder***") at any date, any incorporated, formed or organized corporation, limited liability company, partnership, association or other entity, a less than a majority of whose outstanding Voting Securities shall at any time be owned by the holder or one more Subsidiaries of the holder. Unless expressly provided otherwise, all references herein to any "Joint Venture" or "Joint Ventures" means a Joint Venture or Joint Ventures of the Borrower.

"***Legal Requirement***" means any law, statute, treaty ordinance, decree, requirement, order, judgment, rule, regulation (or official interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority, including, but not limited to, Regulations T, U, and X.

"***Lender Parties***" means Lenders, the Issuing Lender, the Swingline Lender and the Administrative Agent.

"***Lenders***" means the Persons listed on the signature pages hereto as Lenders, any other Person that shall have become a Lender hereto pursuant to Section 2.15 or Section 2.16, and any other Person that shall have become a Lender hereto pursuant to an Assignment and Assumption, but in any event, excluding any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" references the Revolving Lenders and the Swingline Lender.

"***Lending Office***" means, as to any Lender, the office or offices of such Lender described as such in such Lender' s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

"***Letter of Credit***" means any standby or commercial letter of credit issued by the Issuing Lender for the account of the Borrower or any Guarantor pursuant to the terms of this Agreement, in such form as may be agreed by the Borrower and the Issuing Lender.

"***Letter of Credit Application***" the Issuing Lender' s standard form letter of credit application for standby or commercial letters of credit which has been executed by the Borrower and any applicable Subsidiary and accepted by the Issuing Lender in connection with the issuance of a Letter of Credit.

"***Letter of Credit Documents***" means all Letters of Credit, Letter of Credit Applications, the Letter of Credit Reimbursement Agreements, and amendments thereof, and agreements, documents, and instruments entered into in connection therewith or relating thereto.

"***Letter of Credit Exposure***" means, at the date of its determination by the Administrative Agent, the aggregate outstanding undrawn amount of Letters of Credit plus the aggregate unpaid amount of all of the Borrower' s payment obligations under drawn Letters of Credit.

"***Letter of Credit Extension***" means, with respect to any Letter of Credit, the issuance thereof, extension of the expiry date thereof, or the increase of the amount thereof.

"***Letter of Credit Maximum Amount***" means $25,000,000; provided that, on and after the Maturity Date, the Letter of Credit Maximum Amount shall be zero.

"***Letter of Credit Obligations***" means any obligations of the Borrower under this Agreement in connection with the Letters of Credit.

"***Letter of Credit Reimbursement Agreement***" means the Issuing Lender' s standard form letter of credit reimbursement agreement for standby or commercial letters of credit which has been executed by the Borrower and accepted by such Issuing Lender in connection with the issuance of a Letter of Credit.

"***Letter of Credit Termination Date***" means the 5th Business Day prior to the Maturity Date.

"***Leverage Ratio***" means, as of each fiscal quarter end, the ratio of (a) the Funded Debt as of the last day of such fiscal quarter to (b) EBITDA for the four quarter period then ended.

"***Lien***" means any mortgage, lien, pledge, charge, deed of trust, security interest, or encumbrance to secure or provide for the payment of any obligation of any Person, whether arising by contract, operation of law, or otherwise (including the interest of a vendor or lessor under any conditional sale agreement, Capital Lease, or other title retention agreement).

"***Liquid Investments***" means (a) readily marketable direct full faith and credit obligations of the United States of America or obligations unconditionally guaranteed by the full faith and credit of the United States of America; (b) commercial paper issued by (i) any Lender or any Affiliate of any Lender or (ii) any commercial banking institutions or corporations rated at least P-1 by Moody' s or A-1 by S&P; (c) certificates of deposit, time deposits, and bankers' acceptances issued by (i) any of the Lenders or (ii) any other commercial banking institution which is a member of the Federal Reserve System and has a combined capital and surplus and undivided profits of not less than $250,000,000.00 and rated Aa by Moody' s or AA by S&P; (d) repurchase agreements which are entered into with any of the Lenders or any major money center banks included in the commercial banking institutions described in clause (c) and which are secured by readily marketable direct full faith and credit obligations of the government of the United States of America or any agency thereof; (e) investments in any money market fund which holds investments substantially of the type described in the foregoing clauses (a) through (d); and (f) other investments made through the Administrative Agent or its Affiliates. All the Liquid Investments described in clauses (a) through (d) above shall have maturities of not more than 365 days from the date of issue.

"***Liquidity***" means, as of a date of determination, the sum of (a) an amount equal to (i) the aggregate Commitments in effect on such date, minus (ii) the Revolving Outstandings on such date, plus (b) readily and immediately available cash held in deposit accounts of any Credit Party in the United States (other than the Cash Collateral Account) on such date; provided that, such deposit accounts and the funds therein shall be unencumbered and free and clear of all Liens and other third party rights other than a Lien in favor of the Administrative Agent pursuant to Security Documents and the Liens described in Section 6.2(h).

"***Majority Lenders***" means (a) other than as provided in clause (b) or (c) below, three or more Revolving Lenders holding greater than 50% of the sum of (i) the aggregate unfunded Commitments at such time plus (ii) the aggregate unpaid principal amount of the Revolving Advances (with the aggregate amount of each Lender' s risk participation and funded participation in the Letter of Credit Exposure (including any such Letter of Credit Exposure that has been reallocated pursuant to Section 2.17) and Swingline Advances being deemed "held" by

such Lender for purposes of this definition); (b) at any time where there are only two Revolving Lenders, both Revolving Lenders; and (c) at any time when there is only one Revolving Lender, such Revolving Lender; provided that, in any event, if there are two or more Revolving Lenders, the Commitment of, and the portion of the Advances and Letter of Credit Exposure held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Majority Lenders unless all Revolving Lenders are Defaulting Lenders.

"***Material Adverse Change***" means any event, development or circumstance that has had or would reasonably be expected to have a material adverse effect on (a) the business, operations, property or financial condition of the Borrower and its Subsidiaries, taken as a whole, or (b) on the validity or enforceability of any Credit Document or any right or remedy of any Secured Party under any Credit Document.

"***Material Certificated Equipment***" means (a) as to any Certificated Equipment owned by a Credit Party on the Closing Date or indirectly acquired after the Closing Date as part of an Acquisition of a Subsidiary, such Certificated Equipment having an OLV of greater than $75,000 individually, and (b) as to any Certificated Equipment directly acquired by a Credit Party after the Closing Date, such Certificated Equipment acquired with a purchase price greater than $75,000 individually.

"***Material Real Property***" means, as of any date of determination, any real property owned by the Borrower or any Domestic Subsidiary that (a) has a net book value equal to or greater than 10% of the aggregate net book value of the Borrower' s and the Domestic Subsidiaries' property, plant and equipment or (b) when taken together with all other real property owned by the Borrower or any Domestic Subsidiary has an aggregate net book value equal to or greater than 10% of the aggregate net book value of the Borrower' s and the Domestic Subsidiaries' property, plant and equipment.

"***Maturity Date***" means the earlier of (a) May 2, 2019, and (b) the earlier termination in whole of the Commitments pursuant to Section 2.1(b)(i) or Article VII.

"***Maximum Exposure Amount***" means, at any time for each Lender, the sum of (a) the unfunded Commitment held by such Lender at such time; plus (b) the Revolving Outstandings held by such Lender at such time (with the aggregate amount of such Lender' s risk participation and funded participation in the Letter of Credit Exposure (including any such Letter of Credit Exposure that has been reallocated pursuant to Section 2.17) and Swingline Advances being deemed "held" by such Lender for purposes of this definition).

"***Maximum Rate***" means the maximum nonusurious interest rate under applicable Legal Requirements.

"***Minimum Collateral Amount***" means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to the sum of (i) 104% of the Fronting Exposure of the Issuing Lender with respect to Letters of Credit issued and outstanding at such time and (ii) 100% of the Fronting Exposure of the Swingline Lender with respect to Swingline Sublimit Amount, and (b) otherwise, an amount determined by the Administrative Agent and the Issuing Lender in their reasonable discretion.

"***Moody's***" means Moody' s Investors Service, Inc. and any successor thereto which is a nationally recognized statistical rating organization.

"***Multiemployer Plan***" means a "***multiemployer plan***" as defined in Section 4001(a)(3) of ERISA to which the Borrower or any member of the Controlled Group is making or accruing an obligation to make contributions.

"***Net Income***" means, for any period and with respect to any Person, the net income for such period for such Person after taxes as determined in accordance with GAAP, excluding, however, (a) extraordinary items, including (i) any net non-cash gain or loss during such period arising from the sale, exchange, retirement or other Disposition of capital assets (such term to include all fixed assets and all securities), and (ii) any write-up or write-down of assets and (b) the cumulative effect of any change in GAAP. For the avoidance of doubt, in determining net income, gross interest income shall be applied to increase income or decrease interest expense but not both.

"***Non-Consenting Lender***" means any Lender who does not agree to a consent, waiver or amendment which (a) requires the agreement of all Lenders or all affected Lenders in accordance with the terms of Section 9.2 and (b) has been approved by the Majority Lenders.

"***Non-Defaulting Lender***" means any Lender that is not a Defaulting Lender at such time.

"***Nonordinary Course Asset Sale***" means any Disposition made by the Borrower or any Subsidiary (a) of any division of the Borrower or any Subsidiary, (b) of an Equity Interest in any Subsidiary by the Borrower or any Subsidiary or (c) outside the ordinary course of business of any assets of the Borrower or any Subsidiary, whether in a single transaction or related series of transactions.

"***Notes***" means the Revolving Notes and the Swingline Note.

"***Notice***" shall have the meaning set forth in Section 9.9(b)(ii).

"***Notice of Borrowing***" means a Notice of Borrowing signed by the Borrower in substantially the same form as Exhibit E.

"***Notice of Continuation or Conversion***" means a notice of continuation or conversion signed by the Borrower in substantially the same form as Exhibit F.

"***Notice of Mandatory Payment***" means a notice of payment signed by a Responsible Officer of the Borrower in substantially the same form as Exhibit H-1.

"***Notice of Optional Payment***" means a notice of payment signed by a Responsible Officer of the Borrower in substantially the same form as Exhibit H-2.

"***Obligations***" means all principal, interest (including post-petition interest), fees, reimbursements, indemnifications, and other amounts now or hereafter owed by any of the Credit Parties to the Lenders, the Swingline Lender, the Issuing Lender, or the Administrative

Agent under this Agreement and the Credit Documents, including the Letter of Credit Obligations and any increases, extensions, and rearrangements of those obligations under any amendments, supplements, and other modifications of the documents and agreements creating those obligations.

"***OFAC***" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"***Offering***" means a public offering and sale of Equity Interests in the Borrower.

"***OLV***" means with respect to any Property (a) the orderly liquidation value thereof as established by a written appraisal conducted by an industry recognized third party appraiser acceptable to Administrative Agent, and (b) if the orderly liquidation value as described in the preceding clause (a) is not available, then the book value thereof.

"***Other Connection Taxes***" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Advance or Credit Document).

"***Other Taxes***" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.15).

"***Participant***" has the meaning assigned to such term in Section 9.7(c).

"***Participant Register***" has the meaning assigned to such term in Section 9.7(c).

"***Patriot Act***" means the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"***PBGC***" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"***Permitted Acquisition***" means an Acquisition that is permitted under Section 6.4.

"***Permitted Debt***" has the meaning set forth in Section 6.1.

"***Permitted Investments***" has the meaning set forth in Section 6.3.

"***Permitted Liens***" has the meaning set forth in Section 6.2.

"***Person***" means any natural person, partnership, corporation (including a business trust), joint stock company, trust, limited liability company, unlimited liability company, limited liability partnership, unincorporated association, joint venture, or other entity, or Governmental Authority, or any trustee, receiver, custodian, or similar official.

"***Plan***" means an employee benefit plan (other than a Multiemployer Plan) maintained for employees of the Borrower or any member of the Controlled Group and covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code.

"***Platform***" shall have the meaning set forth in Section 9.9(b)(i).

"***Prime Rate***" means the per annum rate of interest established from time to time by the Administrative Agent at its principal office in Houston, Texas as its prime rate, which rate may not be the lowest rate of interest charged by such Lender to its customers.

"***Prior Owners***" means Winston/Bradford, LLC, Donald F. Schuh, Justin J. Schuh and Andrea D. Schuh.

"***Property***" of any Person means any property or assets (whether real, personal, or mixed, tangible or intangible) of such Person.

"***Pro Rata Share***" means, at any time with respect to any Revolving Lender, (i) the ratio (expressed as a percentage) of such Lender' s Commitment at such time to the aggregate Commitments at such time, or (ii) if all of the Commitments have been terminated, the ratio (expressed as a percentage) of such Lender' s aggregate outstanding Revolving Advances at such time to the total aggregate outstanding Revolving Advances at such time.

"***Qualified ECP Guarantor***" means, in respect of any Swap Obligation, each Guarantor that has total assets exceeding $10,000,000 at the time the relevant guaranty or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"***Recipient***" means (a) the Administrative Agent, (b) any Lender and (c) the Issuing Lender, as applicable.

"***RedZone***" means RedZone Coil Tubing, LLC, a Texas limited liability company.

"***Register***" has the meaning set forth in Section 9.7(b).

"***Regulations T, U, and X***" means Regulations T, U, and X of the Federal Reserve Board, as each is from time to time in effect, and all official rulings and interpretations thereunder or thereof. Each of Regulations T, U, or X may be referred to individually as Regulation T, Regulation U, or Regulation X herein.

"***Related Parties***" means, with respect to any Person, such Person' s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, and advisors of such Person and of such Person' s Affiliates.

"***Release***" shall have the meaning set forth in CERCLA or under any other applicable Environmental Law.

"***Removal Effective Date***" has the meaning set forth in Section 8.6(b).

"***Reportable Event***" means any of the events set forth in Section 4043(c) of ERISA (other than any such event not subject to the provision for 30-day notice to the PBGC under the regulations issued under such section).

"***Resignation Effective Date***" has the meaning set forth in Section 8.6(a).

"***Response***" shall have the meaning set forth in CERCLA or under any other applicable Environmental Law.

"***Responsible Officer***" means (a) with respect to any Person that is a corporation, such Person' s chief executive officer, president, chief financial officer, chief operating officer, general counsel, director of finance, controller, or vice president, (b) with respect to any Person that is a limited liability company, if such Person has officers, then such Person' s chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president, and if such Person is managed by members, then a chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president of such Person' s managing member, and if such Person is managed by managers, then a manager (if such manager is an individual) or a chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president of such manager (if such manager is an entity), and (c) with respect to any Person that is a general partnership, limited partnership or a limited liability partnership, the chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president of such Person' s general partner or partners.

"***Restricted Payment***" means, with respect to any Person, any direct or indirect dividend or distribution (whether in cash, securities or other Property) or any direct or indirect payment of any kind or character (whether in cash, securities or other Property) in consideration for or otherwise in connection with any retirement, purchase, redemption or other acquisition of any Equity Interest of such Person, or any options, warrants or rights to purchase or acquire any such Equity Interest of such Person; provided that the term "Restricted Payment" shall not include any dividend or distribution payable solely in Equity Interests of such Person or warrants, options or other rights to purchase such Equity Interests.

"***Revolving Advance***" means any advance by a Lender to the Borrower as part of a Revolving Borrowing.

"***Revolving Borrowing***" means a Borrowing consisting of simultaneous Revolving Advances of the same Type made by the Revolving Lenders pursuant to Section 2.1(a) or Converted by each Revolving Lender to Revolving Advances of a different Type pursuant to Section 2.5(b).

"***Revolving Lenders***" means Lenders having a Commitment or if such Commitments have been terminated, Lenders that are owed Revolving Advances.

"***Revolving Note***" means a promissory note of the Borrower payable to a Lender and its registered assigns in the amount of such Lender' s Commitment, in substantially the same form as Exhibit G-1, evidencing indebtedness of the Borrower to such Lender resulting from Revolving Advances owing to such Lender.

"***Revolving Outstandings***" means, as of any date of determination, the sum of (a) the aggregate outstanding amount of all Revolving Advances plus (b) the Letter of Credit Exposure plus (c) the aggregate outstanding amount of all Swingline Advances.

"***Sanctions***" means a sanction or sanctions program administered or enforced by OFAC, the U.S. Department of State, United Nations Security Council, European Union or Her Majesty' s Treasury, including the sanctions program identified on the list maintained by OFAC and available at http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx, or as otherwise published from time to time.

"***Sanctioned Country***" means a country subject of Sanctions.

"***Sanctioned Person***" means (a) a Person named on the list of "Specially Designated Nationals and Blocked Persons" maintained by OFAC available at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx, or as otherwise published from time to time, (b) a Person named on the lists maintained by the United Nations Security Council available at http://www.un.org/sc/committees/list_compend.shtml, or as otherwise published from time to time, (c) a Person named on the lists maintained by the European Union available at http://eeas.europa.eu/cfsp/sanctions/consol-list_en.htm, or as otherwise published from time to time, (d) a Person named on the lists maintained by Her Majesty' s Treasury available at http://www.hm-treasury.gov.uk/fin_sanctions_index.htm, or as otherwise published from time to time, (e) a Person that is otherwise the subject of any Sanctions, or (f) (i) an agency of the government of a Sanctioned Country, (ii) an organization controlled by a Sanctioned Country or a Sanctioned Person, or (iii) a Person resident, located or organized in a Sanctioned Country.

"***S&P***" means Standard & Poor' s Rating Agency Group, a division of McGraw-Hill Companies, Inc., or any successor thereof which is a national credit rating organization.

"***SCF***" means SCF-VII, L.P., a Delaware limited partnership.

"***SEC***" means, the United States Securities and Exchange Commission, or any Governmental Authority succeeding to the functions of such Commission.

"***Secured Obligations***" means (a) the Obligations, (b) the Banking Services Obligations and (c) the Swap Obligations (other than Excluded Swap Obligations).

"***Secured Parties***" means the Administrative Agent, the Issuing Lender, the Lenders, the Swap Counterparties and Banking Services Providers.

"***Security Agreement***" means the Pledge and Security Agreement among the Credit Parties and the Administrative Agent in substantially the same form as Exhibit B.

"***Security Documents***" means the Security Agreement and any and all other instruments, documents or agreements, now or hereafter executed by any Credit Party or any other Person to secure the Secured Obligations.

"***Security Termination***" has the meaning set forth in Section 8.7(b).

"***Solvent***" means, as to any Person, on the date of any determination (a) the fair value of the Property of such Person is greater than the total amount of debts and other liabilities (including without limitation, contingent liabilities) of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts and other liabilities (including, without limitation, contingent liabilities) as they become absolute and matured, (c) such Person is able to realize upon its assets and pay its debts and other liabilities (including, without limitation, contingent liabilities) as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities (including, without limitation, contingent liabilities) beyond such Person' s ability to pay as such debts and liabilities mature, (e) such Person is not engaged in, and is not about to engage in, business or a transaction for which such Person' s Property would constitute unreasonably small capital, and (f) such Person has not transferred, concealed or removed any Property with intent to hinder, delay or defraud any creditor of such Person.

"***Subject Lender***" has the meaning set forth in Section 2.15(b).

"***Subsidiary***" means, with respect to any Person (the "***holder***") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the holder in the holder' s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity, a majority of whose outstanding Voting Securities shall at any time be owned by the holder or one more Subsidiaries of the holder. Unless expressly provided otherwise, all references herein and in any other Credit Document to any "Subsidiary" or "Subsidiaries" means a Subsidiary or Subsidiaries of the Borrower.

"***Swap Counterparty***" means any counterparty to a Hedging Arrangement with any Credit Party; provided that (a) such counterparty is a Lender or an Affiliate of a Lender at the time such Hedging Arrangement is entered into or (b) such Hedging Arrangement was entered into prior to the Closing Date and such counterparty was a Lender or an Affiliate of a Lender on the Closing Date.

"***Swap Obligations***" means the obligations of any Credit Party owing to any Swap Counterparty under any Hedging Arrangement; provided that (a) when any Swap Counterparty assigns or otherwise transfers any interest held by it under any Hedging Arrangement to any other Person pursuant to the terms of such agreement, the obligations thereunder shall constitute Swap Obligations only if such assignee or transferee is also then a Lender or an Affiliate of a

Lender and (b) if a Swap Counterparty ceases to be a Lender or an Affiliate of a Lender hereunder, obligations owing to such Swap Counterparty shall be included as Swap Obligations only to the extent such obligations arise from transactions under such individual Hedging Arrangements (and not the Master Agreement between such parties) entered into prior to the time such Swap Counterparty ceases to be a Lender or an Affiliate of a Lender hereunder, without giving effect to any extension, increases, or modifications thereof which are made after such Swap Counterparty ceases to be a Lender or an Affiliate of a Lender hereunder.

"***Swap Termination Value***" means, in respect of any one or more Hedging Arrangements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedging Arrangements, (a) for any date on or after the date such Hedging Arrangements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Hedging Arrangements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Hedging Arrangements (which may include a Lender or any Affiliate of a Lender).

"***Swingline Advance***" means an advance by the Swingline Lender to the Borrower as part of a Swingline Borrowing.

"***Swingline Borrowing***" means the Borrowing consisting of a Swingline Advance made by the Swingline Lender pursuant to Section 2.4 or, if an AutoBorrow Agreement is in effect, any transfer of funds pursuant to such AutoBorrow Agreement.

"***Swingline Lender***" means Wells Fargo or any other Lender that agrees to act as a "Swingline Lender" hereunder at the request of the Borrower so long as either (a) such Lender is also then the Administrative Agent or (b) such new Swingline Lender is appointed pursuant to Section 8.6(d).

"***Swingline Note***" means the promissory note made by the Borrower payable to the Swingline Lender, in substantially the same form as Exhibit G-2, evidencing the indebtedness of the Borrower to the Swingline Lender resulting from Swingline Advances made by the Swingline Lender.

"***Swingline Payment Date***" means (a) if an AutoBorrow Agreement is in effect, the earliest to occur of (i) the date required by such AutoBorrow Agreement, (ii) demand is made by the Swingline Lender in accordance with such Autoborrow Agreement and (iii) the Maturity Date, or (b) if an AutoBorrow Agreement is not in effect, the earlier to occur of (i) three (3) Business Days after demand is made by the Swingline Lender if no Default exists, and otherwise upon demand by the Swingline Lender and (ii) the Maturity Date.

"***Swingline Sublimit Amount***" means $25,000,000; provided that, on and after the Maturity Date, the Swingline Sublimit Amount for all purposes shall be zero.

"***Tangible Net Assets***" means (a) the consolidated net book value of all assets of the Borrower and its consolidated Subsidiaries minus (b) the consolidated net book value of all intangible assets of the Borrower and its consolidated Subsidiaries.

"***Tax Group***" has the meaning set forth in Section 4.13.

"***Taxes***" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"***Termination Event***" means (a) a Reportable Event with respect to a Plan, (b) the withdrawal of the Borrower or any member of the Controlled Group from a Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA, (c) the filing of a notice of intent to terminate a Plan or the treatment of a Plan amendment as a termination under Section 4041(c) of ERISA, (d) the institution of proceedings to terminate a Plan by the PBGC, or (e) any other event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan.

"***Transactions***" means, collectively, (a) the initial borrowings and other extensions of credit under this Agreement, (b) the consummation of the Closing Date Acquisition, (c) the payment in full of all outstanding obligations under the Existing Credit Agreements and (d) the payment of fees, commissions and expenses in connection with any of the foregoing.

"***Treasury Management Arrangement***" means any agreement or other arrangement governing the provision of treasury or cash management services, including deposit accounts, overdraft, credit or debit card, purchase card, funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, return items, controlled disbursement, lockbox, interstate depository network, account reconciliation and reporting and trade finance services and other cash management services.

"***Type***" has the meaning set forth in Section 1.4.

"***UCC***" means the Uniform Commercial Code as in effect in the State of New York from time to time.

"***United States***" means the United States of America.

"***U.S. Person***" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"***U.S. Tax Compliance Certificate***" has the meaning assigned to such term in paragraph (g) of Section 2.14.

"***Voting Securities***" means (a) with respect to any corporation, capital stock of such corporation having general voting power under ordinary circumstances to elect directors of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have special voting power or rights by reason of the happening of any contingency), (b) with respect to any partnership, any partnership interest or other ownership interest having general voting power to elect the general partner or other management of the partnership or other Person, and (c) with respect to any limited liability company, membership certificates or interests having general voting power under ordinary circumstances to elect managers of such limited liability company.

"***Wells Fargo***" means Wells Fargo Bank, National Association.

"***Withholding Agent***" means any Credit Party and the Administrative Agent.

Section 1.2 Computation of Time Periods. In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

Section 1.3 Accounting Terms; Changes in GAAP.

(a) All accounting terms not specifically defined in this Agreement shall be construed in accordance with GAAP applied on a consistent basis with those applied in the preparation of the audited financial statements delivered to the Administrative Agent for the fiscal year ended December 31, 2013 pursuant to Section 3.1(j)(iii), except as provided in Section 6.7.

(b) Unless otherwise indicated, all financial statements of the Borrower, all calculations for compliance with covenants in this Agreement, all determinations of the Applicable Margin, and all calculations of any amounts to be calculated under the definitions in Section 1.1 shall be based upon the consolidated accounts of the Borrower and its Subsidiaries in accordance with GAAP and consistent with the principles of consolidation applied in preparing the financial statements referred to in Section 4.4. For the avoidance of doubt, references in this Agreement or in any other Credit Document to a Person' s consolidated financial statements, financial position, financial condition, liabilities, etc. refer to the consolidated financial statements, financial position, financial condition, liabilities, etc. of such Person and its properly consolidated Subsidiaries (or subset thereof if expressly provided herein) which eliminate offsetting intercompany transactions.

(c) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Credit Document, and either the Borrower or the Majority Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Borrower and the Majority Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

Section 1.4 Classes and Types of Advances. Advances are distinguished by "Class" and "Type". The "Class" of an Advance refers to the determination of whether such Advance is a Revolving Advance or a Swingline Advance. The "Type" of an Advance refers to the determination of whether such Advance is a Base Rate Advance or a Eurodollar Advance.

Section 1.5 Other Interpretive Provisions. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may

require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person' s successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

ARTICLE II
CREDIT FACILITIES

Section 2.1 Commitments.

(a) Revolving Commitment. Each Revolving Lender severally agrees, on the terms and conditions set forth in this Agreement, to make Revolving Advances to the Borrower from time to time on any Business Day during the period from the Closing Date until the Business Day immediately preceding the Maturity Date; provided that after giving effect to such Revolving Advances, the Revolving Outstandings shall not exceed the aggregate Commitments in effect at such time. Each Revolving Borrowing shall (A) if comprised of Base Rate Advances be in an aggregate amount not less than $500,000 and in integral multiples of $100,000 in excess thereof, (B) if comprised of Eurodollar Advances be in an aggregate amount not less than $1,000,000 and in integral multiples of $500,000 in excess thereof, and (C) consist of Revolving Advances of the same Type made on the same day by the Revolving Lenders ratably according to their respective Commitments. Within the limits of each Revolving Lender' s Commitment, the Borrower may from time to time borrow, prepay pursuant to Section 2.6, and reborrow under this Section 2.1(a).

(b) Reduction of the Commitments.

(i) Revolving Commitments. The Borrower shall have the right, upon at least three Business Days' irrevocable (subject to clause (y) below) notice to the Administrative Agent, to terminate in whole or reduce ratably in part the unused portion of the Commitments; provided that (x) each partial reduction shall be in the aggregate amount of $1,000,000 and in integral multiples of $1,000,000 in excess thereof and (y) a notice of complete termination of the Revolving Commitments delivered by the Borrower may state that such notice is conditioned

upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any reduction or termination of the Commitments pursuant to this Section shall be permanent, with no obligation of the Revolving Lenders to reinstate such Commitments, and the Commitment Fees shall thereafter be computed on the basis of the Commitments, as so reduced.

(ii) Defaulting Lender. At any time when a Lender is then a Defaulting Lender, the Borrower, at the Borrower' s election, may elect to terminate such Defaulting Lender' s Commitment hereunder; provided that (A) such termination must be of the Defaulting Lender' s entire Commitment, (B) the Non-Defaulting Lenders shall each have the option to accept an assignment of the Defaulting Lender' s Commitment pursuant to Section 2.15 in lieu of a termination of Commitments pursuant to this Section 2.1(b)(ii), (C) to the extent that the Non-Defaulting Lenders do not take an assignment as provided in the immediately preceding clause (B), the Borrower shall pay all amounts owed by the Borrower to such Defaulting Lender in such Defaulting Lender' s capacity as a Revolving Lender under this Agreement and under the other Credit Documents (including principal of and interest on the Revolving Advances owed to such Defaulting Lender, accrued Commitment Fees (subject to Section 2.17(a)(iii)), and letter of credit fees (subject to Section 2.17(a)(iii)) but specifically excluding any amounts owing under Section 2.11 as result of such payment of such Advances) and shall deposit with the Administrative Agent into the Cash Collateral Account cash collateral in the amount equal to such Defaulting Lender' s ratable share of the Letter of Credit Exposure (including any such Letter of Credit Exposure that has been reallocated pursuant to Section 2.17), (D) a Defaulting Lender' s Commitment may be terminated by the Borrower under this Section 2.1(b)(ii) if and only if at such time, the Borrower has elected, or is then electing, to terminate the Commitments of all then existing Defaulting Lenders, and (E) such termination shall not be permitted if a Default has occurred and is continuing at the time of such election and termination. Upon written notice to the Defaulting Lender and the Administrative Agent of the Borrower' s election to terminate a Defaulting Lender' s Commitment pursuant to this clause (ii) and the payment and deposit of amounts required to be made by the Borrower under clause (B) and (C) above, (1) such Defaulting Lender shall cease to be a "Revolving Lender" hereunder for all purposes except that such Lender' s rights and obligations as a Revolving Lender under Sections 2.12, 2.14, 8.4 and 9.1 shall continue with respect to events and occurrences occurring before or concurrently with its ceasing to be a "Revolving Lender" hereunder, (2) such Defaulting Lender' s Commitment shall be deemed terminated, and (3) such Defaulting Lender shall be relieved of its obligations hereunder as a "Revolving Lender" except as to its obligations under Section 8.4(b) and Section 9.1 shall continue with respect to events and occurrences occurring before or concurrently with its ceasing to be a "Revolving Lender" hereunder, provided that, any such termination will not be deemed to be a waiver or release of any claim that the Borrower, the Administrative Agent, the Swingline Lender, the Issuing Lender or any Lender

may have against such Defaulting Lender. Notwithstanding anything herein to the contrary, the Non-Defaulting Lenders' option to take an assignment as provided in Section 2.1(b)(ii)(B) may be exercised by a Non-Defaulting Lender in its sole and absolute discretion and nothing contained herein shall obligate any Non-Defaulting Lender to take any such assignment.

(iii) All notices for a complete termination under clause (i) above delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by such Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

Section 2.2 Evidence of Indebtedness. The Advances made by each Lender, and the Swingline Advances made by the Swingline Lender, shall be evidenced by one or more accounts or records maintained by such Lender or the Swingline Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent, the Swingline Lender and the Lenders shall be conclusive absent manifest error of the amount of the Advances made by such Lenders and Swingline Lender to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender to the Borrower made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) the applicable Notes which shall evidence such Lender' s Advances to the Borrower in addition to such accounts or records. Upon the request of the Swingline Lender to the Borrower, the Borrower shall execute and deliver to the Swingline Lender a Swingline Note which shall evidence the Swingline Advances to the Borrower in addition to such accounts or records. Each Lender and the Swingline Lender may attach schedules to such Notes and note thereon the date, Type (if applicable), amount, and maturity of its Advances and payments with respect thereto. In addition to the accounts and records referred to in the immediately preceding sentences, each Lender, the Issuing Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender (other than the Issuing Lender) in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. In the event of any conflict among the accounts and records maintained by the Administrative Agent, the accounts and records maintained by an Issuing Lender as to Letters of Credit issued by it, and the accounts and records of any other Lender in respect of such matters, the accounts and records of such Issuing Lender shall control in the absence of manifest error.

Section 2.3 Letters of Credit.

(a) Commitment for Letters of Credit. The Issuing Lender, the Lenders and the Borrower agree that effective as of the Closing Date, the Existing Letter of Credit

shall be deemed to have been issued and maintained under, and to be governed by the terms and conditions of, this Agreement as a Letter of Credit. Subject to the terms and conditions set forth in this Agreement and in reliance upon the agreements of the other Lenders set forth in this Section, the Issuing Lender agrees to, from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Termination Date, issue, increase or extend the expiration date of Letters of Credit for the account of any Credit Party or Subsidiary thereof; provided that, in any event, no Letter of Credit will be issued, increased, or extended:

(i) if such issuance, increase, or extension would cause the Letter of Credit Exposure to exceed the lesser of (A) the Letter of Credit Maximum Amount and (B) an amount equal to (1) the aggregate Commitments in effect at such time minus (2) the aggregate outstanding amount of Revolving Advances minus (3) the aggregate outstanding amount of Swingline Advances;

(ii) unless such Letter of Credit has an expiration date not later than the earlier of (A) one year after its issuance or extension and (B) the Letter of Credit Termination Date; provided that, (1) if the Commitments are terminated in whole pursuant to Section 2.1(b), the Borrower shall either (A) deposit into the Cash Collateral Account cash in an amount equal to 104% of the Letter of Credit Exposure for the Letters of Credit which have an expiry date beyond such termination date or (B) provide a replacement letter of credit (or other security) reasonably acceptable to the Administrative Agent and the Issuing Lender in an amount equal to 104% of the Letter of Credit Exposure and (2) any such Letter of Credit with a one-year tenor (or shorter tenor) may expressly provide for an automatic extension of additional periods up to one additional year so long as such Letter of Credit expressly allows the Issuing Lender, at its sole discretion, to elect not to provide such extension; provided that, in any event, such automatic extension may not result in an expiration date that occurs after the Letter of Credit Termination Date;

(iii) unless such Letter of Credit is (A) a standby letter of credit, or (B) with the consent of the Issuing Lender, a commercial letter of credit;

(iv) unless such Letter of Credit is in form and substance acceptable to the Issuing Lender in its sole discretion;

(v) unless the Borrower has delivered to the Issuing Lender a completed and executed Letter of Credit Application and a Letter of Credit Reimbursement Agreement; provided that, if the terms of any Letter of Credit Application or Letter of Credit Reimbursement Agreement conflict with the terms of this Agreement, the terms of this Agreement shall control;

(vi) unless such Letter of Credit is governed by (A) the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600, or (B) the ISP, in either case, including any subsequent revisions thereof approved by a Congress of the International Chamber of Commerce;

(vii) if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Lender from issuing, increasing or extending such Letter of Credit, or any Legal Requirement applicable to the Issuing Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Lender shall prohibit, or request that the Issuing Lender refrain from, the issuance, increase or extension of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Lender with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Lender is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Lender any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Lender in good faith deems material to it;

(viii) if the issuance, increase or extension of such Letter of Credit would violate one or more policies of the Issuing Lender that are generally applicable to letters of credit;

(ix) if such Letter of Credit is to be denominated in a currency other than Dollars;

(x) if such Letter of Credit supports the obligations of any Person in respect of (A) a lease of real property, or (B) an employment contract if the Issuing Lender reasonably determines that the Borrower' s obligation to reimburse any draws under such Letter of Credit may be limited; or

(xi) any Lender is at such time a Defaulting Lender hereunder, unless the Issuing Lender has entered into satisfactory arrangements with the Borrower or such Lender to eliminate the Issuing Lender' s Fronting Exposure with respect to such Lender.

(b) Requesting Letters of Credit. Each Letter of Credit Extension (other than the issuance of the Existing Letter of Credit which is deemed issued hereunder) shall be made pursuant to a Letter of Credit Application, or if applicable, amendments to such Letter of Credit Applications, given by the Borrower to the Administrative Agent and the Issuing Lender by facsimile or other writing not later than 11:00 a.m. (Houston, Texas time) on the third Business Day before the proposed date of the Letter of Credit Extension. Each Letter of Credit Application, or if applicable, amendments to the Letter of Credit Applications, shall be fully completed and shall specify the information required therein. Each Letter of Credit Application, or if applicable, amendments to the Letter of Credit Applications, shall be irrevocable and binding on the Borrower.

(c) Reimbursements for Letters of Credit; Funding of Participations.

(i) In accordance with the related Letter of Credit Application, the Borrower, with respect to each Letter of Credit, agrees to pay on demand to the Administrative Agent on behalf of the Issuing Lender an amount equal to any amount paid by the Issuing Lender under such Letter of Credit. Upon the Issuing Lender' s demand for payment under the terms of a Letter of Credit Application, the Borrower may, with a written notice, request that the Borrower' s obligations to the Issuing Lender thereunder be satisfied with the proceeds of a Revolving Advance in the same amount (notwithstanding any minimum size or increment limitations on individual Revolving Advances). If the Borrower does not make such request and does not otherwise make the payments demanded by the Issuing Lender as required under this Agreement or the applicable Letter of Credit Application, then the Borrower shall be deemed for all purposes of this Agreement to have requested such a Revolving Advance in the same amount and the transfer of the proceeds thereof to satisfy the Borrower' s obligations to the Issuing Lender, and the Borrower hereby unconditionally and irrevocably authorizes, empowers, and directs the Lenders to make such Revolving Advance, to transfer the proceeds thereof to the Issuing Lender in satisfaction of such obligations, and to record and otherwise treat such payments as a Revolving Advance to the Borrower. The Administrative Agent and each Lender may record and otherwise treat the making of such Revolving Borrowings as the making of a Revolving Borrowing to the Borrower under this Agreement as if requested by the Borrower. Nothing herein is intended to release any of the Borrower' s obligations under any Letter of Credit Application, but only to provide an additional method of payment therefor. The making of any Revolving Borrowing under this Section 2.3(c) shall not constitute a cure or waiver of any Default or Event of Default, other than the payment Default or Event of Default which is satisfied by the application of the amounts deemed advanced hereunder, caused by the Borrower' s failure to comply with the provisions of this Agreement or the applicable Letter of Credit Application.

(ii) Each Lender (including the Lender acting as Issuing Lender) shall, upon notice from the Administrative Agent that the Borrower has requested or is deemed to have requested a Revolving Advance pursuant to Section 2.5 and regardless of whether (A) the conditions in Section 3.2 have been met, (B) such notice complies with Section 2.5, or (C) a Default exists, make funds available to the Administrative Agent for the account of the Issuing Lender in an amount equal to such Lender' s Pro Rata Share of the amount of such Revolving Advance not later than 1:00 p.m. (Houston, Texas time) on the Business Day specified in such notice by the Administrative Agent, whereupon each Lender that so makes funds available shall be deemed to have made a Revolving Advance to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Issuing Lender.

(iii) If any such Lender shall not have so made its Revolving Advance available to the Administrative Agent pursuant to this Section 2.3, then such Lender agrees to pay interest thereon for each day from such date until the date such amount is paid at the lesser of (A) the Federal Funds Rate for such day for

the first three days and thereafter the interest rate applicable to Base Rate Advances and (B) the Maximum Rate. Whenever, at any time after the Administrative Agent has received from any Lender such Lender' s Revolving Advance, the Administrative Agent receives any payment on account thereof, the Administrative Agent will pay to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender' s Revolving Advance was outstanding and funded), which payment shall be subject to repayment by such Lender if such payment received by the Administrative Agent is required to be returned. Each Lender' s obligation to make the Revolving Advance pursuant to this Section 2.3 shall be absolute and unconditional and shall not be affected by any circumstance, including (1) any set-off, counterclaim, recoupment, defense or other right which such Lender or any other Person may have against the Issuing Lender, the Administrative Agent or any other Person for any reason whatsoever; (2) the occurrence or continuance of a Default or the termination of the Commitments; (3) any breach of this Agreement by any Credit Party or any other Lender; or (4) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(iv) If at any time, the Commitments shall have expired or been terminated while any Letter of Credit Exposure is outstanding, then each Revolving Lender, at the sole option of the Issuing Lender, shall fund its participation in such Letters of Credit in an amount equal to such Lender' s Pro Rata Share of the unpaid amount of the Borrower' s payment obligations under drawn Letters of Credit. The Issuing Lender shall notify the Administrative Agent, and in turn, the Administrative Agent shall notify each such applicable Lender of the amount of such participation, and such Lender will transfer to the Administrative Agent for the account of the Issuing Lender on the next Business Day following such notice, in immediately available funds, the amount of such participation. At any time after the Issuing Lender has made a payment under any Letter of Credit and has received from any Lender funding of its participation in respect of such payment in accordance with this clause (iv), if the Administrative Agent receives for the account of the Issuing Lender any payment in respect of the related Letter of Credit Exposure or interest thereon (whether directly from the Borrower or otherwise, including proceeds of cash collateral applied thereto by the Administrative Agent), the Administrative Agent shall distribute to such Lender its Pro Rata Share thereof in the same funds as those received by the Administrative Agent.

(v) If any payment received by the Administrative Agent for the account of the Issuing Lender pursuant to this Section 2.3(c) is required to be returned under any of the circumstances described in Section 9.12 (including pursuant to any settlement entered into by such Issuing Lender in its discretion), each Revolving Lender shall pay to the Administrative Agent for the account of the Issuing Lender its Pro Rata Share thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Revolving Lender, at a rate per annum equal to the Federal

Funds Rate in effect from time to time. The obligations of the Revolving Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(d) Participations. Upon the date of the issuance or increase of a Letter of Credit (including in the case of the Existing Letter of Credit, the deemed issuance with respect thereto on the Closing Date), the Issuing Lender shall be deemed to have sold to each other Lender and each other Lender shall have been deemed to have purchased from the Issuing Lender a participation in the related Letter of Credit Obligations equal to such Lender' s Pro Rata Share at such date and such sale and purchase shall otherwise be in accordance with the terms of this Agreement. The Issuing Lender shall promptly notify each such participant Lender by facsimile, telephone, or electronic mail (PDF) of each Letter of Credit issued or increased and the actual dollar amount of such Lender' s participation in such Letter of Credit.

(e) Obligations Unconditional. The obligations of the Borrower under this Agreement in respect of each Letter of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, notwithstanding the following circumstances:

(i) any lack of validity or enforceability of any Letter of Credit Documents;

(ii) any amendment or waiver of or any consent to departure from any Letter of Credit Documents;

(iii) the existence of any claim, set-off, defense or other right which any Credit Party may have at any time against any beneficiary or transferee of such Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), the Issuing Lender, any Lender or any other person or entity, whether in connection with this Agreement, the transactions contemplated in this Agreement or in any Letter of Credit Documents or any unrelated transaction;

(iv) any statement or any other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect to the extent the Issuing Lender would not be liable therefor pursuant to the following paragraph (g);

(v) payment by the Issuing Lender under such Letter of Credit against presentation of a draft or certificate which does not comply with the terms of such Letter of Credit; or

(vi) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing;

provided, however, that nothing contained in this paragraph (e) shall be deemed to constitute a waiver of any remedies of the Borrower in connection with the Letters of Credit.

(f) Prepayments of Letters of Credit. In the event that any Letter of Credit shall be outstanding or shall be drawn and not reimbursed on or prior to the Maturity Date, the Borrower shall pay to the Administrative Agent an amount equal to 104% of the Letter of Credit Exposure allocable to such Letter of Credit, such amount to be due and payable on the Maturity Date, and to be held in the Cash Collateral Account and applied in accordance with paragraph (h) below.

(g) Liability of Issuing Lender. The Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit with respect to its use of such Letter of Credit. Neither the Issuing Lender nor any of its officers or directors shall be liable or responsible for:

(i) the use which may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith;

(ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged;

(iii) payment by the Issuing Lender against presentation of documents which do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to the relevant Letter of Credit; or

(iv) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit (**INCLUDING THE ISSUING LENDER' S OWN NEGLIGENCE**);

except that the Borrower shall have a claim against the Issuing Lender, and the Issuing Lender shall be liable to, and shall promptly pay to, the Borrower, to the extent of any direct, as opposed to consequential, damages suffered by the Borrower which a court in a final, non-appealable finding rules were caused by the Issuing Lender' s willful misconduct or gross negligence in determining whether documents presented under a Letter of Credit comply with the terms of such Letter of Credit. In furtherance and not in limitation of the foregoing, the Issuing Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

(h) Cash Collateral Account.

(i) If the Borrower is required to deposit funds in the Cash Collateral Account pursuant to the terms hereof, then the Borrower and the Administrative Agent shall establish the Cash Collateral Account and the Borrower shall execute any documents and agreements, including the Administrative Agent' s standard

form assignment of deposit accounts, that the Administrative Agent reasonably requests in connection therewith to establish the Cash Collateral Account and grant the Administrative Agent an Acceptable Security Interest in such account and the funds therein. The Borrower hereby pledges to the Administrative Agent and grants the Administrative Agent a security interest in the Cash Collateral Account, whenever established, all funds held in the Cash Collateral Account from time to time, and all proceeds thereof as security for the payment of the Secured Obligations.

(ii) Funds held in the Cash Collateral Account shall be held as cash collateral for obligations with respect to Letters of Credit and promptly applied by the Administrative Agent at the request of the Issuing Lender to any reimbursement or other obligations under Letters of Credit that exist or occur. To the extent that any surplus funds are held in the Cash Collateral Account above the Letter of Credit Exposure during the existence of an Event of Default the Administrative Agent may (A) hold such surplus funds in the Cash Collateral Account as cash collateral for the Secured Obligations or (B) apply such surplus funds to any Secured Obligations in any manner directed by the Majority Lenders. If no Default exists, then at the Borrower' s written request, the Administrative Agent shall promptly release any surplus funds held in the Cash Collateral Account above the sum of (x) 104% of the Letter of Credit Exposure and (y) each Defaulting Lender' s Pro Rata Share of outstanding Swingline Advances other than Swingline Advances as to which such Defaulting Lender' s participation obligation has been funded by it or reallocated to other Lenders but only to the extent such funds were provided by the Borrower and not a Defaulting Lender.

(iii) Funds held in the Cash Collateral Account may be invested in Liquid Investments maintained with, and under the sole dominion and control of, the Administrative Agent or in another investment if mutually agreed upon by the Borrower and the Administrative Agent, but the Administrative Agent shall have no obligation to make any investment of the funds therein. The Administrative Agent shall exercise reasonable care in the custody and preservation of any funds held in the Cash Collateral Account and shall be deemed to have exercised such care if such funds are accorded treatment substantially equivalent to that which the Administrative Agent accords its own property, it being understood that the Administrative Agent shall not have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any such funds.

(i) Defaulting Lender. At any time that there shall exist a Defaulting Lender, within three Business Days following the written request of the Administrative Agent or the Issuing Lender (with a copy to the Administrative Agent) the Borrower shall Cash Collateralize the Issuing Lender' s Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 2.17 and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(i) *Grant of Security Interest by Defaulting Lender; Agreement to Provide Cash Collateral*. To the extent cash collateral is provided by any

Defaulting Lender, such Defaulting Lender hereby grants to the Administrative Agent, for the benefit of the Issuing Lender, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for such Defaulting Lender' s obligation to fund participations in respect of Letter of Credit Obligations, to be applied pursuant to clause (ii) below. Such Defaulting Lender shall execute any documents and agreements, including the Administrative Agent' s standard form assignment of deposit accounts, that the Administrative Agent requests in connection therewith to establish such cash collateral account and to grant the Administrative Agent a first priority security interest in such account and the funds therein. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and the Issuing Lender as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(ii) *Application*. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 2.3(i) or Section 2.17 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender' s obligation to fund participations in respect of Letter of Credit Exposure (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(iii) *Termination of Requirement*. Cash Collateral (or the appropriate portion thereof) provided to reduce the Issuing Lender' s Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 2.3(i) following (a) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (b) the determination by the Administrative Agent and the Issuing Lender that there exists excess Cash Collateral; provided that, (1) subject to Section 2.17, the Person providing Cash Collateral and the Issuing Lender may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations, and (2) to the extent that such Cash Collateral was provided by the Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to the Credit Documents.

(j) Letters of Credit Issued for any Subsidiary. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, any Subsidiary, the Borrower shall be obligated to reimburse the Issuing Lender hereunder for any and all drawings under such Letter of Credit issued hereunder by the Issuing Lender. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of any Subsidiary inures to the benefit of the Borrower, and that the Borrower' s business (indirectly or directly) derives substantial benefits from the businesses of such other Persons.

Section 2.4 Swingline Advances.

(a) Facility. On the terms and conditions set forth in this Agreement, and if an AutoBorrow Agreement is in effect, subject to the terms and conditions of such AutoBorrow Agreement, the Swingline Lender may, in its sole discretion, from time-to-time on any Business Day during the period from the date of this Agreement until the Business Day immediately preceding the Maturity Date, make Swingline Advances to the Borrower which shall be due and payable on the Swingline Payment Date (except that no Swingline Advance may mature after the Maturity Date), and in an aggregate outstanding principal amount not to exceed the Swingline Sublimit Amount at any time; provided that (i) after giving effect to such Swingline Advance, the Revolving Outstandings shall not exceed the aggregate Commitments then in effect; (ii) no Swingline Advance shall be made by the Swingline Lender if the conditions set forth in Section 3.2 have not been met as of the date of such Swingline Advance, it being agreed by the Borrower that the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of such Swingline Advance shall constitute a representation and warranty by the Borrower that on the date of such Swingline Advance such conditions have been met; and (iii) if an AutoBorrow Agreement is in effect, such additional terms and conditions of such AutoBorrow Agreement shall have been satisfied, and in the event that any of the terms of this Section 2.4(a) conflict with such AutoBorrow Agreement, the terms of the AutoBorrow Agreement shall govern and control. No Lender shall have any rights or obligations under any AutoBorrow Agreement, but each Lender shall have the obligation to purchase and fund risk participations in the Swingline Advances and to refinance Swingline Advances as provided below and as provided in Section 2.17.

(b) Evidence of Indebtedness. The indebtedness of the Borrower to the Swingline Lender resulting from Swingline Advances shall be evidenced as set forth in Section 2.2.

(c) Prepayment. Within the limits expressed in this Agreement, amounts advanced pursuant to Section 2.4(a) may from time to time be borrowed, prepaid without penalty, and reborrowed. If the aggregate outstanding principal amount of the Swingline Advances advanced by the Swingline Lender ever exceeds the Swingline Sublimit Amount, the Borrower shall, upon receipt of written notice of such condition from the Swingline Lender and to the extent of such excess, prepay to the Swingline Lender outstanding principal of the Swingline Advances such that such excess is eliminated. If an AutoBorrow Agreement is in effect, each prepayment of a Swingline Borrowing shall be made as provided in such AutoBorrow Agreement.

(d) Refinancing of Swingline Advances.

(i) With respect to the Swingline Advances and the interest, premium, fees, and other amounts owed by the Borrower to the Swingline Lender in connection with the Swingline Advances, the Borrower agrees to pay to the

Swingline Lender such amounts when due and payable to the Swingline Lender under the terms of this Agreement and, if an AutoBorrow Agreement is in effect, in accordance with the terms of such AutoBorrow Agreement. If the Borrower does not pay to the Swingline Lender any such amounts when due and payable to such Swingline Lender, the Swingline Lender may upon notice to the Administrative Agent request the satisfaction of such obligation by the making of a Revolving Borrowing in the amount of any such amounts not paid when due and payable. Upon such request, the Borrower shall be deemed to have requested the making of a Revolving Borrowing in the amount of such obligation and the transfer of the proceeds thereof to the Swingline Lender. Such Revolving Borrowing shall bear interest based upon the Adjusted Base Rate plus the Applicable Margin for Base Rate Advances. The Administrative Agent shall promptly forward notice of such Revolving Borrowing to the Borrower and the Revolving Lenders, and each Revolving Lender shall, regardless of whether (A) the conditions in Section 3.2 have been met, (B) such notice complies with Section 2.5, or (C) a Default exists, make available such Lender' s ratable share of such Revolving Borrowing to the Administrative Agent, and the Administrative Agent shall promptly deliver the proceeds thereof to the Swingline Lender for application to such amounts owed to the Swingline Lender. The Borrower hereby unconditionally and irrevocably authorizes, empowers, and directs the Swingline Lender to make such requests for Revolving Borrowings on behalf of the Borrower in accordance with this Section, and for the Revolving Lenders to make Revolving Advances to the Administrative Agent for the benefit of the Swingline Lender in satisfaction of such obligations. The Administrative Agent and each Revolving Lender may record and otherwise treat the making of such Revolving Borrowings as the making of a Revolving Borrowing to the Borrower under this Agreement as if requested by the Borrower.

Nothing herein is intended to release the Borrower' s obligations with respect to Swingline Advances, but only to provide an additional method of payment therefor. The making of any Revolving Borrowing under this Section 2.4(d) shall not constitute a cure or waiver of any Default or Event of Default, other than the payment Default or Event of Default which is satisfied by the application of the amounts deemed advanced hereunder, caused by the Borrower' s failure to comply with the provisions of this Agreement, the Swingline Note or any AutoBorrow Agreement.

(ii) If at any time, the Commitments shall have expired or been terminated while any Swingline Advance is outstanding, each Revolving Lender, at the sole option of the Swingline Lender, shall either (A) notwithstanding the expiration or termination of the Commitments, make a Revolving Advance as a Base Rate Advance, or (B) be deemed, without further action by any Person, to have purchased from the Swingline Lender a participation in such Swingline Advance, in either case in an amount equal to the product of such Lender' s Pro Rata Share times the outstanding aggregate principal balance of the Swingline Advances made by the Swingline Lender. The Swingline Lender shall notify the Administrative Agent, and in turn, the Administrative Agent shall notify each

such Lender of the amount of such Revolving Advance or participation, and such Lender will transfer to the Administrative Agent for the account of the Swingline Lender on the next Business Day following such notice, in immediately available funds, the amount of such Revolving Advance or participation.

(iii) If any such Revolving Lender shall not have so made its Revolving Advance or its percentage participation available to the Administrative Agent pursuant to this Section 2.4, such Lender agrees to pay interest thereon for each day from such date until the date such amount is paid at a per annum rate equal to the lesser of (A) the Federal Funds Rate for such day and for the first three days after such date and thereafter the interest rate applicable to the Revolving Advance and (B) the Maximum Rate. Whenever, at any time after the Administrative Agent has received from any Revolving Lender such Lender' s Revolving Advance or participating interest in a Swingline Advance, the Administrative Agent receives any payment on account thereof, the Administrative Agent will pay to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender' s Revolving Advance or participating interest was outstanding and funded), which payment shall be subject to repayment by such Lender if such payment received by the Administrative Agent is required to be returned. Each Revolving Lender' s obligation to make the Revolving Advance or purchase such participating interests pursuant to this Section 2.4 shall be absolute and unconditional and shall not be affected by any circumstance, including (1) any set-off, counterclaim, recoupment, defense or other right which such Lender or any other Person may have against the Swingline Lender, the Administrative Agent or any other Person for any reason whatsoever; (2) the occurrence or continuance of a Default or the termination of the Commitments; (3) any breach of this Agreement by the Borrower or any other Lender; or (4) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. Each Swingline Advance, once so participated by any Revolving Lender, shall cease to be a Swingline Advance with respect to that amount for purposes of this Agreement, but shall continue to be Revolving Advances.

(e) Method of Borrowing. If an AutoBorrow Agreement is in effect, each Swingline Borrowing shall be made as provided in such AutoBorrow Agreement. Otherwise, and except as provided in the clause (d) above, each request for a Swingline Advance shall be made pursuant to telephone notice to the Swingline Lender given no later than 12:00 noon (Houston, Texas time) (or such later time as accepted by the Swingline Lender) on the date of the proposed Swingline Advance, promptly confirmed by a completed and executed Notice of Borrowing sent via facsimile, facsimile or, unless otherwise required by the Administrative Agent or Swingline Lender prior to such delivery, electronic mail (PDF), to the Administrative Agent and the Swingline Lender. The Swingline Lender will promptly make the Swingline Advance available to the Borrower at the Borrower' s account with the Swingline Lender.

(f) Interest for Account of Swingline Lender. The Swingline Lender shall be responsible for invoicing the Borrower for interest on the Swingline Advances (provided that any failure of the Swingline Lender to provide such invoice shall not release the Borrower from its obligation to pay such interest). Until each Revolving Lender funds its Revolving Advance or risk participation pursuant to clause (d) above, interest in respect of such Lender' s Pro Rata Share of the Swingline Advances shall be solely for the account of the Swingline Lender.

(g) Payments Directly to Swingline Lender. The Borrower shall make all payments of principal and interest in respect of the Swingline Advances directly to the Swingline Lender.

(h) Discretionary Nature of the Swingline Facility. Notwithstanding any terms to the contrary contained herein or in any AutoBorrow Agreement, the Swingline facility provided herein or in any AutoBorrow Agreement (i) is an uncommitted facility and the Swingline Lender may, but shall not be obligated to, make Swingline Advances, and (ii) may be terminated at any time by the Swingline Lender upon written notice to the Borrower.

Section 2.5 Borrowings; Procedures and Limitations.

(a) Notice. Each Borrowing shall be made pursuant to the applicable Notice of Borrowing (other than the Borrowings to be made on the Closing Date and Swingline Advances) and given by the Borrower to Administrative Agent not later than (i) 11:00 a.m. (Houston, Texas time) on the third Business Day before the date of the proposed Borrowing, in the case of a Eurodollar Advance or (ii) 11:00 a.m. (Houston, Texas time) on the Business Day of the proposed Borrowing, in the case of a Base Rate Advance, by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice of such proposed Borrowing, by facsimile or by electronic mail. The Borrowings to be made on the Closing Date shall be made pursuant to the applicable Notices of Borrowing given not later than 11:00 a.m. (Houston, Texas time) on the Closing Date by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice of such proposed Borrowing, by facsimile or by electronic mail. Each Notice of Borrowing shall be by facsimile or by electronic mail (with a PDF file of the executed Notice of Borrowing attached), specifying (i) the requested date of such Borrowing (which shall be a Business Day), (ii) the requested Type and Class of Advances comprising such Borrowing, (iii) the aggregate amount of such Borrowing, and (iv) if such Borrowing is to be comprised of Eurodollar Advances, the requested Interest Period for each such Advance; provided that, all Borrowings to be made on the Closing Date shall consist only of Base Rate Advance which may, subject to the terms of this Agreement, be thereafter Converted into Eurodollar Advances. In the case of a proposed Borrowing comprised of Eurodollar Advances, the Administrative Agent shall promptly notify each Lender of the applicable interest rate under Section 2.9(b). Each Lender shall, before 12:00 noon (Houston, Texas time) on the date of such Borrowing, make available for the account of its applicable Lending Office to the Administrative Agent at its address referred to in Section 9.9, or such other location as the Administrative Agent may specify by notice to the Lenders, in immediately available funds, such Lender' s Pro Rata Share of such

Borrowing. Promptly after the Administrative Agent' s receipt of such funds (but in any event, not later than 3:00 p.m. (Houston, Texas time) on the date of the proposed Borrowing) and upon fulfillment of the applicable conditions set forth in Article III, the Administrative Agent will make such funds available to the Borrower at its account with the Administrative Agent or as otherwise directed by the Borrower with written notice to the Administrative Agent.

(b) Conversions and Continuations. In order to elect to Convert or continue a Revolving Advance under this Section, the Borrower shall deliver an irrevocable Notice of Continuation or Conversion to the Administrative Agent at the Administrative Agent' s Office no later than 11:00 a.m. (Houston, Texas time) (i) at least one Business Day in advance of the proposed Conversion date in the case of a Conversion to a Base Rate Advance and (ii) at least three Business Days in advance of the proposed Conversion or continuation date in the case of a Conversion to, or a continuation of, a Eurodollar Advance. Each such continuation or Conversion shall be in writing or by facsimile or by electronic mail (with a PDF file of the executed Notice of Continuation or Conversion attached), specifying (i) the requested Conversion or continuation date (which shall be a Business Day), (ii) the amount, Type, and Class of the Advance to be Converted or continued, (iii) whether a Conversion or continuation is requested and, if a Conversion, into what Type of Advance, and (iv) in the case of a Conversion to, or a continuation of, a Eurodollar Advance, the requested Interest Period. Promptly after receipt of a Notice of Continuation or Conversion under this paragraph, the Administrative Agent shall provide each Lender with a copy thereof and, in the case of a Conversion to or a continuation of a Eurodollar Advance, notify each Lender of the applicable interest rate under Section 2.9(b). For purposes other than the conditions set forth in Section 3.2, the portion of Advances comprising part of the same Borrowing that are Converted to Advances of another Type shall constitute a new Borrowing.

(c) Certain Limitations. Notwithstanding anything in paragraphs (a) and (b) above:

(i) at no time shall there be more than six Interest Periods applicable to outstanding Eurodollar Advances;

(ii) without the consent of all of the Lenders, the Borrower may not select Eurodollar Advances for any Borrowing to be made, Converted or continued if an Event of Default has occurred and is continuing;

(iii) if any Lender shall, at least one Business Day prior to the requested date of any Borrowing comprised of Eurodollar Advances, notify the Administrative Agent and the Borrower that the introduction of or any change in or in the interpretation of any Legal Requirement makes it unlawful, or that any central bank or other Governmental Authority asserts that it is unlawful, for such Lender or its Lending Office to perform its obligations under this Agreement to make Eurodollar Advances or to fund or maintain Eurodollar Advances, (A) any obligation of such Lender to make, continue, or Convert to, Eurodollar Advances, including in connection with such requested Borrowing, shall be suspended until

such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist; and (B) such Lender agrees to use commercially reasonable efforts (consistent with its internal policies and legal and regulatory restrictions) to designate a different Lending Office if the making of such designation (1) would eliminate the restriction on such Lender described above, and (2) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender;

(iv) if the Administrative Agent is unable to determine the Eurodollar Rate for Eurodollar Advances comprising any requested Borrowing, the right of the Borrower to select Eurodollar Advances for such Borrowing or for any subsequent Borrowing shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be made, Converted or continued as a Base Rate Advance;

(v) if the Majority Lenders shall, at least one Business Day before the date of any requested Borrowing, notify the Administrative Agent that the Eurodollar Rate for Eurodollar Advances comprising such Borrowing will not adequately reflect the cost to such Lenders of making or funding their respective Eurodollar Advances, as the case may be, for such Borrowing, the right of the Borrower to select Eurodollar Advances for such Borrowing or for any subsequent Borrowing shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be a Base Rate Advance;

(vi) if the Borrower shall fail to select the duration or continuation of any Interest Period for any Eurodollar Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.1 and paragraph (a) or (b) above, the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will be made available to the Borrower on the date of such Borrowing as Base Rate Advances and, as to existing Advances, such Advances will be Converted into Base Rate Advances at the end of the Interest Period then in effect; and

(vii) Swingline Advances may not be Converted or continued.

(d) Notices Irrevocable. Each Notice of Borrowing and Notice of Continuation or Conversion delivered by the Borrower hereunder, including its deemed request for borrowing made under Section 2.3 or Section 2.4, shall be irrevocable and binding on the Borrower.

(e) Lender Obligations Several. The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, to make its Advance on the date of such Borrowing. No Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

(f) Funding by Lenders; Administrative Agent' s Reliance. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Advances, or prior to noon on the date of any Borrowing of Base Rate Advances, that such Lender will not make available to the Administrative Agent such Lender' s share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available in accordance with and at the time required in Section 2.5 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then such Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by the Borrower, the Adjusted Base Rate plus the Applicable Margin, and (B) in the case of a payment to be made by such Lender, the lesser of (i) the Federal Funds Rate for such day and (ii) the Maximum Rate. If such Lender shall repay to the Administrative Agent such corresponding amount and interest as provided above, such corresponding amount so repaid shall constitute such Lender' s Advance as part of such Borrowing for purposes of this Agreement even though not made on the same day as the other Advances comprising such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent. A notice of the Administrative Agent to any Lender or Borrower with respect to any amount owing under this subsection (f) shall be conclusive, absent manifest error.

Section 2.6 Prepayments.

(a) Right to Prepay. The Borrower shall not have any right to prepay any principal amount of any Advance except as provided in this Section 2.6. All notices given pursuant to this Section 2.6 shall be irrevocable and binding upon the Borrower; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.1(b), then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.1(b)(iii). Each payment of any Advance pursuant to this Section 2.6 shall be made in a manner such that all Advances comprising part of the same Borrowing are paid in whole or ratably in part other than Advances owing to a Defaulting Lender as provided in Section 2.17.

(b) Optional. The Borrower may elect to prepay any Borrowing, in whole or in part, without penalty or premium except as set forth in Section 2.11 and after giving by 11:00 a.m. (Houston, Texas time) (i) in the case of Eurodollar Advances, at least three Business Days' , or (ii) in the case of Base Rate Advances, one Business Day' s prior written notice to the Administrative Agent stating the proposed date and aggregate principal amount of such prepayment. If any such notice is given, such Borrower shall

prepay Advances comprising part of the same Borrowing in whole or ratably in part in an aggregate principal amount equal to the amount specified in such notice, together with accrued interest to the date of such prepayment on the principal amount prepaid and amounts, if any, required to be paid pursuant to Section 2.11 as a result of such prepayment being made on such date; provided that (A) each optional prepayment of Eurodollar Advances shall be in a minimum amount not less than $1,000,000 and in multiple integrals of $500,000 in excess thereof, (B) each optional prepayment of Base Rate Advances shall be in a minimum amount not less than $500,000 and in multiple integrals of $100,000 in excess thereof and (C) each optional prepayment of Swingline Advances shall be in a minimum amount not less than $100,000 and in multiple integrals of $50,000 in excess thereof, except as otherwise set forth in any AutoBorrow Agreement. If an AutoBorrow Agreement is in effect, each prepayment of Swingline Advances shall be made as provided in such AutoBorrow Agreement.

(c) Mandatory. If an increase in the aggregate Commitments is effected as permitted under Section 2.16, the Borrower shall prepay any Revolving Advances outstanding on the date such increase is effected to the extent necessary to keep the outstanding Revolving Advances ratable to reflect the revised Pro Rata Shares of the Revolving Lenders arising from such increase. Any prepayment made by the Borrower in accordance with this Section 2.6(c) may be made with the proceeds of Revolving Advances made by all the applicable Revolving Lenders in connection such increase occurring simultaneously with the prepayment.

(d) Interest; Costs. Each prepayment pursuant to this Section 2.6 shall be accompanied by accrued interest on the amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.11 as a result of such prepayment being made on such date.

Section 2.7 Repayment.

(a) Revolving Advances. The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of and ratable benefit of each Revolving Lender the aggregate outstanding principal amount of all Revolving Advances on the Maturity Date.

(b) Swingline Advances. The Borrower hereby unconditionally promises to pay to the Swingline Lender (i) the aggregate outstanding principal amount of all Swingline Advances on each Swingline Payment Date, and (ii) the aggregate outstanding principal amount of all Swingline Advances outstanding on the Maturity Date.

Section 2.8 Fees.

(a) Commitment Fees. The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee on the average daily amount by which (i) such Lender' s Commitment exceeds (ii) the sum of such Lender' s outstanding Revolving Advances plus such Lender' s Pro Rata Share of the Letter of Credit Exposure, at the per annum rate equal to the Applicable Margin for Commitment

Fees for such period. Such Commitment Fee is due on a quarterly basis in arrears on March 31, June 30, September 30, and December 31 of each year commencing on June 30, 2014, and on the Maturity Date. For the avoidance of doubt and for purposes of this Section 2.8(a) only, amounts advanced as Swingline Advances shall not reduce the amount of the unused Commitments.

(b) Fees for Letters of Credit. The Borrower agrees to pay the following:

(i) Subject to Section 2.17 and the remaining provisions of this clause (i), the Borrower agrees to pay, to the Administrative Agent for the pro rata benefit of the Revolving Lenders, a per annum letter of credit fee for each Letter of Credit issued hereunder in an amount equal to the Applicable Margin for Eurodollar Advances on the face amount of such Letter of Credit for the period such Letter of Credit is outstanding, which fee shall be due and payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, and on the Maturity Date. Notwithstanding the foregoing, (A) upon the occurrence and during the continuance of an Event of Default under Section 7.1(a) or Section 7.1(g), all letter of credit fees under this clause (i) shall accrue, after as well as before judgment, at the Default Rate and (B) upon the occurrence and during the continuance of any Event of Default (including under Section 7.1(a) or Section 7.1(g)), upon the request of the Majority Lenders, all letter of credit fees under this clause (i) shall accrue, after as well as before judgment, at the Default Rate.

(ii) The Borrower agrees to pay to the Issuing Lender, a fronting fee for each Letter of Credit equal to the greater of (A) 0.125% per annum on the face amount of such Letter of Credit and (B) $750.00, which fee shall be due and payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, and on the Maturity Date.

(iii) The Borrower agrees to pay the Issuing Lender such other usual and customary fees associated with any transfers, amendments, drawings, negotiations or reissuances of any Letters of Credit. Such fees shall be due and payable as requested by the Issuing Lender in accordance with the Issuing Lender' s then current fee policy.

The Borrower shall have no right to any refund of letter of credit fees previously paid by the Borrower, including any refund claimed because any Letter of Credit is canceled prior to its expiration date.

(c) Other Fees. The Borrower agrees to pay the fees to the Administrative Agent and the Joint Lead Arrangers as set forth in the Fee Letter.

Section 2.9 Interest.

(a) Base Rate Advances. Each Base Rate Advance shall bear interest at the Adjusted Base Rate in effect from time to time plus the Applicable Margin for Base Rate Advances for such period. The Borrower shall pay to Administrative Agent for the

ratable account of each Lender all accrued but unpaid interest on such Lender' s Base Rate Advances, quarterly in arrears, on each March 31, June 30, September 30, and December 31 commencing on June 30, 2014, and on the Maturity Date.

(b) Eurodollar Advances. Each Eurodollar Advance shall bear interest during its Interest Period equal to at all times the Eurodollar Rate for such Interest Period plus the Applicable Margin for Eurodollar Advances for such period. The Borrower shall pay to the Administrative Agent for the ratable account of each Lender all accrued but unpaid interest on each of such Lender' s Eurodollar Advances on the last day of the Interest Period therefor (provided that for Eurodollar Advances with six month Interest Periods, accrued but unpaid interest shall also be due on the day three months from the first day of such Interest Period), on the date any Eurodollar Advance is repaid, and on the Maturity Date.

(c) Swingline Advances. Swingline Advances shall bear interest at the Adjusted Base Rate in effect from time to time plus the Applicable Margin for Base Rate Advances or such other per annum rate to be agreed to between the Borrower and the Swingline Lender. The Borrower shall pay all accrued but unpaid interest on each Swingline Advance to the Swingline Lender, quarterly in arrears, on each March 31, June 30, September 30, and December 31 commencing on June 30, 2014, and on the Maturity Date or such dates as otherwise agreed to between the Swingline Lender and the Borrower.

(d) Retroactive Adjustments of Applicable Margin. In the event that any financial statement or Compliance Certificate delivered pursuant to Section 5.2 is shown to be inaccurate (regardless of whether this Agreement or the Commitments are in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an "***Applicable Period***") than the Applicable Margin applied for such Applicable Period, then (i) the Borrower shall promptly deliver to the Administrative Agent a corrected Compliance Certificate for such Applicable Period, (ii) the Applicable Margin shall be determined as if the higher Applicable Margin that would have applied were applicable for such Applicable Period (and in any event at the highest level set forth in Schedule I if the inaccuracy was the result of intentional dishonesty, fraud or willful misconduct of a Responsible Officer), and (iii) the Borrower shall promptly, without further action by the Administrative Agent, any Lender or the Issuing Lender, pay to the Administrative Agent for the account of the applicable Lenders, the accrued additional interest owing as a result of such increased Applicable Margin for such Applicable Period. This Section 2.9(d) shall not limit the rights of the Administrative Agent and Lenders with respect to the Default Rate of interest as set forth in Section 2.9(e) below or Article VII. The Borrower' s obligations under this Section 2.9(d) shall survive the termination of the Commitments and the repayment of all other Obligations hereunder.

(e) Default Rate. Notwithstanding the foregoing, (i) upon the occurrence and during the continuance of an Event of Default under Section 7.1(a) or Section 7.1(g), all Obligations shall bear interest, after as well as before judgment, at the Default Rate and (ii) upon the occurrence and during the continuance of any Event of Default (including

under Section 7.1(a) or Section 7.1(g)), upon the request of the Majority Lenders, all Obligations shall bear interest, after as well as before judgment, at the Default Rate. Interest accrued pursuant to this Section 2.9(e) and all interest accrued but unpaid on or after the Maturity Date shall be due and payable on demand.

Section 2.10 Illegality. If any Lender shall notify the Borrower that the introduction of or any change in or in the interpretation of any Legal Requirement makes it unlawful, or that any central bank or other Governmental Authority asserts that it is unlawful, for such Lender or its Lending Office to perform its obligations under this Agreement to make, maintain, or fund any Eurodollar Advances of such Lender then outstanding hereunder, (a) the Borrower shall, no later than 11:00 a.m. (Houston, Texas, time) (i) if not prohibited by law, on the last day of the Interest Period for each outstanding Eurodollar Advance or (ii) if required by such notice, on the second Business Day following its receipt of such notice, prepay all of the Eurodollar Advances of such Lender then outstanding, together with accrued interest on the principal amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.11 as a result of such prepayment being made on such date, (b) such Lender shall simultaneously make a Base Rate Advance to the Borrower on such date in an amount equal to the aggregate principal amount of the Eurodollar Advances prepaid to such Lender, and (c) the right of the Borrower to select Eurodollar Advances from such Lender for any subsequent Borrowing shall be suspended until such Lender shall notify the Borrower that the circumstances causing such suspension no longer exist. Each Lender agrees to use commercially reasonable efforts (consistent with its internal policies and legal and regulatory restrictions) to designate a different Lending Office if the making of such designation would avoid the effect of this paragraph and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

Section 2.11 Breakage Costs. Within 5 Business Days of demand made by any Lender to the Borrower (with a copy to the Administrative Agent) from time to time, such Borrower shall compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment (including any deemed payment or repayment and any reallocated repayment to Non-Defaulting Lenders provided for in Section 2.17) of any Advance other than a Base Rate Advance on a day other than the last day of the Interest Period for such Advance (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make an Advance) to prepay, borrow, continue or Convert any Advance other than a Base Rate Advance on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Advance on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 2.15;

including any loss of anticipated profits, any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Advance, from fees payable to terminate the deposits from which such funds were obtained or from the

performance of any foreign exchange contract. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing. For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 2.11, the requesting Lender shall be deemed to have funded the Eurodollar Advances made by it at the Eurodollar Base Rate used in determining the Eurodollar Rate for such Advance by a matching deposit or other borrowing in the offshore interbank market for Dollars for a comparable amount and for a comparable period, whether or not such Eurodollar Advance was in fact so funded. Any notice delivered by the Administrative Agent (including on behalf of any Lender providing such notice to the Administrative Agent) setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.11 shall be delivered to Borrower and shall be conclusive and binding absent manifest error.

Section 2.12 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (or its applicable Lending Office) (except any reserve requirement included in the Eurodollar Rate) or the Issuing Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender (or its applicable Lending Office) or on the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Advances made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender (or its applicable Lending Office) or such other Recipient of making, Converting to, continuing or maintaining any loan or of maintaining its obligation to make or accept and purchase any such loan, or to increase the cost to such Lender , the Issuing Lender or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender (or its applicable Lending Office), the Issuing Lender or such other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Issuing Lender or such other Recipient, the Borrower will pay to such Lender, the Issuing Lender or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, the Issuing Lender or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or Issuing Lender determines that any Change in Law affecting such Lender or Issuing Lender or any Lending Office of such Lender or such Lender' s or Issuing Lender' s holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender' s or Issuing Lender' s capital or on the capital of such Lender' s or Issuing Lender' s holding company or any corporation controlling such Lender or the Issuing Lender, if any, as a consequence of this Agreement, the Commitments of such Lender or the Advances made by, or participations in Letters of Credit or Swingline Advances held by, such Lender, or the Letters of Credit issued by the Issuing Lender, to a level below that which such Lender, the Issuing Lender, the corporation controlling such Lender or the Issuing Lender, or such Lender' s or Issuing Lender' s holding company could have achieved but for such Change in Law (taking into consideration such Lender' s or Issuing Lender' s policies, the policies of the corporation controlling such Lender or the Issuing Lender, and the policies of such Lender' s or Issuing Lender' s holding company with respect to capital adequacy or liquidity), then from time to time upon written demand by such Lender or the Issuing Lender, as the case may be, the Borrower will pay to such Lender or Issuing Lender, such additional amount or amounts as will compensate such Lender or the Issuing Lender, the corporation controlling such Lender or the Issuing Lender, or such Lender' s or Issuing Lender' s holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or Issuing Lender setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or Issuing Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods. The Borrower shall pay such Lender or Issuing Lender, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or Issuing Lender to demand compensation pursuant to this Section 2.12 shall not constitute a waiver of such Lender' s or such Issuing Lender' s right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or Issuing Lender pursuant to this Section 2.12 for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender or Issuing Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender' s or Issuing Lender' s intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Designation of a Different Lending Office. If any Lender requests compensation under this Section 2.12 then such Lender shall use commercially reasonable efforts to designate a different Lending Office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or

assignment (i) would eliminate or reduce amounts payable pursuant to this Section 2.12 in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

Section 2.13 Payments and Computations.

(a) Payments. All payments of principal, interest, and other amounts to be made by the Borrower under this Agreement and other Credit Documents shall be made to the Administrative Agent in Dollars and in immediately available funds, without setoff, deduction, or counterclaim.

(b) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Lender hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Lender, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Lender, in immediately available funds with interest thereon (which interest shall not be borne by the Borrower), for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the lesser of (i) the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (ii) the Maximum Rate. For the avoidance of doubt, the Borrower shall continue to be obligated to pay the otherwise applicable interest on such amounts as and when due under this Agreement. A notice of the Administrative Agent to any Lender or Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Payment Procedures. The Borrower shall make each payment under this Agreement and under any other Credit Document not later than 11:00 a.m. (Houston, Texas time) on the day when due in Dollars to the Administrative Agent at the Administrative Agent' s Lending Office (or such other location as the Administrative Agent shall designate in writing to the Borrower) in immediately available funds and, as to payments of principal, accompanied by a Notice of Optional Payment or Notice of Mandatory Payment, as applicable, from the Borrower, with appropriate insertions and executed by a Responsible Officer of the Borrower. The Administrative Agent will promptly thereafter, and in any event prior to the close of business on the day any timely payment is made, cause to be distributed like funds relating to the payment of principal, interest or fees ratably (other than amounts payable solely to the Administrative Agent or a specific Lender Party pursuant to Sections 2.4, 2.10, 2.11, 2.12, 2.14, 2.15, 8.4 and 9.1 and such other provisions herein which expressly provide for payments to a specific Lender Party, but after taking into account payments effected pursuant to Section 2.13(f))

in accordance with each Lender' s Pro Rata Share to the Lenders for the account of their respective applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon receipt of other amounts due solely to a specific Lender Party, the Administrative Agent shall distribute such amounts to the appropriate party to be applied in accordance with the terms of this Agreement.

(d) Non-Business Day Payments. Whenever any payment shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be; provided that if such extension would cause payment of interest on or principal of Eurodollar Advances to be made in the next following calendar month, such payment shall be made on the immediately preceding Business Day.

(e) Computations. All computations of interest and fees shall be made by the Administrative Agent on the basis of a year of 365/366 days for Base Rate Advances based on the Adjusted Base Rate (other than Base Rate Advances based on the Federal Funds Rate or a Daily One-Month LIBOR) and a year of 360 days for all other interest and fees, in each case for the actual number of days (including the first day, but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Administrative Agent of an amount of interest or fees shall be conclusive and binding for all purposes, absent manifest error.

(f) Sharing of Payments, Etc. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Advances or other Obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Advances and accrued interest thereon or other such Obligations greater than its Pro Rata Share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Advances and such other Obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Advances and other amounts owing them; provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (y) any payment obtained by a Lender as

consideration for the assignment of or sale of a participation in any of its Advances or participations in Letter of Credit Exposure to any assignee or participant, other than to the Borrower or any Subsidiary, or any Affiliate of any of the foregoing (as to which the provisions of this paragraph shall apply).

Each Credit Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Legal Requirements, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Credit Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Credit Party in the amount of such participation.

Section 2.14 Taxes.

(a) Issuing Lender. For purposes of this Section 2.14, the term "Lender" includes the Issuing Lender and the term "applicable Legal Requirement" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Credit Party under any Credit Document shall be made without deduction or withholding for any Taxes, except as required by applicable Legal Requirement. If any applicable Legal Requirement (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Legal Requirement and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by Credit Parties. The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Legal Requirement, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by Credit Parties. The Credit Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided that no Credit Party shall be required to indemnify any Recipient pursuant to this Section 2.14(d) for any Indemnified Taxes unless such Recipient makes written demand on the applicable Credit Party for indemnification no

later than one year after the later of (i) the date on which the relevant Governmental Authority makes written demand upon such Recipient for payment of such Indemnified Taxes, and (ii) the date on which such Recipient has made payment of such Indemnified Taxes; provided further that, if the Indemnified Taxes imposed or asserted giving rise to such claims are retroactive, then the one-year period referred to above shall be extended to include the period of retroactive effect thereof. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so), (ii) any Taxes attributable to such Lender' s failure to comply with the provisions of Section 9.7(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Credit Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 2.14, such Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Legal Requirement or reasonably requested by the Borrower or the Administrative Agent as will enable

the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.14(g)(ii)(A) and (ii)(B) below) shall not be required if in the Lender' s reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable: (i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Credit Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Credit Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty; (ii) executed originals of IRS Form W-8ECI; (iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit I-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "***U.S. Tax Compliance Certificate***") and (y) executed originals of IRS Form W-8BEN; or (iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-2 or Exhibit I-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as

applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable Legal Requirement as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Legal Requirement to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Recipient under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Recipient were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Recipient shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by Legal Requirement and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable Legal Requirement (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Recipient has complied with such Recipient' s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.14 (including by the payment of additional amounts pursuant to this Section 2.14), it shall pay to the indemnifying party

an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party' s obligations under this Section 2.14 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

Section 2.15 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 2.14 or the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall (at the request of the Borrower) use commercially reasonable efforts to designate a different Lending Office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.14, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If (i) any Lender requests compensation under Section 2.12 or a Borrower is required to pay additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, (ii) any Lender suspends its obligation to continue, or Convert Advances into, Eurodollar Advances pursuant to Section 2.5(c)(iii) or Section 2.10, (iii) any Lender is a Non-Consenting Lender, or (iv) any Lender is a Defaulting Lender (any such Lender described in the preceding clauses (i) – (iv), a "***Subject Lender***"), then (x) in the case of a Defaulting Lender, the Administrative Agent may, upon notice to the Subject Lender and the Borrower, require such Defaulting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by,

Section 9.7), all of its interests, rights and obligations under this Agreement and the related Credit Documents as a Lender to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment) and (y) in the case of any Subject Lender, the Borrower may, upon notice to the Subject Lender and the Administrative Agent and at the Borrower' s sole cost and expense, require such Subject Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.7), all of its interests, rights and obligations under this Agreement and the related Credit Documents to an Eligible Assignee that shall assume such obligations (which Eligible Assignee may be another Lender, if a Lender accepts such assignment), provided that, in any event:

(A) as to assignments required by the Borrower, the Borrower shall have paid to the Administrative Agent the assignment processing and recordation fee specified in Section 9.7(a)(iv);

(B) such Subject Lender shall have received payment of an amount equal to the outstanding principal of its Advances and participations in outstanding Letter of Credit Obligations and funded participations in outstanding Swingline Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Credit Documents (including any amounts under Section 2.11 other than in the case of a Defaulting Lender) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(C) in the case of any such assignment resulting from a claim for compensation under Section 2.12 or payments required to be made pursuant to Section 2.14, such assignment will result in a reduction in such compensation or payments thereafter;

(D) such assignment does not conflict with applicable Legal Requirements; and

(E) in the event such Subject Lender is a Non-Consenting Lender, each assignee shall consent, at the time of such assignment, to each matter in respect of which such Subject Lender was a Non-Consenting Lender.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower or the Administrative Agent to require such assignment and delegation cease to apply. Solely for purposes of effecting any assignment involving a Defaulting Lender under this Section 2.15 and to the extent permitted under applicable Legal Requirements, each Lender hereby designates and appoints the Administrative Agent as true and lawful agent and attorney-in-fact, with full power and authority, for and on behalf of and in the name of such Lender to execute, acknowledge and deliver the Assignment and Assumption required hereunder if such Lender is a Defaulting Lender and such Lender shall be bound thereby as fully and effectively as if such Lender had personally executed, acknowledged and delivered the same. In lieu of the Borrower or the Administrative Agent replacing a Defaulting Lender as provided in this Section 2.15, the Borrower may terminate such Defaulting Lender' s applicable Commitments as provided in Section 2.1(b)(ii).

Section 2.16 Increase in Commitments.

(a) At any time prior to the Business Day immediately preceding the Maturity Date, the Borrower may effectuate one or more increases in the Commitments (each such increase being a "***Commitment Increase***"), by designating either one or more of the existing Lenders (each of which, in its sole discretion, may determine whether and to what degree to participate in such Commitment Increase) or one or more other Eligible Assignees that at the time agree, in the case of any such Eligible Assignee that is an existing Lender to increase its Commitment as such Lender shall so select (an "***Increasing Lender***") and, in the case of any other Eligible Assignee that is not an existing Lender (an "***Additional Lender***"), to become a party to this Agreement as a Lender; provided, however, that (i) each such Commitment Increase shall be equal to at least $5,000,000, (ii) all Commitments and Advances provided pursuant to a Commitment Increase shall be available on the same terms as those applicable to the corresponding type of Commitments and Advances except as to upfront fees which may be as agreed to between the Borrower and such Increasing Lender or Additional Lender, as the case may be, and (iii) the aggregate of all such Commitment Increases shall not exceed $50,000,000. The Borrower shall provide prompt notice of such proposed Commitment Increase pursuant to this Section 2.16 to the Administrative Agent and the Lenders. This Section 2.16 shall not be construed to create any obligation on the Administrative Agent or any Lender to advance or to commit to advance any credit to the Borrower or to arrange for any other Person to advance or to commit to advance any credit to the Borrower.

(b) The Commitment Increase shall become effective on the date (the "***Increase Date***") on or prior to which each of following conditions shall have been satisfied: (i) the receipt by the Administrative Agent of (A) an agreement in form and substance reasonably satisfactory to the Administrative Agent signed by the Borrower, each Increasing Lender and/or each Additional Lender, setting forth the Commitments, if any, of each such Increasing Lender and/or Additional Lender and, if applicable, setting forth the agreement of each Additional Lender to become a party to this Agreement and to be bound by all the terms and provisions hereof binding upon each Lender, and (B) such evidence of appropriate authorization on the part of the Borrower with respect to such Commitment Increase and such legal opinions as the Administrative Agent may reasonably request, (ii) the funding by each Increasing Lender and Additional Lender of the Advances to be made by each such Lender to effect the prepayment requirement set forth in Section 2.6(c), (iii) receipt by the Administrative Agent of a certificate of an authorized officer of the Borrower certifying (A) both before and after giving effect to such Commitment Increase, no Default has occurred and is continuing, (B) all representations and warranties made by the Borrower in this Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), unless such representation or warranty relates to an earlier

date which remains true and correct in all material respects as of such earlier date (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), and (C) the pro forma compliance with the covenants in Section 6.16 and Section 6.17, after giving effect to such Commitment Increase, and (iv) receipt by the Increasing Lender or Additional Lender, as applicable, of all such fees as agreed to between such Increasing Lender and/or Additional Lender and the Borrower.

(c) Notwithstanding any provision contained herein to the contrary, from and after the date of such Commitment Increase, all calculations and payments of interest on the Advances shall take into account the actual Commitments of each Lender and the principal amount outstanding of each Advance made by such Lender during the relevant period of time.

(d) On any Increase Date, each Revolving Lender' s share of the applicable Letter of Credit Exposure on such date shall automatically be deemed to equal such Revolving Lender' s Pro Rata Share of such Letter of Credit Obligations (such Pro Rata Share for such Revolving Lender to be determined as of the Increase Date after giving effect to such Commitment Increase) without further action by any party.

Section 2.17 Defaulting Lender Provisions.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Legal Requirement:

(i) Waivers and Amendments. Such Defaulting Lender' s right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Majority Lenders".

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 7.4 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Lender or Swingline Lender hereunder; third, to Cash Collateralize the Issuing Lender' s Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.3(i) and the Swingline Lender' s Fronting Exposure, if any, with respect to such Defaulting Lender; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by

the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender' s current or potential future funding obligations with respect to Advances under this Agreement and (y) Cash Collateralize the Issuing Lender' s future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.3(i) and the Swingline Lender' s Fronting Exposure with respect to such Defaulting Lender with respect to future Swingline Advances; sixth, to the payment of any amounts owing to the Lenders, the Issuing Lender or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Lender or Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender' s breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender' s breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Advances or Letter of Credit Obligations in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 3.2 were satisfied or waived, such payment shall be applied solely to pay the Advances of, and Letter of Credit Obligations owed to, all Non-Defaulting Lenders on the applicable pro rata basis prior to being applied to the payment of any Advances of, or Letter of Credit Obligations owed to, such Defaulting Lender until such time as all Advances and funded and unfunded participations in Letter of Credit Obligations and Swingline Advances are held by the Revolving Lenders pro rata in accordance with the applicable Commitments without giving effect to Section 2.17(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.17(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) No Defaulting Lender shall be entitled to receive fees under Section 2.8(b)(i) or (ii), for any period during which that Lender is a Defaulting Lender, except to the extent allocable to its Pro Rata Share of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.3(i).

(C) With respect to any fee under Section 2.8(b)(i) or (ii) not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender' s participation in Letter of Credit Exposure that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the Issuing Lender and the Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to the Issuing Lender' s or Swingline Lender' s Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender' s participation in Letter of Credit Obligations and Swingline Advances shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Pro Rata Shares (calculated without regard to such Defaulting Lender' s Commitment) but only to the extent that (x) the conditions set forth in Section 3.2 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Outstandings of any Non-Defaulting Lender to exceed such Non-Defaulting Lender' s Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender' s increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swingline Advances. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under any Legal Requirement, (x) first, within two Business Days, prepay Swingline Advances in an amount equal to the Swingline Lender' s Fronting Exposure and (y) second, within three Business Days, Cash Collateralize the Issuing Lender' s Fronting Exposure in accordance with the procedures set forth in Section 2.3(i).

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swingline Lender and the Issuing Lender agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Revolving Advances of the other Lenders or take such other actions as the Administrative

Agent may determine to be necessary to cause the Advances and funded and unfunded participations in Letters of Credit and Swingline Advances to be held pro rata by the Lenders in accordance with the applicable Commitments (without giving effect to Section 2.17(a)(iv), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender' s having been a Defaulting Lender. Notwithstanding the above, the Borrower' s and the Administrative Agent' s right to replace a Defaulting Lender pursuant to this Agreement shall be in addition to, and not in lieu of, all other rights and remedies available to the Borrower or the Administrative Agent against such Defaulting Lender under this Agreement, at law, in equity or by statute.

ARTICLE III
CONDITIONS PRECEDENT

Section 3.1 Conditions Precedent to Initial Borrowings and the Initial Letter of Credit. The obligations of each Lender to make the initial Advance and for the Issuing Lender to issue the initial Letters of Credit shall be subject to the conditions precedent that:

(a) Documentation. The Administrative Agent shall have received the following, duly executed by all the parties thereto, in form and substance reasonably satisfactory to the Administrative Agent and the Lenders:

(i) this Agreement and all attached Exhibits and Schedules and the Notes payable to each Lender requesting a Note;

(ii) the Guaranty executed by the Borrower and all Subsidiaries existing on the Closing Date;

(iii) the Security Agreement executed by the Borrower and each Subsidiary existing on the Closing Date, together with (A) appropriate UCC-1 financing statements and intellectual property security agreements, if any, necessary for filing with the appropriate authorities, (B) certificates, together with undated, blank stock powers for each such certificate, representing all of the issued and outstanding Equity Interests of each of the Borrower' s Subsidiaries required in connection with the Security Agreement, and (C) any other documents, agreements, or instruments necessary to create, perfect or maintain an Acceptable Security Interest in the Collateral;

(iv) appropriate UCC and intellectual property search reports for the Borrower and its Subsidiaries reflecting no prior Liens (other than Permitted Liens) encumbering the properties of the Borrower and its Subsidiaries;

(v) certificates of insurance naming the Administrative Agent as loss payee with respect to property insurance, or additional insured with respect to liability insurance, and covering the Borrower' s and its Subsidiaries' Properties with such insurance carriers, for such amounts and covering such risks as required by Section 5.3;

(vi) a certificate from an authorized officer of the Borrower dated as of the Closing Date stating that as of such date (A) all representations and warranties of the Borrower set forth in this Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), (B) no Default has occurred and is continuing; and (C) all conditions precedent set forth in this Section 3.1 have been met or waived;

(vii) a secretary' s certificate from each Credit Party certifying such Person' s (A) officers' incumbency, (B) authorizing resolutions, (C) organizational documents, and (D) governmental approvals, if any, with respect to the Credit Documents to which such Person is a party;

(viii) certificates of good standing for each Credit Party in the state in which each such Person is organized, which certificates shall be (A) dated a date not earlier than 30 days prior to Closing Date or (B) otherwise effective on the Closing Date;

(ix) legal opinions of (A) Vinson & Elkins LLP, as special counsel to the Credit Parties, (B) Miller, Canfield, Paddock and Stone, P.L.C., as Michigan counsel to the Credit Parties, (C) Hall, Estill, Hardwick, Gable, Golden & Nelson, P.C., as Oklahoma counsel to the Credit Parties, and (D) Dray, Dyekman, Reed & Healey P.C., as Wyoming counsel to the Credit Parties, each in form and substance reasonably acceptable to the Administrative Agent; and

(x) such other documents, governmental certificates, agreements, and lien searches as any Lender Party may reasonably request.

(b) Consents; Authorization; Conflicts. The Borrower shall have received any consents, permits, licenses and approvals of any Governmental Authority or any other Person and required in accordance with applicable Legal Requirement, or in accordance with any document, agreement, instrument or arrangement to which any Credit Party is a party, in connection with the execution, delivery, performance, validity and enforceability of this Agreement and the other Credit Documents other than immaterial consents, licenses or approvals the absence of which would not reasonably be expected to be adverse to any Secured Party. In addition, the Borrower and the Subsidiaries shall have all such material consents, licenses and approvals required in connection with the continued operation of the Borrower and the Subsidiaries, and such approvals shall be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on this Agreement and the actions contemplated hereby.

(c) Representations and Warranties. The representations and warranties contained in Article IV and in each other Credit Document shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the Closing Date before and after giving effect to the initial Borrowing or issuance of Letters of Credit and to the application of the proceeds from such Borrowing, as though made on and as of such date.

(d) Payment of Fees. The Borrower shall have paid the fees and expenses required to be paid as of the Closing Date by Section 2.8(c) and Section 9.1(a) (other than legal fees) or any other provision of a Credit Document. The Borrower shall have paid the legal fees for the Administrative Agent' s counsel as required under Section 9.1 to the extent such fees have been invoiced at least two Business Days prior to the Closing Date.

(e) Other Proceedings. No action, suit, investigation or other proceeding by or before any arbitrator or any Governmental Authority shall be threatened or pending and no preliminary or permanent injunction or order by a state or federal court shall have been entered in connection with this Agreement, any other Credit Document, or any of the Transactions.

(f) Other Reports. The Administrative Agent shall have received, in form and substance reasonably satisfactory to it, all environmental reports, and such other reports, audits or certifications as it may reasonably request.

(g) Material Adverse Change. Since December 31, 2013, there shall not have occurred any event or circumstance that could reasonably be expected to result in a Material Adverse Change.

(h) No Default. No Default shall have occurred and be continuing.

(i) Solvency. The Administrative Agent shall have received a certificate in form and substance reasonably satisfactory to the Administrative Agent from the chief financial officer or such other officer acceptable to the Administrative Agent of the Borrower certifying that, after giving effect to the initial Borrowings made hereunder on the Closing Date and the other Transactions, the Credit Parties, taken as a whole, are Solvent.

(j) Delivery of Financial Statements; Projections. The Administrative Agent shall have received (i) audited financial statements of RedZone for the fiscal years ending December 31, 2012 and December 31, 2013, (ii) audited consolidated financial statements of the Borrower for the fiscal year ending December 31, 2013, and (iii) unaudited financial statements of each of RedZone and the Borrower for each month of 2014 through February. The Administrative Agent shall have also received projections prepared by management of balance sheets, income statements and cashflow statements of the Borrower and its Subsidiaries, after giving pro forma effect to the Transactions, which shall be quarterly for the first year after the Closing Date and annually thereafter through December 31, 2018.

(k) Notice of Borrowing. The Administrative Agent shall have received a Notice of Borrowing from the Borrower, with appropriate insertions and executed by an authorized Responsible Officer of the Borrower.

(l) Payment in Full of Existing Debt. Prior to, or concurrently with, the making of the initial Advances hereunder, all Debt, including Debt under the Existing Credit Agreements, of the Borrower and its Subsidiaries other than Permitted Debt shall have been paid in full and the Administrative Agent shall have received a "pay-off" letter (or such other evidence) in form and substance reasonably satisfactory to the Administrative Agent with respect to all such Debt being refinanced with the initial Advances to be made hereunder; and arrangements satisfactory to the Administrative Agent shall have been made with any Person holding any Lien securing any such Debt for the release and delivery of such UCC (or equivalent) termination statements, mortgage releases, releases of assignments of leases and rents, and other instruments, in each case in proper form for recording or filing, as the Administrative Agent shall have requested to release and terminate of record the Liens securing such Debt.

(m) USA Patriot Act. The Administrative Agent and the Lenders shall have received all documentation and other information that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act.

(n) Closing Date Leverage Ratio. The Closing Date Leverage Ratio shall be no greater than 2.75 to 1.00 and the Administrative Agent shall have received a duly completed certificate executed by a Responsible Officer of the Borrower setting forth a calculation of such Closing Date Leverage Ratio, in form and substance satisfactory to the Administrative Agent (including a reasonably detailed calculation of Closing Date EBITDA).

(o) Pro Forma Structure. The pro forma capital and ownership structure and the equityholder arrangements of the Borrower and its Subsidiaries (and all agreements relating thereto), after giving pro forma effect to the Transactions, will be reasonably satisfactory to the Administrative Agent and the Lenders.

(p) Compliance with Law. The Borrower and its Subsidiaries shall be in compliance with all Legal Requirements which are applicable to such Persons, including the operations, business or Property of such Persons, except in any case where the failure to be in compliance could not reasonably be expected to result in a Material Adverse Change or affect the consummation or the legality of the Transactions.

(q) Liquidity. The Administrative Agent shall have received evidence satisfactory to it that, after giving effect to the Transactions, Liquidity is greater than or equal to $15,000,000.

(r) Material Contracts. The Administrative Agent shall have received copies of, and be reasonably satisfied with its review of, all material contracts of the Borrower and its Subsidiaries (including RedZone and its Subsidiaries, if any).

(s) Closing Date Acquisition; Closing Date Acquisition Agreement. The Closing Date Acquisition shall have been, or shall contemporaneously with the Closing Date be, consummated in accordance with the terms and conditions of the Closing Date Acquisition Agreement without giving effect to any waiver, modification or consent by any party thereunder that is materially adverse to the interest of the Lenders (as reasonably determined by the Administrative Agent) unless approved by the Administrative Agent. The Administrative Agent shall have received (i) a copy of the Closing Date Acquisition Agreement and all exhibits and schedules thereto, certified by a Responsible Officer of the Borrower as being true, correct and complete copies thereof, and (ii) evidence in form and substance reasonably satisfactory to the Administrative Agent that all consents and approvals required pursuant to the terms of the Closing Date Acquisition Agreement have been obtained.

Section 3.2 Conditions Precedent to Each Credit Extension. The obligation of each Lender to make any Credit Extension on the occasion of each Borrowing (including the initial Borrowing), the obligation of each Issuing Lender to make any Credit Extension, the obligation of each Swingline Lender to make Swingline Advances, and any reallocation provided in Section 2.17, in each case, shall be subject to the further conditions precedent that on the date of such Borrowing, such Credit Extension or such reallocation:

(a) Representations and Warranties. As of the date of the making of such Credit Extension, Borrowing or reallocation, the representations and warranties made by any Credit Party or any officer of any Credit Party contained in the Credit Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on such date, except that any representation and warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date and each request for the making of any Borrowing, Credit Extension or reallocation, and the making of such Borrowing, Credit Extension or reallocation shall be deemed to be a reaffirmation of such representations and warranties. Each of the giving of the applicable Notice of Borrowing or Letter of Credit Application, the acceptance by the Borrower of the proceeds of such Borrowing or such Credit Extension, or the benefits of any reallocation, shall constitute a representation and warranty by the Borrower that on the date of such Borrowing, Credit Extension or reallocation, as applicable, the foregoing condition has been met.

(b) Event of Default. As of the date of each Borrowing, Credit Extension or reallocation, no Default or Event of Default shall exist, and the making of such Borrowing, Credit Extension, or reallocation would not cause a Default or Event of Default. Each of the giving of the applicable Notice of Borrowing or Letter of Credit Application, the acceptance by the Borrower of the proceeds of such Borrowing or such Credit Extension or the benefits of any reallocation, shall constitute a representation and warranty by the Borrower that on the date of such Borrowing, Credit Extension or reallocation, as applicable, the foregoing condition has been met.

(c) Notice of Borrowing; Letter of Credit. The Administrative Agent shall have received a Notice of Borrowing in accordance with Section 2.5(a) or the Administrative Agent and the Issuing Lender shall have received a Letter of Credit Application in accordance with Section 2.3(b), as the case may be.

Section 3.3 Determinations Under Section 3.1 and Section 3.2. For purposes of determining compliance with the conditions specified in Section 3.1 and Section 3.2, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Administrative Agent responsible for the transactions contemplated by the Credit Documents shall have received written notice from such Lender prior to the Credit Extensions hereunder specifying its objection thereto and such Lender shall not have made available to the Administrative Agent such Lender' s Credit Extensions.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants as follows:

Section 4.1 Organization. The Borrower and each of its Subsidiaries are duly and validly organized and existing and in good standing under the laws of its jurisdiction of incorporation or formation. The Borrower and each of its Subsidiaries are authorized to do business and is in good standing in all jurisdictions in which such qualifications or authorizations are necessary except where the failure to be so qualified or authorized could not reasonably be expected to result in a Material Adverse Change. As of the Closing Date, each Credit Party' s type of organization and jurisdiction of incorporation or formation are set forth on Schedule 4.1.

Section 4.2 Authorization. The execution, delivery, and performance by each Credit Party of each Credit Document to which such Credit Party is a party and the consummation of the transactions contemplated thereby (a) are within such Credit Party' s organizational powers, (b) have been duly authorized by all necessary corporate, limited liability company or partnership action, as applicable, of such Credit Party, (c) do not contravene any articles or certificate of incorporation or bylaws, partnership or limited liability company agreement, as applicable, binding on or affecting such Credit Party, (d) do not contravene any Legal Requirement or any contractual restriction binding on or affecting such Credit Party except for immaterial laws or contractual restrictions the noncompliance with which would not reasonably be expected to be adverse to any Secured Party, (e) do not result in or require the creation or imposition of any Lien prohibited by this Agreement, and (f) do not require any authorization or approval or other action by, or any notice or filing with, any Governmental Authority except for immaterial authorizations, approvals, other actions, notices or filings the failure to obtain of which would not reasonably be expected to be adverse to any Secured Party. At the time of each Credit Extension, such Credit Extension and the use of the proceeds of such Credit Extension are within the Borrower' s corporate powers, have been duly authorized by all necessary action, do not contravene (i) the Borrower' s certificate of incorporation, bylaws or other organizational documents, or (ii) any Legal Requirement or any contractual restriction binding on or affecting the Borrower, will not result in or require the creation or imposition of any Lien prohibited by this Agreement, and do not require any authorization or approval or other action by, or any notice or filing with, any Governmental Authority.

Section 4.3 Enforceability. The Credit Documents have each been duly executed and delivered by each Credit Party that is a party thereto and each Credit Document constitutes the legal, valid, and binding obligation of each Credit Party that is a party thereto enforceable against such Credit Party in accordance with its terms, except as limited by applicable Debtor Relief Laws or similar laws at the time in effect affecting the rights of creditors generally and by general principles of equity whether applied by a court of law or equity.

Section 4.4 Financial Condition.

(a) The Borrower has delivered to the Lenders the financial statements identified in Section 3.1(j) and such financial statements were prepared in accordance with GAAP (except as otherwise noted therein) and fairly present, in all material respects, the financial condition of the Persons covered thereby as of the respective dates thereof for the periods covered therein, subject, in the case of unaudited financial statements, to normal year-end adjustments and the absence of footnotes. As of the Closing Date, there were no material contingent obligations, liabilities for taxes, unusual forward or long-term commitments, or unrealized or anticipated losses of the applicable Persons, except as disclosed in the most recent financial statements identified in Section 3.1(j) and for which adequate reserves have been made in accordance with GAAP or arising from the Transactions.

(b) Since the Closing Date, after giving pro forma effect to the Transactions, no event or condition has occurred that could reasonably be expected to result in a Material Adverse Change.

Section 4.5 Ownership and Liens; Real Property. Each Credit Party (a) has good and marketable fee simple title to, or a valid leasehold interest or easement in, all Material Real Property, and good title to all material personal Property used in its business, and (b) none of the Property owned by the Borrower or a Subsidiary is subject to any Lien except Permitted Liens. As of the Closing Date, the Credit Parties do not own any real property other than that listed on Schedule 4.5 (none of which real property is Material Real Property) and all equipment owned by the Credit Parties and used in the Credit Parties' business is located at real Property owned by the Credit Parties or is located at the locations listed on Schedule 4.5 (other than office equipment or equipment located on job sites or in transit).

Section 4.6 True and Complete Disclosure. All written factual information (whether delivered before or after the date of this Agreement) prepared by or on behalf of the Borrower and its Subsidiaries and furnished to any Lender Party for purposes of or in connection with this Agreement or any other Credit Document, taken as a whole, does not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein not misleading as of the date such information is dated or certified. There is no fact known to any Responsible Officer of any Credit Party on the date of this Agreement that has not been disclosed to the Administrative Agent that could reasonably be expected to result in a Material Adverse Change. All projections, estimates, budgets, and pro forma financial information

furnished by the Borrower or any of its Subsidiaries (or on behalf of the Borrower or any such Subsidiary), were prepared on the basis of assumptions, data, information, tests, or conditions (including current and reasonably foreseeable business conditions) believed to be reasonable at the time such projections, estimates, and pro forma financial information were furnished (it being recognized by the Lender Parties, however, that projections as to future events are not to be viewed as facts and that results during the period(s) covered by such projections may differ from the projected results and that such differences may be material and that the Credit Parties make no representation that such projections will be realized).

Section 4.7 Litigation. There are no actions, suits, or proceedings pending or, to any Credit Party' s knowledge, threatened against the Borrower or any Subsidiary, at law, in equity, or in admiralty, or by or before any Governmental Authority, which could reasonably be expected to result in a Material Adverse Change. Additionally, except as disclosed in writing to the Administrative Agent, there is no pending or, to the knowledge of any Credit Party, threatened action or proceeding instituted against the Borrower or any Subsidiary which seeks to adjudicate the Borrower or any Subsidiary as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any Debtor Relief Law, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its Property.

Section 4.8 Compliance with Agreements.

(a) Neither the Borrower nor any of its Subsidiaries is a party to any indenture, loan or credit agreement or any lease or any other types of agreement or instrument or subject to any charter or corporate restriction or provision of applicable Legal Requirements the performance of or compliance with which could reasonably be expected to result in a Material Adverse Change. Neither the Borrower nor any of its Subsidiaries is in default under or with respect to any contract, agreement, lease or any other types of agreement or instrument to which the Borrower or such Subsidiary is a party and which could reasonably be expected to result in a Material Adverse Change. To the knowledge of the Credit Parties, neither the Borrower nor any of its Subsidiaries is in default under, or has received a notice of default under, any contract, agreement, lease or any other document or instrument to which the Borrower or its Subsidiaries is a party which is continuing and which, if not cured, could reasonably be expected to result in a Material Adverse Change.

(b) No Default has occurred and is continuing.

Section 4.9 Pension Plans. (a) Except for matters that could not reasonably be expected to result in a Material Adverse Change, all Plans are in compliance with all applicable provisions of ERISA, (b) no Termination Event has occurred with respect to any Plan that would result in an Event of Default under Section 7.1(j), and, except for matters that could not reasonably be expected to result in a Material Adverse Change, each Plan has complied with and been administered in accordance with applicable provisions of ERISA and the Code, (c) no "accumulated funding deficiency" (as defined in Section 302 of ERISA) has occurred with respect to any Plan, and for plan years after December 31, 2007, no unpaid minimum required

contribution exists with respect to any Plan, and there has been no excise tax imposed under Section 4971 of the Code with respect to any Plan, (d) the present value of all benefits vested under each Plan (based on the assumptions used to fund such Plan) did not, as of the last annual valuation date applicable thereto, exceed the value of the assets of such Plan allocable to such vested benefits in an amount that could reasonably be expected to result in a Material Adverse Change, (e) neither the Borrower nor any member of the Controlled Group has had a complete or partial withdrawal from any Multiemployer Plan for which there is any unsatisfied withdrawal liability that could reasonably be expected to result in a Material Adverse Change or an Event of Default under Section 7.1(i), and (f) neither the Borrower nor any member of the Controlled Group has incurred any liability as a result of a Multiemployer Plan being in reorganization or insolvent that could reasonably be expected to result in a Material Adverse Change. Based upon GAAP existing as of the date of this Agreement and current factual circumstances, neither the Borrower nor any Subsidiary has any reason to believe that the annual cost during the term of this Agreement to the Borrower or any Subsidiary for post-retirement benefits to be provided to the current and former employees of the Borrower or any Subsidiary under Plans that are welfare benefit plans (as defined in Section 3(1) of ERISA) could, in the aggregate, reasonably be expected to result in a Material Adverse Change.

Section 4.10 Environmental Condition. Except as set forth on Schedule 4.10:

(a) Permits, Etc. The Borrower and each Subsidiary (i) has obtained all material Environmental Permits necessary for the ownership and operation of its Properties and the conduct of its businesses; (ii) is and, during the relevant time periods specified under applicable statutes of limitation, has been in material compliance with all terms and conditions of such Environmental Permits and with all other material requirements of applicable Environmental Laws; (iii) has not received written notice of any material violation or alleged material violation of any Environmental Law or Environmental Permit; and (iv) is not subject to any actual or contingent Environmental Claim which could reasonably be expected to result in a Material Adverse Change.

(b) Certain Liabilities. To the Borrower' s and each Subsidiary' s knowledge, none of the present or previously owned or operated Property of any Credit Party or of any Subsidiary thereof, wherever located, (i) has been placed on or proposed to be placed on the National Priorities List, the Comprehensive Environmental Response Compensation Liability Information System list, or their state or local analogs, or have been otherwise investigated, designated, listed, or identified by a Governmental Authority as a potential site for removal, remediation, cleanup, closure, restoration, reclamation, or other Response activity under any Environmental Laws; (ii) is subject to a Lien, arising under or in connection with any Environmental Laws, that attaches to any revenues or to any Property owned or operated by the Borrower or any Subsidiary, wherever located, which could reasonably be expected to result in a Material Adverse Change; or (iii) has been the site of any Release of Hazardous Substances or Hazardous Wastes from present or past operations which has caused at the site or at any third-party site any condition that has resulted in or could reasonably be expected to result in the need for Response that could result in a Material Adverse Change.

(c) Certain Actions. Without limiting the foregoing, (i) all necessary material notices have been properly filed, and no further material action is required under current applicable Environmental Law as to each Response or other restoration or remedial project required to be undertaken by the Borrower, any of its Subsidiaries or any of the Borrower' s or such Subsidiary' s former Subsidiaries pursuant to any Environmental Law, on any of their presently or formerly owned or operated Property and (ii) the present and, to the Credit Parties' knowledge, future liability, if any, of the Borrower or of any Subsidiary which could reasonably be expected to arise in connection with requirements under Environmental Laws is not expected to result in a Material Adverse Change.

Section 4.11 Subsidiaries. As of the Closing Date, the Borrower has no Subsidiaries other than those listed on Schedule 4.11. Each Subsidiary (including any such Subsidiary formed or acquired subsequent to the Closing Date) has complied with the requirements of Section 5.6.

Section 4.12 Investment Company Act. Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 4.13 Taxes. Proper and accurate (in all material respects), all federal returns and all material state, local and foreign Tax returns, reports and statements required to be filed (after giving effect to any extension granted in the time for filing) by the Borrower and each Subsidiary or any member of an affiliated group of the Borrower and such Subsidiaries as determined under Section 1504 of the Code (hereafter collectively called the "***Tax Group***") have been filed with the appropriate Governmental Authorities, and all Taxes (which are material in amount) and other impositions (which are material in amount) due and payable have been timely paid prior to the date on which any fine, penalty, interest, late charge or loss may be added thereto for non-payment thereof except where contested in good faith and by appropriate proceeding. Neither the Borrower, nor any Subsidiary, nor any member of the Tax Group has given, or been requested to give, a waiver of the statute of limitations relating to the payment of any federal, state, local or foreign taxes. Proper and accurate amounts have been withheld by the Borrower and each Subsidiary and all other members of the Tax Group from their employees for all periods to comply in all material respects with the tax, social security and unemployment withholding provisions of applicable federal, state, local and foreign law.

Section 4.14 Permits, Licenses, etc. Each of the Borrower and its Subsidiaries possesses all permits, licenses, patents, patent rights or licenses, trademarks, trademark rights, trade names rights, and copyrights which are material to the conduct of its business. Each of the Borrower and its Subsidiaries manages and operates its business in accordance with all applicable Legal Requirements except where the failure to so manage or operate could not reasonably be expected to result in a Material Adverse Change; provided that this Section 4.14 does not apply with respect to Environmental Permits.

Section 4.15 Use of Proceeds. The proceeds of the Advances and Letters of Credit will be used by the Borrower for the purposes described in Section 6.6. No Credit Party is engaged in the business of purchasing or carrying margin stock (within the meaning of Regulation U) or in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U). Neither proceeds of any Advance nor any Letter of Credit will be used to purchase or carry any margin stock in violation of Regulation T, U, or X.

Section 4.16 Condition of Property; Casualties. The material Properties used or to be used in the continuing operations of the Borrower and its Subsidiaries, taken as a whole, are in good working order and condition, normal wear and tear excepted. Neither the business nor the material Properties of the Borrower or any Subsidiary has been affected as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labor disturbance, embargo, requisition or taking of Property or cancellation of contracts, permits or concessions by a Governmental Authority, riot, activities of armed forces or acts of God or of any public enemy, which effect could reasonably be expected to result in a Material Adverse Change.

Section 4.17 Insurance. Each of the Borrower and its Subsidiaries carries insurance (which may be carried by the Borrower on a consolidated basis) with reputable insurers in respect of such of their respective Properties, in such amounts and against such risks as is customarily maintained by other Persons of similar size engaged in similar businesses or, self-insure to the extent that is customary for Persons of similar size engaged in similar businesses.

Section 4.18 Security Interest. Each Credit Party has authorized the filing of financing statements sufficient when filed to perfect the Lien created by the Security Documents to the extent such Lien can be perfected by filing financing statements. When such financing statements are filed in the offices noted therein, the Administrative Agent will have, for the benefit of the Secured Parties, a valid and perfected security interest in all Collateral that is capable of being perfected by filing financing statements (excluding, for perfection purposes, the Excluded Perfection Collateral).

Section 4.19 OFAC; Anti-Terrorism. No Credit Party nor any of its Subsidiaries or, to their knowledge, any of their Related Parties (a) is an "enemy" or an "ally of the enemy" within the meaning of Section 2 of the Trading with the Enemy Act of the United States (50 U.S.C. App. §§ 1 et seq.), (b) is in violation of (i) the Trading with the Enemy Act, (ii) any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V) or any enabling legislation or executive order relating thereto or (iii) the PATRIOT Act (collectively, the "***Anti-Terrorism Laws***"), (c) is a Sanctioned Person, (d) has its assets located in a Sanctioned Person or a Sanctioned Country, or (e) derives revenues from investments in, or transactions with, any Sanctioned Person or Sanctioned Country. Each of the Borrower and its Subsidiaries is in compliance with each Legal Requirement not otherwise addressed above but relating to money laundering or terrorist financing, including, without limitation, the Bank Secrecy Act, 31 U.S.C. sections 5301 et seq.; Laundering of Monetary Instruments, 18 U.S.C. section 1956; Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity, 18 U.S.C. section 1957; the Financial Recordkeeping and Reporting of Currency and Foreign Transactions Regulations, 31 C.F.R. Part 103; and any similar laws or regulations currently in force or hereafter enacted. Neither any Letter of Credit nor any part of the proceeds of the Advances (x) will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, assuming in all cases that such Act applies

to the Borrower and its Subsidiaries, or (y) will be unlawfully used directly or indirectly to fund any operations in, finance any investments or activities in or make any payments to, a Sanctioned Person or a Sanctioned Country, or in any other manner that will result in any violation by any Person (including any Lender, the Arranger, the Administrative Agent, the Issuing Lender or the Swingline Lender) of any Anti-Terrorism Laws or any Sanctions.

Section 4.20 Solvency. Upon consummation of the Closing Date Acquisition and before and after giving effect to the making of each Credit Extension, the Credit Parties are, when taken as a whole, Solvent.

Section 4.21 Intellectual Property; Licenses, Etc. Each Credit Party owns, or possesses the right to use, all of the trademarks, trademark rights, service marks, trade names, trade name rights, copyrights, patents, patent rights, licenses and other intellectual property rights (collectively, "*IP Rights*") that are reasonably necessary for the operation of their respective businesses or that are material to the conduct of its business. To the best knowledge of the Borrower, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the Borrower or any Subsidiary infringes upon any rights held by any other Person in a manner that would reasonably be expected to result in a Material Adverse Change. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Borrower, threatened, against any Credit Party, or their use thereof, which, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change.

ARTICLE V
AFFIRMATIVE COVENANTS

So long as any Obligation shall remain unpaid, any Lender shall have any Commitment hereunder, or there shall exist any Letter of Credit Exposure (unless such Letter of Credit Exposure shall have been Cash Collateralized on terms and in amounts reasonably acceptable to the Issuing Lender), each Credit Party agrees to comply with the following covenants.

Section 5.1 Organization. Each Credit Party shall, and shall cause each of its respective Subsidiaries to, preserve and maintain its partnership, limited liability company or corporate existence, rights, franchises and privileges in the jurisdiction of its organization. Each Credit Party shall, and shall cause each of its respective Subsidiaries to qualify and remain qualified as a foreign business entity in each jurisdiction in which qualification is necessary or desirable in view of its business and operations or the ownership of its Properties, except where failure to so qualify could not reasonably be expected to result in a Material Adverse Change. Nothing contained in this Section 5.1 shall prevent any transaction permitted by Section 6.7 or Section 6.8.

Section 5.2 Reporting.

(a) Annual Financial Reports. The Borrower shall provide, or shall cause to be provided, to the Administrative Agent, as soon as available, but in any event within 120 days after the end of each fiscal year of the Borrower ending on or after December 31, 2014, (i) consolidated and consolidating balance sheets of the Borrower and its

Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, such consolidated statements to be audited and accompanied by a report and opinion of any independent certified public accountant of nationally or regionally recognized standing reasonably acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with GAAP and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit, and such consolidated statements to be certified by the chief executive officer, chief financial officer, director of finance or controller of the Borrower to the effect that such statements fairly present, in all material respects, the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP.

(b) Quarterly Financial Reports. The Borrower shall provide, or shall cause to be provided, to the Administrative Agent, as soon as available, but in any event within 60 days after the end of the fiscal quarter ending June 30, 2014 and thereafter within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (commencing with the fiscal quarter ending September 30, 2014), (i) a consolidated and consolidating balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the Borrower' s fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, such statements to be certified by the chief executive officer, chief financial officer, director of finance or controller of the Borrower as fairly presenting, in all material respects, the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year- end audit adjustments and the absence of footnotes.

(c) Compliance Certificate. Concurrently with the delivery of the financial statements referred to in Section 5.2(a) and (b) above, the Borrower shall provide to the Administrative Agent a duly completed Compliance Certificate signed by a Responsible Officer of the Borrower and attaching thereto detailed supporting information for the calculations made thereunder.

(d) Annual Budget. As soon as available and in any event within 60 days after the end of each fiscal year of the Borrower, commencing with the fiscal year 2014, the Borrower shall provide to the Administrative Agent an annual budget consisting of projected balance sheets, income statements and cash flow statements for the immediately following fiscal year and reasonably detailed on a quarterly basis.

(e) Defaults. The Credit Parties shall provide to the Administrative Agent promptly, but in any event within five Business Days after a Responsible Officer of any Credit Party obtains knowledge thereof, a notice of any Default or Event of Default,

together with a statement of a Responsible Officer of the Borrower setting forth the details of such Default or Event of Default and the actions which the Credit Parties have taken and propose to take with respect thereto.

(f) Other Creditors. The Credit Parties shall provide to the Administrative Agent promptly after the giving or receipt thereof, copies of any material default notices given or received by the Borrower or by any of its Subsidiaries pursuant to the terms of any indenture, loan agreement, credit agreement, or similar agreement evidencing Debt in an amount in excess of $2,000,000.

(g) Litigation. The Credit Parties shall provide to the Administrative Agent promptly after the commencement thereof, notice of all actions, suits, and proceedings before any Governmental Authority, affecting the Borrower or any Subsidiary that could reasonably be expected to result in a Material Adverse Change.

(h) Environmental Notices. Promptly upon, and in any event no later than 15 days after, the receipt thereof, or the acquisition of knowledge thereof, by any Responsible Officer of a Credit Party, the Credit Parties shall provide the Administrative Agent with a copy of any form of request, claim, complaint, order, notice, summons or citation received from any Governmental Authority or any other Person, (i) concerning violations or alleged violations of Environmental Laws, which seeks to impose liability therefore in excess of $2,000,000, (ii) concerning any action or omission on the part of any of the Credit Parties or any of their former Subsidiaries in connection with Hazardous Waste or Hazardous Substances which could reasonably result in the imposition of liability in excess of $2,000,000 or requiring that action be taken to respond to or clean up a Release of Hazardous Substances or Hazardous Waste into the environment and such action or clean-up could reasonably be expected to exceed $2,000,000, including without limitation any information request related to, or notice of, potential responsibility under CERCLA which could reasonably result in the imposition of liability in excess of $2,000,000, or (iii) concerning the filing of a Lien (other than a Permitted Lien) upon, against or in connection with the Borrower, any Subsidiary, or any of their respective former Subsidiaries, or any of their leased or owned Property, wherever located pursuant to any Environmental Law.

(i) Material Changes. The Credit Parties shall provide to the Administrative Agent prompt written notice of any condition or event of which any Responsible Officer of any Credit Party obtains knowledge and which could reasonably be expected to result in a Material Adverse Change.

(j) Termination Events. As soon as possible and in any event (i) within 30 days after the Borrower or any member of the Controlled Group knows that any Termination Event described in clause (a) of the definition of Termination Event with respect to any Plan has occurred, and (ii) within 10 days after the Borrower or any member of the Controlled Group knows that any other Termination Event with respect to any Plan has occurred, the Credit Parties shall provide to the Administrative Agent a statement of a Responsible Officer of the Borrower describing such Termination Event and the action, if any, which the Borrower or any Affiliate of the Borrower proposes to take with respect thereto.

(k) Termination of Plans. Promptly and in any event within five Business Days after receipt thereof by the Borrower or any member of the Controlled Group from the PBGC, the Credit Parties shall provide to the Administrative Agent copies of each notice received by the Borrower or any such member of the Controlled Group of the PBGC' s intention to terminate any Plan or to have a trustee appointed to administer any Plan.

(l) Other ERISA Notices. Promptly and in any event within five Business Days after receipt thereof by the Borrower or any member of the Controlled Group from a Multiemployer Plan sponsor, the Credit Parties shall provide to the Administrative Agent a copy of each notice received by the Borrower or any member of the Controlled Group concerning the imposition or amount of withdrawal liability imposed on the Borrower or any member of the Controlled Group pursuant to Section 4202 of ERISA.

(m) Other Governmental Notices. Promptly and in any event within five Business Days after receipt thereof by the Borrower or any Subsidiary, the Credit Parties shall provide to the Administrative Agent a copy of any notice, summons, citation, or proceeding seeking to modify, revoke, or suspend any material contract, license, permit, or agreement with any Governmental Authority, the modification, revocation or suspension of which could reasonably be expected to result in a Material Adverse Change.

(n) Disputes; etc. The Credit Parties shall provide to the Administrative Agent prompt written notice of (i) any claims, legal or arbitration proceedings, proceedings before any Governmental Authority, or disputes, or to the knowledge of any Credit Party, any such actions threatened, or affecting the Borrower or any Subsidiary, in any event, which could reasonably be expected to result in a Material Adverse Change, or any material labor controversy of which any Credit Party has knowledge resulting in or reasonably considered to be likely to result in a strike against the Borrower or any Subsidiary, and (ii) any claim, judgment, Lien or other encumbrance (other than a Permitted Lien) affecting any Property of the Borrower or any Subsidiary, if the value of the claim, judgment, Lien, or other encumbrance affecting such Property shall exceed $2,000,000.

(o) Management Letters; Other Accounting Reports. Promptly upon receipt thereof (to the extent permitted by the Borrower' s auditors), the Credit Parties shall provide to the Administrative Agent a copy of each "management letter" submitted to the Borrower or any Subsidiary by independent accountants in connection with any annual, interim or special audit made by them of the books of the Borrower and its Subsidiaries, and a copy of any response by the Borrower or any Subsidiary of the Borrower, or the board of directors or managers (or other applicable governing body) of the Borrower or any Subsidiary of the Borrower, to such letter.

(p) Insurance Reports; Information to/from Insurer. Promptly, and in any event no later than sixty days, after each fiscal year end, the Credit Parties shall provide to the Administrative Agent copies of all notices of material claims, changes to policy limits or insurance coverage and such other information requested by the Administrative Agent.

(q) SEC. In the event the Borrower becomes subject to SEC reporting requirements, (i) promptly after the same are available, the Credit Parties shall provide to the Administrative Agent copies of all annual, regular, periodic and special reports and registration statements which the Borrower may file or be required to file with the SEC under Section 13 or 15(d) of the Exchange Act, or with any national securities exchange, and in any case not otherwise required to be delivered to the Administrative Agent pursuant hereto, and (ii) promptly, and in any event within five (5) Business Days after receipt thereof by any Credit Party or any Subsidiary thereof, the Credit Parties shall provide to the Administrative Agent copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Credit Party or any Subsidiary thereof.

(r) Other Information. Subject to the confidentiality provisions of Section 9.8, the Credit Parties shall provide to the Administrative Agent such other information respecting the business, operations, or Property of the Borrower or any Subsidiary, financial or otherwise, as any Lender through the Administrative Agent may reasonably request.

Section 5.3 Insurance.

(a) Each Credit Party shall, and shall cause each of its Subsidiaries to, carry and maintain all such insurance in such amounts and against such risks as is customarily maintained by other Persons of similar size engaged in similar businesses and with reputable insurers.

(b) Copies of all certificates of insurance for policies covering the property or business of the Borrower and its Subsidiaries, and endorsements and renewals thereof, shall be delivered by the Borrower to and retained by the Administrative Agent. At the request of the Administrative Agent, copies of such policies of insurance, certified as true and correct copies of such documents by a Responsible Officer of the Borrower shall be delivered by the Borrower to and retained by the Administrative Agent. All policies of property insurance with respect to the Collateral either shall have attached thereto a lender' s loss payable endorsement in favor of the Administrative Agent for its benefit and the ratable benefit of the Secured Parties or name the Administrative Agent as loss payee for its benefit and the ratable benefit of the Secured Parties, in either case, in form reasonably satisfactory to the Administrative Agent, and all policies of liability insurance shall name the Administrative Agent for its benefit and the ratable benefit of the Secured Parties as an additional insured and shall provide for a waiver of subrogation in favor of the Administrative Agent. All policies or certificates of insurance shall set forth the

coverage, the limits of liability, the name of the carrier, the policy number, and the period of coverage. All such policies shall contain a provision that notwithstanding any contrary agreements between the Borrower, its Subsidiaries, and the applicable insurance company, such policies will not be canceled or allowed to lapse without renewal without at least 30 days' (or such shorter period as such insurance company may require and which is acceptable to the Administrative Agent) prior written notice to the Administrative Agent.

(c) If at any time the area in which any real Property constituting Collateral (to the extent any "buildings" or "mobile home" (as defined in Regulation H of the Federal Reserve Board) is situated on real Property) is located is designated a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), the Borrower shall, and shall cause each other Credit Party to, obtain flood insurance in such total amount as required by Regulation H of the Federal Reserve Board, as from time to time in effect and all official rulings and interpretations thereunder or thereof, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time.

(d) Prior to the occurrence and continuance of an Event of Default, (i) up to $5,000,000 in the aggregate, of all proceeds of property insurance received by a Credit Party for the loss of Property which constitutes Collateral shall be paid directly to the applicable Credit Party to repair or replace the damaged or destroyed Property covered by such policy; provided that such Credit Party shall make such repair or replace such Property within 180 days from the receipt of such proceeds and (ii) the remaining amount of such proceeds and any amount of proceeds that were paid to such Credit Party as permitted under clause (i) above and not used toward the repair or replacement of such Property within the 180 days required under such clause (i), shall be paid directly to the Administrative Agent and if necessary, assigned to the Administrative Agent to be, at the election of the Administrative Agent, (A) applied in accordance with Section 7.6(a) of this Agreement, whether or not the Secured Obligations are then due and payable, or (B) returned to such Credit Party to repair or replace the damaged or destroyed Property covered by such policy or to make such other Investments permitted under Section 6.3 of this Agreement.

(e) After the occurrence and during the continuance of an Event of Default, if requested by the Administrative Agent, all proceeds of insurance of any Credit Party, including any casualty insurance proceeds, property insurance proceeds, proceeds from actions, and any other proceeds, shall be paid directly to the Administrative Agent and if necessary, assigned to the Administrative Agent, to be applied in accordance with Section 7.6(b) of this Agreement, whether or not the Secured Obligations are then due and payable.

(f) In the event that any insurance proceeds are paid to any Credit Party in violation of clause (d) or clause (e), such Credit Party shall hold the proceeds in trust for the Administrative Agent, segregate the proceeds from the other funds of such Credit Party, and promptly pay the proceeds to the Administrative Agent with any necessary

endorsement. Upon the request of the Administrative Agent, each Credit Party shall execute and deliver to the Administrative Agent any additional assignments and other documents as may be necessary to enable the Administrative Agent to directly collect the proceeds as set forth herein.

Section 5.4 Compliance with Laws. Each Credit Party shall, and shall cause each of its Subsidiaries to, comply with Legal Requirements (including Environmental Laws) which are applicable to such Person, including the operations, business or Property of such Person and maintain all related permits necessary for the ownership and operation of such Person' s Property and business, except in any case where the failure to so comply could not reasonably be expected to result in a Material Adverse Change.

Section 5.5 Taxes. Each Credit Party shall, and shall cause each of its Subsidiaries to pay and discharge all material Taxes, assessments, and other charges and claims related thereto imposed on the Borrower or any of its Subsidiaries prior to the date on which penalties attach other than any Tax, assessment, charge, or claims which is being contested in good faith and for which adequate reserves have been established in compliance with GAAP.

Section 5.6 Security. The Borrower agrees that at all times before Security Termination, the Administrative Agent shall have an Acceptable Security Interest in the applicable Collateral as required below, subject to any permitted releases pursuant to the terms of this Agreement or the Security Documents, to secure the performance and payment of the Secured Obligations as set forth in the Security Documents. The Borrower shall, and shall cause each Subsidiary to take such actions, including execution and delivery of any Security Documents necessary to create, perfect and maintain an Acceptable Security Interest in favor of the Administrative Agent in the following Properties, whether now owned or hereafter acquired: (i) all Equity Interests issued by any Domestic Subsidiary and held by a Domestic Subsidiary; (ii) 65% of Voting Securities and 100% of Equity Interests that are not Voting Securities issued by First Tier Foreign Subsidiaries which are owned by the Borrower or any Domestic Subsidiary; and (iii) all other Properties of the Credit Parties and their respective Subsidiaries other than Excluded Properties. For the avoidance of doubt, notwithstanding the preceding provisions of this Section 5.6 or any other provisions of the Credit Documents, neither the Borrower nor any Domestic Subsidiary shall be required to grant any security interest in the Equity Interests of any Foreign Subsidiary except 65% of the outstanding Voting Securities and 100% of the Equity Interests that are not Voting Securities in any First Tier Foreign Subsidiary.

Section 5.7 New Subsidiaries. The Borrower shall deliver to the Administrative Agent each of the items set forth in Schedule 5.7 attached hereto with respect to each Subsidiary created or acquired after the Closing Date to the extent required in Schedule 5.7.

Section 5.8 Records; Inspection. Each Credit Party shall, and shall cause each of its Subsidiaries to, maintain in all material respects proper, complete and consistent books of record with respect to such Person' s operations, affairs, and financial condition. From time to time upon reasonable prior notice, each Credit Party shall permit any Lender and shall cause each of its Subsidiaries to permit any Lender, at such reasonable times and intervals and to a reasonable extent and under the reasonable guidance of officers of or employees delegated by officers of such Credit Party or such Subsidiary, to, subject to any applicable confidentiality considerations,

examine and copy the books and records of such Credit Party or such Subsidiary, to visit and inspect the Property of such Credit Party or such Subsidiary, and to discuss the business operations and Property of such Credit Party or such Subsidiary with the officers and directors thereof (provided that, so long as no Event of Default has occurred and is continuing, the Lenders shall be entitled to only one such visit per year coordinated by the Administrative Agent).

Section 5.9 Maintenance of Property. Each Credit Party shall, and shall cause each of its Subsidiaries to, maintain their owned, leased, or operated material Property, taken as a whole, in good condition and repair, except for normal wear and tear; and shall abstain from, and cause each of its Subsidiaries to abstain from, knowingly or willfully permitting the commission of waste or other injury, destruction, or loss of natural resources, or the occurrence of pollution, contamination, or any other condition in, on or about the owned or operated Property involving the Environment that could reasonably be expected to result in Response activities and that could reasonably be expected to result in a Material Adverse Change.

Section 5.10 Further Assurances. Each Credit Party shall, and shall cause each Subsidiary to, cure promptly any defects in the execution and delivery of the Credit Documents. The Credit Parties hereby authorize the Administrative Agent to file any financing statements to the extent permitted by applicable Legal Requirements in order to perfect or maintain the perfection of any security interest granted under any of the Credit Documents. Each Credit Party at its expense will, and will cause each Subsidiary to, promptly execute and deliver to the Administrative Agent upon reasonable request by the Administrative Agent all such other documents, agreements and instruments to perfect, protect or preserve any Liens created pursuant to any of the Security Documents, or to make any recordings or to file any notices, all as may be necessary or appropriate in connection therewith or to enable the Administrative Agent to exercise and enforce its rights and remedies with respect to any Collateral.

Section 5.11 Designation of Senior Debt. The Borrower shall, and shall cause each Subsidiary to, designate all Obligations as "designated senior indebtedness" under any subordinated note or indenture documents applicable to it, to the extent provided for therein.

Section 5.12 Certificated Equipment. For each item of Material Certificated Equipment that is not subject to a Permitted Lien securing purchase money Debt or Capital Leases and that is purchased by a Credit Party on or after the Closing Date, the Borrower shall cause to be delivered, within 45 days after the purchase thereof, a certificate of title for such equipment naming a Credit Party as the owner and noting the Administrative Agent as the holder of the first lien thereon.

ARTICLE VI
NEGATIVE COVENANTS

So long as any Obligation shall remain unpaid, any Lender shall have any Commitment hereunder, or there shall exist any Letter of Credit Exposure (unless such Letter of Credit Exposure shall have been Cash Collateralized on terms and in amounts reasonably acceptable to the Issuing Lender), each Credit Party agrees to comply with the following covenants:

Section 6.1 Debt. No Credit Party shall, nor shall it permit any of its Subsidiaries to, create, assume, incur, suffer to exist, or in any manner become liable, directly, indirectly, or contingently in respect of, any Debt other than the following (collectively, the "***Permitted Debt***"):

(a) (i) the Obligations and (ii) the Banking Services Obligations;

(b) Debt existing on the date hereof and set forth in Schedule 6.1 and extensions, refinancings, refundings, replacements and renewals of any such Debt subject to the last sentence of this Section 6.1.

(c) intercompany Debt incurred by any Credit Party owing to any other Credit Party;

(d) purchase money debt or Capital Leases (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 6.1, and including those set forth on Schedule 6.1) in an aggregate outstanding principal amount not to exceed $15,000,000 at any time;

(e) Hedging Arrangements permitted under Section 6.15;

(f) Debt arising from the endorsement of instruments for collection in the ordinary course of business;

(g) unsecured Debt of the Borrower evidenced by bonds, debentures, notes or other similar instruments (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 6.1); provided that, (i) the scheduled maturity date of such Debt shall not be earlier than one year after the Maturity Date, (ii) such Debt shall not have any amortization or other requirement to purchase, redeem, retire, defease or otherwise make any payment in respect thereof, other than at scheduled maturity thereof and mandatory prepayments which are customary with respect to such type of Debt and that are triggered upon change in control and sale of all or substantially all assets, (v) the aggregate amount of such Debt shall not exceed $100,000,000, and (vi) the agreements and instruments governing such Debt shall not contain (A) (i) any financial maintenance covenants that are more restrictive than those in this Agreement, or (ii) any other affirmative or negative covenants that are, taken as a whole, materially more restrictive than those set forth in this Agreement; provided that the inclusion of any covenant that is customary with respect to such type of Debt and that is not found in this Agreement shall not be deemed to be more restrictive for purposes of this clause (A), (B) any restriction on the ability of the Borrower or any of its Subsidiaries to amend, modify, restate or otherwise supplement this Agreement or the other Credit Documents, (C) any restrictions on the ability of any Subsidiary of the Borrower to guarantee the Secured Obligations (as such Secured Obligations may be amended, supplemented, modified, or amended and restated), provided that a requirement that any such Subsidiary also guarantee such Debt shall not be deemed to be a violation of this clause (C), (D) any restrictions on the ability of any Subsidiary or the Borrower to pledge assets as collateral security for the Secured Obligations (as such Secured

Obligations may be amended, supplemented, modified, or amended and restated), or (E) any restrictions on the ability of any Subsidiary or the Borrower to incur Debt under this Agreement or any other Credit Document other than a restriction as to the outstanding principal amount of such Debt in excess of $220,000,000;

(h) a guaranty of Debt so long as such underlying Debt is otherwise permitted under this Section 6.1; provided that, for the avoidance of doubt, such guaranty shall also be subject to the limitations of such underlying Debt;

(i) Debt of the Borrower or any Subsidiary that is non-recourse to the Borrower and its Subsidiaries and that is assumed by such Person in connection with any Permitted Acquisition (or, if such Subsidiary is acquired as part of such Permitted Acquisition, existing prior thereto) and the refinancing and renewal thereof; provided, however, that (i) such Debt exists at the time of such Permitted Acquisition at least in the amounts assumed in connection therewith and is not drawn down, created or increased in contemplation of or in connection with such Permitted Acquisition, (ii) that such Debt is not recourse to the Borrower or any Subsidiary or any Property thereof prior to the date of such Permitted Acquisition, and (iii) the aggregate principal amount of Debt at any time outstanding pursuant to this clause (i) shall not exceed $10,000,000;

(j) Debt arising from the financing of insurance premium of the Borrower or any Subsidiary, so long as (i) such Debt shall not be in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the underlying term of such insurance policy, (ii) any unpaid amount of such Debt is fully cancelled upon termination of the underlying insurance policy, and (iii) the aggregate principal amount of Debt at any time outstanding pursuant to this clause (j) shall not exceed $10,000,000;

(k) secured Debt not otherwise permitted under the preceding provisions of this Section 6.1 (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 6.1); provided that, (i) the aggregate principal amount of such Debt shall not exceed $5,000,000 at any time and (ii) the Properties encumbered by any Lien securing such Debt shall not be Collateral, any Property that is required to be Collateral under Section 5.6;

(l) unsecured Debt in respect of Investments permitted by Section 6.3(d), Section 6.3(e) and Section 6.3(n);

(m) unsecured Debt not otherwise permitted under the preceding provisions of this Section 6.1 (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the last sentence of this Section 6.1); provided that, the aggregate outstanding principal amount of Debt permitted under this clause (m) shall not exceed $20,000,000 at any time; and

(n) Debt constituting earn-out obligations, contingent obligations or similar contingent obligations of the Borrower or any Subsidiary arising from or relating to the Closing Date Acquisition or a Permitted Acquisition.

Any extensions, refinancings, refundings, replacements and renewals of Debt as permitted above in this Section 6.1 shall be subject to the following conditions: (A) any such refinancing Debt is in an aggregate principal amount not greater than the aggregate principal amount of the Debt being renewed or refinanced, plus the amount of any premiums required to be paid thereon and reasonable fees and expenses associated therewith and an amount equal to any unutilized active commitment under the Debt being renewed or refinanced and (B) the covenants, events of default, subordination and other provisions thereof (including any guarantees thereof) shall be, in the aggregate, no less favorable to the Lenders than those contained in the Debt being renewed or refinance; provided that, the foregoing conditions are not, and shall not be construed as, an increase in any dollar limit already provided in Section 6.1 above nor an amendment of any specific requirement set forth in Section 6.1 above, including the specific requirements under clause (j) above.

Section 6.2 Liens. No Credit Party shall, nor shall it permit any of its Subsidiaries to, create, assume, incur, or suffer to exist any Lien on the Property of any Credit Party or any Subsidiary, whether now owned or hereafter acquired, or assign any right to receive any income, other than the following (collectively, the "***Permitted Liens***"):

(a) Liens securing the Secured Obligations pursuant to the Security Documents;

(b) Liens imposed by law, such as materialmen' s, mechanics' , carriers' , workmen' s and repairmen' s liens, landlord' s liens and other similar liens, and such Liens granted under contract with such materialmen, mechanic, carrier, workmen, repairmen and landlord, in any case, arising in the ordinary course of business securing obligations which are not overdue for a period of more than 30 days or are being contested in good faith by appropriate procedures or proceedings and for which adequate reserves have been established in accordance with GAAP;

(c) Liens arising in the ordinary course of business out of pledges or deposits under workers compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation to secure public or statutory obligations;

(d) Liens for taxes, assessments, or other governmental charges which are not yet due and payable or which are being actively contested in good faith by appropriate proceedings;

(e) Liens securing purchase money debt or Capital Lease obligations permitted under Section 6.1(d); provided that each such Lien encumbers only the Property purchased in connection with the creation of any such purchase money debt or the subject of any such Capital Lease, and all proceeds thereof (including insurance proceeds);

(f) Liens arising from precautionary UCC financing statements regarding operating leases;

(g) encumbrances consisting of easements, zoning restrictions, servitudes or other restrictions on the use of real property that do not (individually or in the aggregate) materially affect the value of the assets encumbered thereby or materially impair the ability of any Credit Party to use such assets in its business;

(h) Liens arising solely by virtue of any statutory or common law provision relating to banker' s liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a depository institution;

(i) Liens on cash or securities pledged to secure performance of tenders, surety and appeal bonds, government contracts, performance and return of money bonds, bids, trade contracts, leases, statutory obligations, regulatory obligations and other obligations of a like nature incurred in the ordinary course of business;

(j) judgment and attachment Liens not giving rise to an Event of Default, provided that (i) any appropriate legal proceedings which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such proceeding may be initiated shall not have expired and (ii) no action to enforce such Lien has been commenced;

(k) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into in the ordinary course of business or Liens arising by operation of law under Article 2 of the UCC or by contract in favor of a reclaiming seller of goods or buyer of goods (including purchase money security interests in favor of vendors in the ordinary course of business);

(l) Liens solely on cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted hereunder;

(m) Lien arising by reason of deposits with or giving of any form of security to any Governmental Authority for any purpose at any time as required by applicable law as a condition to the transaction of any business or the exercise of any privilege or license;

(n) Liens created pursuant to joint venture agreements and related documents (to the extent requiring a Lien on the Equity Interest owned by the Borrower or any Subsidiary in the applicable Joint Venture is required thereunder) having ordinary and customary terms (including with respect to Liens) and entered into in the ordinary course of business and securing obligations other than Debt;

(o) Liens encumbering Property of the Borrower and its Subsidiaries which is not Collateral or Property required to be Collateral under Section 5.6 and securing Debt permitted under Section 6.1(k);

(p) Liens on Property of a Person which becomes a Subsidiary after the date hereof, to the extent that (i) such Liens are in existence at the time such Person becomes a Subsidiary and were not created in anticipation thereof, (ii) the Debt secured by such Liens does not thereafter increase in amount and is permitted hereunder, and (iii) for the avoidance of doubt, such Liens encumber only such Property owned by such Person prior to such Person becoming a Subsidiary and proceeds thereof;

(q) Liens existing as of the date hereof and set forth on Schedule 6.2; and

(r) Liens in favor of insurers (or other Persons financing the payment of insurance premiums) securing Debt of the type described in and permitted under Section 6.1(j); provided that such Liens shall encumber only the unearned premiums or other proceeds of the insurance financed thereby.

Section 6.3 Investments. No Credit Party shall, nor shall it permit any of its Subsidiaries to, make or hold any Investment other than the following (collectively, the "***Permitted Investments***"):

(a) Investments in the form of trade credit to customers of the Borrower or its Subsidiaries arising in the ordinary course of business and represented by accounts from such customers;

(b) Liquid Investments;

(c) Investments made prior to the Closing Date as specified in the attached Schedule 6.3; provided that, the respective amounts of such loans, advances, capital contributions, investments, purchases and commitments shall not be increased (other than as a result of appreciation);

(d) Investments in any Foreign Subsidiary (whether existing or newly formed or acquired) by a Credit Party; provided that, (i) the Borrower is in compliance with Section 5.6 as to such Subsidiary, if applicable, (ii) the aggregate amount of all such Investments permitted under this clause (d) does not exceed $10,000,000 (other than as a result of appreciation and other than to the extent funded with Equity Issuance Proceeds), and (iii) any such Investment that constitutes an Equity Interest or intercompany Debt shall become Collateral to the extent required by Section 5.6;

(e) Investments by any Credit Party in any other Credit Party;

(f) Investments in the form of Permitted Acquisitions; provided that, if such Permitted Acquisition involves a Subsidiary, such Acquisition otherwise complies with this Agreement, including Section 5.6 and Section 5.7;

(g) creation of additional Domestic Subsidiaries in compliance with Section 5.6 and Section 5.7;

(h) loans or advances to directors, officers and employees of the Borrower or any Subsidiary for expenses or other payments incident to such Person' s employment or association with the Borrower or any Subsidiary; provided that the aggregate outstanding amount of such advances and loans shall not exceed $2,500,000;

(i) Investments (including debt obligations and Equity Interests) and other assets received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement or delinquent obligations of, or other disputes with, customers and suppliers arising in the ordinary course of business or received upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(j) Investments in the form of mergers and consolidations of the Borrower and its Subsidiaries in compliance with Section 6.7(a); provided that, if such Investment involves a Subsidiary, such Investment otherwise complies with this Agreement, including Section 5.6 and Section 5.7;

(k) Capital Expenditures permitted under Section 6.18;

(l) Investments made with Equity Issuance Proceeds so long as, within 12 months prior to the date such Investment is made, the Borrower has not cured any Event of Default in the manner contemplated by Section 7.7; and

(m) other Investments in an aggregate outstanding amount not to exceed $10,000,000 (other than as a result of appreciation), during the term hereof.

For the avoidance of doubt, any Investment that also constitutes an Acquisition must be permitted under this Section 6.3 and under Section 6.4 below.

Section 6.4 Acquisitions. No Credit Party shall, nor shall it permit any of its Subsidiaries to, make an Acquisition in a single transaction or related series of transactions other than:

(a) mergers, amalgamations and consolidations permitted by Section 6.7(a);

(b) the Closing Date Acquisition on the terms set forth in the Closing Date Acquisition Agreement;

(c) an Acquisition that meets each of the following conditions: (i) no Default exists both before and after giving effect to such Acquisition; (ii) both before and after giving effect to such Acquisition, Liquidity is greater than or equal to $15,000,000; (iii) the Acquisition is from an unrelated third party or an arm' s-length basis for no more than fair market value and is not hostile; (iv) such Credit Party shall have provided not less than 15 days' (or such shorter time period as consented to by the Administrative Agent in its sole discretion) prior written notice of such Acquisition to the Administrative Agent, which notice shall include a reasonably detailed description of the proposed terms of such Acquisition and identify the anticipated closing date thereof; (v) if such Acquisition is an Acquisition of the Equity Interests of a Person, the Acquisition is structured so that the acquired Person (or its successor in interest) shall become a direct or indirect Subsidiary of the Borrower; and if such Acquisition is an Acquisition of assets, the Acquisition is structured so that the Borrower or one of its direct or indirect Subsidiaries shall acquire such assets; and (vi) either (A) no more than 65% of the total consideration for such Acquisition will be funded with Revolving Advances or (B) after giving effect to such

Acquisition, the Borrower' s pro forma Leverage Ratio is less than or equal to the Leverage Ratio then required pursuant to Section 6.16 minus 0.25, and the Borrower has delivered to the Administrative Agent a Compliance Certificate evidencing such pro forma compliance duly executed by a Responsible Officer of the Borrower.

Section 6.5 Agreements Restricting Liens. No Credit Party shall, nor shall it permit any of its Subsidiaries to, create, incur, assume or permit to exist any contract, agreement or understanding which in any way prohibits or restricts the granting, conveying, creation or imposition of any Lien on any of its Property, whether now owned or hereafter acquired, to secure the Secured Obligations or restricts any Subsidiary from paying Restricted Payments to the Borrower, or which requires the consent of or notice to other Persons in connection therewith other than:

(a) this Agreement and the Security Documents;

(b) agreements governing Debt permitted by Section 6.1(d) to the extent such restrictions govern only the assets financed pursuant to such Debt and the proceeds thereof;

(c) agreements governing Debt permitted by Section 6.1(i) and (k) to the extent such restrictions do not apply to Collateral or Properties which are required to be Collateral under Section 5.6 and such agreements do not require the direct or indirect granting of any Lien securing such Debt or other obligation by virtue of the granting of Liens on or pledge of Collateral to secure the Secured Obligations;

(d) any prohibition or limitation that (i) exists pursuant to applicable requirements of a Governmental Authority, (ii) restricts subletting or assignment of leasehold interests contained in any lease governing a leasehold interest of a Borrower or a Subsidiary and customary provisions in other contracts restricting assignment thereof, or (iii) exists in any agreement in effect at the time a Subsidiary becomes a Subsidiary of a Borrower, so long as such agreement was not entered into in contemplation of such Person becoming a Subsidiary; and

(e) any prohibition or limitation that exists in any contract to which a Credit Party is a party on the date hereof so long as (i) such prohibition or limitation is generally applicable and does not specifically address any of the Secured Obligations or the Liens granted under the Credit Documents, and (ii) the noncompliance of such prohibition or limitation would not reasonably be expected to be adverse to any Secured Party.

Section 6.6 Use of Proceeds; Use of Letters of Credit. No Credit Party shall, nor shall it permit any of its Subsidiaries to: (a) use the proceeds of the Revolving Advances for any purposes other than (i) to refinance or repay the advances and other obligations outstanding under the Existing Credit Agreements or any other Debt outstanding on the Closing Date, (ii) for the payment of fees and expenses related to the Transactions, (iii) for working capital purposes of the Borrower and any Subsidiary, (iv) to fund the Closing Date Acquisition, and (v) for other general corporate purposes of the Borrower and any Subsidiary, including Permitted Acquisitions; or (b) use the proceeds of the Swingline Advances or the Letters of Credit for any

purposes other than (i) working capital purposes of the Borrower and any Subsidiary or (ii) other general corporate purposes of the Borrower and any Subsidiary. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, use any part of the proceeds of Advances or Letters of Credit for any purpose which violates, or is inconsistent with, Regulations T, U, or X. No proceeds of any Advance or Letter of Credit shall be, directly or indirectly, used in any manner that would, after giving effect to such use, prevent the Borrower from making the representations and warranties provided in Section 4.19.

Section 6.7 Corporate Actions; Accounting Changes.

(a) No Credit Party shall, nor shall it permit any of its Subsidiaries to, merge, amalgamate, dissolve, liquidate or consolidate with or into any other Person after the Closing Date, except:

(i) that the Borrower may merge with any of its Subsidiaries and any Credit Party may merge or be consolidated with or into any other Credit Party; provided that immediately after giving effect to any such proposed transaction no Default would exist and, in the case of any such merger to which the Borrower is a party, the Borrower is the surviving entity;

(ii) that any Subsidiary that is not a Credit Party and is not required to become a Credit Party hereunder may merge, amalgamate or consolidate with any other Subsidiary that is not a Credit Party and is not required to become a Credit Party hereunder;

(iii) any other merger, amalgamation or consolidation as part of a Permitted Acquisition under Section 6.4(c), subject to the conditions set forth therein; and

(iv) any Subsidiary may dissolve, liquidate or wind up its affairs at any time; provided the assets of any such dissolving Subsidiary become owned by a Credit Party (or if such dissolving Subsidiary is not a Credit Party, by the Borrower or any Subsidiary); and provided further that such dissolution, liquidation or winding up, as applicable, could not reasonably be expected to have a Material Adverse Change. Any such Subsidiary may effect the same by merger, amalgamation or consolidation.

(b) No Credit Party shall, nor shall it permit any of its Subsidiaries to, (i) without at least 15 days (or such shorter period as agreed to by the Administrative Agent) prior written notice to the Administrative Agent, change its name, change its state of incorporation, formation or organization, change its organizational identification number or reorganize in another jurisdiction, (ii) amend, supplement, modify or restate its articles or certificate of incorporation or formation, limited partnership agreement, bylaws, limited liability company agreements, or other equivalent organizational documents, in any manner that could reasonably be expected to be materially adverse to the Lenders, or (iii) change the method of accounting employed in the preparation of the financial statements referred to in Section 4.4 or change the fiscal year end of the

Borrower unless such changes are required to conform to GAAP or such changes are to conform the accounting practices among the Borrower and its Subsidiaries and notice of such changes have been delivered to the Administrative Agent prior to effecting such changes.

Section 6.8 Disposition of Assets. No Credit Party shall, nor shall it permit any of its Subsidiaries to, make a Disposition other than:

(a) Disposition by any Subsidiary (other than a Credit Party) of any of its Properties to any Credit Party; provided that, at the reasonable request of the Administrative Agent, the receiving Credit Party shall ratify, grant and confirm the Liens on such assets (and any other related Collateral) pursuant to documentation reasonably satisfactory to the Administrative Agent;

(b) Disposition by any Credit Party of any of its Properties to any other Credit Party; provided that at the reasonable request of the Administrative Agent, the receiving Credit Party shall ratify, grant and confirm the Liens on such assets (and any other related Collateral) pursuant to documentation reasonably satisfactory to the Administrative Agent;

(c) Disposition by any Subsidiary that is not a Credit Party and is not required to become a Credit Party hereunder of any of its Properties to any other Subsidiary that is not a Credit Party and is not required to become a Credit Party hereunder;

(d) Sale of inventory in the ordinary course of business and Disposition of cash or Liquid Investments in the ordinary course of business;

(e) Disposition of worn out, obsolete or surplus property in the ordinary course of business and the abandonment or other Disposition of patents, trademarks and copyrights that, in the reasonable judgment of the Borrower and its Subsidiaries, should be replaced or is no longer economically practicable to maintain or useful in the conduct of the business of the Borrower and its Subsidiaries taken as a whole;

(f) mergers and consolidations in compliance with Section 6.7(a);

(g) Permitted Investments;

(h) assignments and licenses of patents, trademarks or copyrights of the Borrower and its Subsidiaries in the ordinary course of business;

(i) Disposition of any assets required under Legal Requirements;

(j) Dispositions of equipment, including Certificated Equipment, in the ordinary course of business the proceeds of which are reinvested in the acquisition of equipment of comparable value and type within 90 days and on which the Administrative Agent has an Acceptable Security Interest;

(k) Dispositions of Equity Interests in a Joint Venture;

(l) leases of real or personal property in the ordinary course of business; and

(m) Disposition of Properties not otherwise permitted under the preceding clauses of this Section 6.8; provided that, such Disposition, taken together with all such other Dispositions completed since the Closing Date, does not exceed five percent (5%) of the Tangible Net Assets in the aggregate and calculated at the time of such subject Disposition.

Section 6.9 Restricted Payments. No Credit Party shall, nor shall it permit any of its Subsidiaries to, make any Restricted Payments except that:

(a) the Subsidiaries may make Restricted Payments to the Borrower or any other Credit Party;

(b) so long as no Default exists or would result from the making of such Restricted Payment, the Borrower or any Subsidiary may make cash Restricted Payments in an amount not to exceed $1,000,000 in any fiscal year to existing and former officers, directors, and employees of the Borrower or such Subsidiary; provided that such Restricted Payments are in consideration for the retirement, purchase, or redemption of any of the Equity Interests of such Person, or any option, warrant or other right to purchase or acquire such Equity Interest, in any event, held by such Person; and

(c) the Borrower and its Subsidiaries may make cash Restricted Payments so long as (i) no Default exists or would result from the making of such Restricted Payment, (ii) such Restricted Payment is made after December 31, 2014, (iii) the Borrower has not cured any Event of Default in the manner contemplated by Section 7.7 with respect to any of the previous four fiscal quarters ending prior to the fiscal quarter in which such Restricted Payment is made, and (iv) after giving effect to the making of such Restricted Payment (A) the pro forma Leverage Ratio would be less than or equal to 2.00 to 1.00; (B) the aggregate Commitments in effect on such date minus the Revolving Outstandings on such date are equal to or greater than $20,000,000, and (C) the aggregate amount of Restricted Payments made in any twelve-month period ("Subject Period") does not exceed 50% of the Borrower' s EBITDA for the four fiscal quarter period ending immediately prior to such Subject Period.

Section 6.10 Affiliate Transactions. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction or series of transactions (including, but not limited to, the purchase, sale, lease or exchange of Property, the making of any Investment, the giving of any guaranty, the assumption of any obligation or the rendering of any service) with any of their Affiliates that are not Credit Parties other than:

(a) such transaction or series of transactions are arm' s length transactions entered into on terms that are not materially less favorable to the Borrower or any Subsidiary, as applicable, than those that could be obtained in a comparable arm' s length transaction with a Person that is not such an Affiliate;

(b) the agreements described on Schedule 6.10; provided that the terms thereof may not be amended, supplemented or otherwise modified unless such amended, supplemented or otherwise modified terms complies with clause (a) above;

(c) the Restricted Payments permitted under Section 6.9;

(d) permitted Investments in the form of Equity Interests of Subsidiaries, including the purchase or acquisition thereof and capital contributions in connection therewith;

(e) reasonable and customary director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans); and

(f) so long as no Default exists or would result from the making of such payment, the G&A Payments to SCF in an aggregate amount not to exceed $1,000,000 per fiscal year.

Section 6.11 Line of Business. No Credit Party shall, nor shall it permit any of its Subsidiaries to, change the character of the Borrower' s and its Subsidiaries collective business as conducted on the date of this Agreement, or engage in any type of business not reasonably related to, or a normal extension of, the Borrower' s and its Subsidiaries' collective business as presently conducted, it being understood that any oilfield service business is reasonably related to such collective business.

Section 6.12 Hazardous Materials. No Credit Party (a) shall, nor shall it permit any of its Subsidiaries to, create, handle, transport, use, or dispose of any Hazardous Substance or Hazardous Waste, except in the ordinary course of its business and except in compliance with Environmental Law other than to the extent that such non-compliance could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change or in any liability on the Lenders or the Administrative Agent, and (b) shall, nor shall it permit any of its Subsidiaries to, Release any Hazardous Substance or Hazardous Waste into the Environment and shall not permit any Credit Party' s or any Subsidiary' s Property to be subjected to any Release of Hazardous Substance or Hazardous Waste, except in compliance with Environmental Law other than to the extent that such non-compliance could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change or in any material liability on the Lenders or the Administrative Agent.

Section 6.13 Compliance with ERISA. Except for matters that could not reasonably be expected to result in a Material Adverse Change, no Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly: (a) engage in any transaction in connection with which the Borrower or any Subsidiary could be subjected to either a civil penalty assessed pursuant to Section 502(c), (i) or (l) of ERISA or a tax imposed by Chapter 43 of Subtitle D of the Code; (b) terminate, or permit any member of the Controlled Group to terminate, any Plan in a manner, or take any other action with respect to any Plan, which could result in any liability to the Borrower, any Subsidiary or any member of the Controlled Group to the PBGC; (c) fail to make, or permit any member of the Controlled Group to fail to make, full payment when due of

all amounts which, under the provisions of any Plan, agreement relating thereto or applicable Legal Requirement, the Borrower, a Subsidiary or member of the Controlled Group is required to pay as contributions thereto; (d) permit to exist, or allow any Subsidiary or any member of the Controlled Group to permit to exist, any accumulated funding deficiency (or unpaid minimum required contribution for plan years after December 31, 2007) within the meaning of Section 302 of ERISA or Section 412 of the Code, whether or not waived, with respect to any Plan; (e) permit, or allow any member of the Controlled Group to permit, the actuarial present value of the benefit liabilities (as "actuarial present value of the benefit liabilities" shall have the meaning specified in Section 4041 of ERISA) under any Plan that is regulated under Title IV of ERISA to exceed the current value of the assets (computed on a plan termination basis in accordance with Title IV of ERISA) of such Plan allocable to such benefit liabilities; (f) contribute to or assume an obligation to contribute to, or permit any member of the Controlled Group to contribute to or assume an obligation to contribute to, any Multiemployer Plan; (g) acquire, or permit any member of the Controlled Group to acquire, an interest in any Person that causes such Person to become a member of the Controlled Group if such Person sponsors, maintains or contributes to, or at any time in the six-year period preceding such acquisition has sponsored, maintained, or contributed to, (1) any Multiemployer Plan, or (2) any other Plan that is subject to Title IV of ERISA under which the actuarial present value of the benefit liabilities under such Plan exceeds the current value of the assets (computed on a plan termination basis in accordance with Title IV of ERISA) of such Plan allocable to such benefit liabilities; (h) incur, or permit any member of the Controlled Group to incur, a liability to or on account of a Plan under Sections 515, 4062, 4063, 4064, 4201 or 4204 of ERISA; or (i) contribute to or assume an obligation to contribute to any employee welfare benefit plan, as defined in Section 3(1) of ERISA, including, without limitation, any such plan maintained to provide benefits to former employees of such entities, that may not be terminated by such entities in their sole discretion at any time without any liability.

Section 6.14 **Sale and Leaseback Transactions**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, sell or transfer to a Person any Property, whether now owned or hereafter acquired, if at the time or thereafter the Borrower or a Subsidiary shall lease as lessee such Property or any part thereof or other Property which the Borrower or a Subsidiary intends to use for substantially the same purpose as the Property sold or transferred; provided that, the Borrower and its Subsidiaries may effect such transactions with Property that is not Collateral so long as such transactions do not exceed $10,000,000 in the aggregate during the term hereof.

Section 6.15 **Limitation on Hedging**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, (a) purchase, assume, or hold a speculative position in any commodities market or futures market or enter into any Hedging Arrangement for speculative purposes; or (b) be party to or otherwise enter into any Hedging Arrangement which is entered into for reasons other than as a part of its normal business operations as a risk management strategy and/or hedge against changes resulting from market conditions related to the Borrower' s or its Subsidiaries' operations; provided that, for the avoidance of doubt, the Borrower or any Subsidiary may enter into Hedging Arrangements (A) to mitigate risk to which such Person has actual exposure, (B) to effectively cap, collar or exchange interest rates (from floating to fixed rates, from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Subsidiary and (C) consisting of spot and forward delivery foreign exchange contracts entered into in the ordinary course of business and not for speculative purposes.

Section 6.16 **Leverage Ratio**. The Borrower shall not permit the Leverage Ratio as of the last day of each fiscal quarter, commencing with the quarter ending June 30, 2014, to be more than (a) 3.50 to 1.00 for each fiscal quarter ending on or prior to March 31, 2015, (b) 3.25 to 1.00 for each fiscal quarter ending after March 31, 2015 but on or prior to March 31, 2016, and (c) 3.00 to 1.00 for each fiscal quarter ending after March 31, 2016.

Section 6.17 **Interest Coverage Ratio**. Borrower shall not permit the Interest Coverage Ratio as of the last day of each fiscal quarter, commencing with the quarter ending June 30, 2014, to be less than 3.00 to 1.00.

Section 6.18 **Capital Expenditures**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, cause the Capital Expenditures (other than Equity Funded Capital Expenditures or Capital Expenditures that constitute a Permitted Acquisition) expended by the Borrower or any of its Subsidiaries (a) in the fiscal year ending December 31, 2014, to exceed $60,000,000 in the aggregate, and (b) in each fiscal year ending after December 31, 2014, to exceed, in the aggregate, 75% of EBITDA for the immediately preceding fiscal year.

Section 6.19 **Prepayment of Certain Debt**. No Credit Party shall, nor shall it permit any of its Subsidiaries to, prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, any Debt, except (a) the prepayment of the Obligations in accordance with the terms of this Agreement, (b) regularly scheduled or required repayments or redemptions of Permitted Debt and refinancings and refundings of such Permitted Debt so long as such refinancings and refundings would otherwise comply with Section 6.1, including the last sentence therein, (c) the payment of Debt described in Section 6.1(n), provided such payment shall be permitted only to the extent that (x) both before and after giving effect to the payment of such obligation, Liquidity is greater than or equal to $15,000,000, and (y) the Borrower' s pro forma Leverage Ratio is less than or equal to the Leverage Ratio then required pursuant to Section 6.16 minus 0.25 and the Borrower has delivered to the Administrative Agent a Compliance Certificate evidencing such pro forma compliance duly executed by a Responsible Officer of the Borrower or (d) so long as no Event of Default exists or would result therefrom, other prepayments of Permitted Debt not described in the immediately preceding clauses (a) and (b).

ARTICLE VII
DEFAULT AND REMEDIES

Section 7.1 **Events of Default**. The occurrence of any of the following events shall constitute an "Event of Default" under this Agreement and any other Credit Document:

(a) Payment Failure. Any Credit Party (i) fails to pay any principal when due under this Agreement or under any AutoBorrow Agreement (other than the failure to pay such principal under such AutoBorrow Agreement which is fully satisfied with a Borrowing under Section 2.4(d)) or (ii) fails to pay, within three Business Days of when due, any other amount due under this Agreement or any other Credit Document, including payments of interest, fees, reimbursements, and indemnifications;

(b) False Representation or Warranties. Any representation or warranty made or deemed to be made by any Credit Party or any officer thereof in this Agreement, in any other Credit Document or in any certificate delivered in connection with this Agreement or any other Credit Document is incorrect, false or otherwise misleading in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) at the time it was made or deemed made;

(c) Breach of Covenant. (i) Any breach by any Credit Party of any of the covenants in Section 5.2(a), or Article VI of this Agreement or the corresponding covenants in the Guaranty; provided, however that any Event of Default under Section 6.16 is subject to cure as contemplated by Section 7.7 below; or (ii) any breach by any Credit Party of any other covenant or agreement contained in this Agreement or any other Credit Document and such breach shall remain unremedied for a period of thirty days after the earliest of (A) the date any Responsible Officer of the Borrower has actual knowledge of such breach, (B) the date any Executive Officer of any Subsidiary has actual knowledge of such breach, and (C) the date written notice thereof shall have been given to the Borrower by any Lender Party;

(d) Guaranty. (i) Any material provision in the Guaranty shall at any time (before the Guaranty expires in accordance with its terms) and for any reason be determined by a court of competent jurisdiction to cease to be in full force and effect and valid and binding on the Guarantors party thereto or shall be contested by any Guarantor party thereto; (ii) any Guarantor shall deny in writing that it has any liability or obligation under the Guaranty; or (iii) any Guarantor shall cease to exist other than as expressly permitted by the terms of this Agreement;

(e) Security Documents. Any Security Document shall at any time and for any reason cease to create an Acceptable Security Interest with respect to any Collateral having a fair market value, individually or in the aggregate, in excess of $2,500,000 (unless released or terminated pursuant to the terms of such Security Document) or any material provisions thereof shall cease to be in full force and effect and valid and binding on the Credit Party that is a party thereto or any such Person shall so state in writing (unless released or terminated pursuant to the terms of such Security Document);

(f) Cross-Default. (i) The Borrower or any Subsidiary shall fail to pay any principal of or premium or interest on its Debt which is outstanding in a principal amount of at least $10,000,000 individually or when aggregated with all such Debt of the Borrower and its Subsidiaries so in default (but excluding Debt owing to the Lenders hereunder) when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; (ii) any other event shall occur or condition shall exist under any agreement or instrument relating to Debt of the Borrower or its Subsidiaries which is outstanding in

a principal amount of at least $10,000,000 individually or when aggregated with all such Debt of the Borrower and its Subsidiaries so in default (but excluding Debt owing to the Lenders hereunder), and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt prior to the stated maturity thereof; or (iii) any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment); provided that, for purposes of this paragraph (f), the "principal amount" of the obligations in respect of Hedging Arrangements at any time shall be the Swap Termination Value that would be required to be paid if such Hedging Arrangements were terminated at such time;

(g) Bankruptcy and Insolvency. (i) Except as otherwise permitted under this Agreement, any Credit Party shall terminate its existence or dissolve or (ii) the Borrower or any Subsidiary (A) admits in writing its inability to pay its debts generally as they become due; makes an assignment for the benefit of its creditors; consents to or acquiesces in the appointment of a receiver, liquidator, fiscal agent, or trustee of itself or any of its Property; files a petition under any Debtor Relief Law; or consents to any reorganization, arrangement, workout, liquidation, dissolution, or similar relief or (B) shall have had, without its consent, any court enter an order appointing a receiver, liquidator, fiscal agent, or trustee of itself or any of its Property; any petition filed against it seeking reorganization, arrangement, workout, liquidation, dissolution or similar relief under any Debtor Relief Law and such petition shall not be dismissed, stayed, or set aside for an aggregate of 60 days, whether or not consecutive;

(h) Adverse Judgment. The Borrower or any of its Subsidiaries suffers final judgments against any of them since the date of this Agreement in an aggregate amount, less any insurance proceeds covering such judgments which are received or as to which the insurance carriers have not denied, greater than $10,000,000 and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgments or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgments, by reason of a pending appeal or otherwise, shall not be in effect;

(i) Termination Events. Any Termination Event with respect to a Plan shall have occurred, and, 30 days after notice thereof shall have been given to the Borrower by the Administrative Agent, such Termination Event shall not have been corrected and shall have created and caused to be continuing a material risk of Plan termination or liability for withdrawal from the Plan as a "substantial employer" (as defined in Section 4001(a)(2) of ERISA), which termination could reasonably be expected to result in a liability of, or liability for withdrawal could reasonably be expected to be, greater than $10,000,000;

(j) Multiemployer Plan Withdrawals. The Borrower or any member of the Controlled Group as employer under a Multiemployer Plan shall have made a complete or partial withdrawal from such Multiemployer Plan and such withdrawing employer shall have incurred a withdrawal liability in an annual amount exceeding $10,000,000;

(k) Invalidity of Credit Agreement. Any material provision of this Agreement shall cease to be in full force and effect and valid and binding on the Borrower or the Borrower shall so state in writing (except as permitted by the terms of this Agreement or as waived in accordance with Section 9.2); or

(l) Change in Control. The occurrence of a Change in Control.

Section 7.2 Optional Acceleration of Maturity. If any Event of Default shall have occurred and be continuing, then, and in any such event,

(a) the Administrative Agent (i) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare that the obligation of each Lender and the Issuing Lender to make Credit Extensions shall be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare all outstanding Advances, all interest thereon, and all other amounts payable under this Agreement to be forthwith due and payable, whereupon such Advances, all such interest, and all such amounts shall become and be forthwith due and payable in full, without presentment, demand, protest or further notice of any kind (including, without limitation, any notice of intent to accelerate or notice of acceleration), all of which are hereby expressly waived by the Borrower,

(b) the Borrower shall, on demand of the Administrative Agent at the request or with the consent of the Majority Lenders, deposit with the Administrative Agent into the Cash Collateral Account an amount of cash equal to 104% of the outstanding Letter of Credit Exposure as security for the Secured Obligations to the extent the Letter of Credit Obligations are not otherwise paid or Cash Collateralized at such time, and

(c) the Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders proceed to enforce its rights and remedies under the Security Documents, the Guaranty, or any other Credit Document by appropriate proceedings.

Section 7.3 Automatic Acceleration of Maturity. If any Event of Default pursuant to Section 7.1(g) shall occur,

(a) the obligation of each Lender and the Issuing Lender to make Credit Extensions shall immediately and automatically be terminated and all Advances, all interest on the Advances, and all other amounts payable under this Agreement shall immediately and automatically become and be due and payable in full, without presentment, demand, protest or any notice of any kind (including, without limitation, any notice of intent to accelerate or notice of acceleration), all of which are hereby expressly waived by the Borrower,

(b) the Borrower shall, on demand of the Administrative Agent at the request or with the consent of the Majority Lenders, deposit with the Administrative Agent into the Cash Collateral Account an amount of cash equal to 104% of the outstanding Letter of Credit Exposure as security for the Secured Obligations to the extent the Letter of Credit Obligations are not otherwise paid or Cash Collateralized at such time, and

(c) the Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders proceed to enforce its rights and remedies under the Security Documents, the Guaranty, or any other Credit Document by appropriate proceedings.

Section 7.4 Set-off. If an Event of Default shall have occurred and be continuing, each Lender Party, and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Legal Requirement, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender Party or any such Affiliate to or for the credit or the account of any Credit Party against any and all of the Secured Obligations of any Credit Party now or hereafter existing under this Agreement or any other Credit Document to such Lender Party or Affiliate, irrespective of whether or not such Lender Party or Affiliate shall have made any demand under this Agreement or any other Credit Document and although such obligations of any Credit Party may be contingent or unmatured or are owed to a branch or office of such Lender Party or Affiliate different from the branch or office holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Lender, the Swingline Lender and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Secured Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of the Administrative Agent, each Lender, the Issuing Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Administrative Agent, such Lender, such Issuing Lender or their respective Affiliates may have. Each Lender and the Issuing Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 7.5 Remedies Cumulative, No Waiver. No right, power, or remedy conferred to any Lender, Administrative Agent, or Issuing Lender in this Agreement or the Credit Documents, or now or hereafter existing at law, in equity, by statute, or otherwise shall be exclusive, and each such right, power, or remedy shall to the full extent permitted by law be cumulative and in addition to every other such right, power or remedy. No course of dealing and no delay in exercising any right, power, or remedy conferred to any Lender, the Administrative Agent, or the Issuing Lender in this Agreement and the Credit Documents or now or hereafter existing at law, in equity, by statute, or otherwise shall operate as a waiver of or otherwise prejudice any such right, power, or remedy. Any Lender, the Administrative Agent, or the Issuing Lender may cure any Event of Default without waiving the Event of Default. No notice to or demand upon any Credit Party shall entitle any Credit Party to similar notices or demands in the future.

Section 7.6 Application of Payments.

(a) Prior to Event of Default. Prior to an Event of Default, all payments made hereunder shall be applied as directed by the Borrower, but such payments are subject to the terms of this Agreement, including the application of prepayments according to Section 2.6.

(b) After Event of Default. If an Event of Default has occurred and is continuing, except as provided in Section 7.6(c) below, any amounts received or collected on account of the Secured Obligations shall be applied as determined by the Administrative Agent in its reasonable discretion to the Secured Obligations, or at the direction of the Majority Lenders, applied by the Administrative Agent in the following order and manner:

(i) First, to payment of that portion of such Secured Obligations constituting fees, indemnities, expenses, and other amounts (including fees, charges, and disbursements of counsel to the Administrative Agent and amounts payable under Section 2.11, Section 2.12, and Section 2.14) payable by any Credit Party to the Administrative Agent in its capacity as such;

(ii) Second, to payment of that portion of such Secured Obligations constituting accrued and unpaid interest, allocated ratably among the Lender Parties in proportion to the amounts described in this clause Second payable to them;

(iii) Third, to payment of that portion of such Secured Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable by any Credit Party to the Secured Parties (including fees, charges and disbursements of counsel to the respective Secured Parties and amounts payable under Article II), ratably among such Secured Parties in proportion to the amounts described in this clause Third payable to them;

(iv) Fourth, to the Administrative Agent for the account of the Issuing Lender, to Cash Collateralize that portion of the Letter of Credit Obligations comprised of the aggregate undrawn amount of Letters of Credit;

(v) Fifth, to payment of that portion of the Secured Obligations constituting unpaid principal of the Secured Obligations payable by any Credit Party (including obligations under Hedging Agreements with any Swap Counterparties and Banking Services Obligations) and allocated ratably among the Secured Parties in proportion to the respective amounts described in this clause Fifth held by them;

(vi) Sixth, to the remaining Secured Obligations owed by any Credit Party, allocated ratably among the Secured Parties in proportion to the respective amounts described in this clause Sixth held by them; and

(vii) Last, the balance, if any, after all of the Secured Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by any Legal Requirement.

Subject to Section 2.3(i), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as cash collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Secured Obligations, if any, in the order set forth above. For purposes of this clause (b) "principal amount" of the obligations in respect of Hedging Arrangements at any time shall be Swap Termination Value that would be required to be paid if such Hedging Arrangements were terminated at such time. Notwithstanding the foregoing, payments and collections received by the Administrative Agent from any Credit Party that is not a Qualified ECP Guarantor (and any proceeds received in respect of such Credit Party' s Collateral shall not be applied to Excluded Swap Obligations with respect to any Credit Party, provided, however, that the Administrative Agent shall make such adjustments as it determines are appropriate with respect to payments and collections received from the other Credit Parties (or proceeds received in respect of such other Credit Parties' Collateral) to preserve, as nearly as possible, the allocation to Secured Obligations otherwise set forth above in this Section 7.6 (assuming that, solely for purposes of such adjustments, Secured Obligations includes Excluded Swap Obligations).

(c) After Exercise of Remedies. After the exercise of remedies provided for in Section 7.2 (or after the Advances have automatically become immediately due and payable as set forth in Section 7.3), any amounts received or collected on account of the Secured Obligations shall be applied by the Administrative Agent in accordance with clauses (i) – (vii) of Section 7.6(b) above.

Section 7.7 Equity Right to Cure.

(a) Notwithstanding anything to the contrary contained in Section 7.1, in the event of any Event of Default under the covenant set forth in Section 6.16 and until the expiration of the tenth (10th) Business Day after the date on which financial statements are required to be delivered pursuant to Section 5.2(a) or (b) with respect to the applicable fiscal quarter hereunder, the Borrower may sell or issue common Equity Interests of the Borrower to any of the Equity Interest holders (to the extent such transaction would not result in a Change in Control) and apply the Equity Issuance Proceeds thereof to increase EBITDA with respect to such applicable quarter (and include it as EBITDA in such quarter for any four fiscal quarter period included in such calculation); provided that (i) such Equity Issuance Proceeds are actually received by the Borrower no later than ten (10) Business Days after the date on which financial statements are required to be delivered pursuant to Section 5.2(a) or (b) with respect to such fiscal quarter hereunder and (ii) the amount of such Equity Issuance Proceeds included as EBITDA for any such fiscal quarter shall not exceed the amount necessary to cause the Leverage Ratio on a pro forma basis after giving effect to the cure provided herein, for any applicable period to be less than the then required levels under Section 6.16 minus 1.00. Subject to the terms set forth above and the terms in clause (b) and (c) below, upon (A) application of the Equity Issuance Proceeds as provided above within the ten (10) Business Day period described above in such amounts sufficient to cure the Events of Default under the covenant set forth in Section 6.16, and (B) delivery of an updated Compliance Certificate executed by a Responsible Officer of the Borrower to the Administrative Agent reflecting compliance with Section 6.16, such Events of Default shall be deemed cured and no longer in existence.

(b) The parties hereby acknowledge and agree that this Section 7.7 may not be relied on for purposes of calculating any financial ratios or other conditions or compliances other than the Leverage Ratio covenant set forth in Section 6.16 and shall not result in any adjustment to any amounts (including, for the avoidance of doubt, any Debt that is prepaid or repaid with the Equity Issuance Proceeds or any determination of the Leverage Ratio for purposes of determining Applicable Margin) other than the amount of EBITDA referred to in Section 7.7(a) above for purposes of determining the Borrower' s compliance with Section 6.16.

(c) In each period of four fiscal quarters, there shall be at least two (2) fiscal quarters in which no cure set forth in this Section 7.7 is made. Furthermore, the Borrower may not utilize more than five cures provided in this Section 7.7.

ARTICLE VIII
THE ADMINISTRATIVE AGENT AND ISSUING LENDER

Section 8.1 Appointment, Powers, and Immunities.

(a) Appointment and Authority. Each Lender, the Swingline Lender and the Issuing Lender hereby irrevocably (a) appoints Wells Fargo to act on its behalf as the Administrative Agent hereunder and under the other Credit Documents, and (b) authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article VIII are solely for the benefit of the Lender Parties, and neither the Borrower nor any other Credit Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Credit Document (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Legal Requirement. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders. Wells Fargo (and any successor acting as Administrative Agent) and its Affiliates may accept fees and other

consideration from the Borrower or any Affiliate of the Borrower for services in connection with this Agreement or otherwise without having to account for the same to the Lenders or the Issuing Lender.

(c) Exculpatory Provisions. The Administrative Agent (which term as used in this Section 8.1(c) shall include its Related Parties) shall not have any duties or obligations except those expressly set forth herein and in the other Credit Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Administrative Agent is required to exercise as directed in writing by the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Credit Document or applicable Legal Requirement, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to the Borrower, any other Credit Party or any of their respective Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 7.1 and Section 9.2) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by the Borrower, a Lender, the Swingline Lender or the Issuing Lender. In the event that the Administrative Agent receives such a notice of the occurrence of a Default, the Administrative Agent shall (subject to Section 9.2) take such action with respect to such Default or Event of Default as shall reasonably be directed by the Majority Lenders, provided that, unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Secured Parties.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any recital, statement, warranty or representation (whether written or oral) made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the value, validity, enforceability, effectiveness, enforceability, sufficiency or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document, (v) the inspection of, or to inspect, the Property (including the books and records) of any Credit Party or any Subsidiary or Affiliate thereof, (vi) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent, or (vii) any litigation or collection proceedings (or to initiate or conduct any such litigation or proceedings) under any Credit Document unless requested by the Majority Lenders in writing and it receives indemnification satisfactory to it from the Lenders.

Section 8.2 Reliance by Administrative Agent and Issuing Lender. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document, writing or other communication (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Credit Extension or any Conversion or continuance of an Advance that by its terms must be fulfilled to the satisfaction of a Lender, the Swingline Lender or the Issuing Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender, the Swingline Lender or Issuing Lender unless the Administrative Agent shall have received notice to the contrary from such Lender, the Swingline Lender or Issuing Lender prior to the making of such Credit Extension or Conversion or continuance of an Advance. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 8.3 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article VIII shall apply to any such sub agent and to the Related Parties of the Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the Facilities provided for herein as well as activities as

Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub agents.

Section 8.4 Indemnification.

(a) INDEMNITY OF ADMINISTRATIVE AGENT. THE LENDERS SEVERALLY AGREE TO INDEMNIFY THE ADMINISTRATIVE AGENT AND EACH AFFILIATE THEREOF AND THEIR RESPECTIVE RELATED PARTIES (TO THE EXTENT NOT REIMBURSED BY THE BORROWER), RATABLY ACCORDING TO THE RESPECTIVE PRINCIPAL AMOUNTS OF THE ADVANCES THEN HELD BY EACH OF THEM (OR IF NO PRINCIPAL OF THE ADVANCES IS AT THE TIME OUTSTANDING, RATABLY ACCORDING TO THE RESPECTIVE APPLICABLE COMMITMENTS HELD BY EACH OF THEM IMMEDIATELY PRIOR TO THE TERMINATION, EXPIRATION OR FULL REDUCTION OF EACH SUCH COMMITMENT), FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT, ANY CREDIT DOCUMENT OR ANY ACTION TAKEN OR OMITTED BY SUCH ADMINISTRATIVE AGENT UNDER THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT **(INCLUDING SUCH INDEMNITEE' S OWN NEGLIGENCE REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL)**, AND INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LIABILITIES, PROVIDED THAT NO LENDER SHALL BE LIABLE FOR ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNITEE' S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. WITHOUT LIMITATION OF THE FOREGOING, EACH LENDER AGREES TO REIMBURSE THE ADMINISTRATIVE AGENT PROMPTLY UPON DEMAND FOR ITS RATABLE SHARE (DETERMINED AS SET FORTH ABOVE IN THIS PARAGRAPH) OF (i) ANY OUT-OF-POCKET EXPENSES (INCLUDING REASONABLE COUNSEL FEES) INCURRED BY THE ADMINISTRATIVE AGENT IN CONNECTION WITH THE PREPARATION, EXECUTION, DELIVERY, ADMINISTRATION, MODIFICATION, OR AMENDMENT, AND (ii) ANY OUT-OF-POCKET EXPENSES (INCLUDING COUNSEL FEES) INCURRED BY THE ADMINISTRATIVE AGENT IN CONNECTION WITH ENFORCEMENT OF THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT, IN ANY EVENT, INCLUDING LEGAL ADVICE IN RESPECT OF RIGHTS OR RESPONSIBILITIES UNDER THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND TO THE EXTENT THAT THE ADMINISTRATIVE AGENT IS NOT REIMBURSED FOR SUCH BY THE BORROWER.

(b) INDEMNITY OF ISSUING LENDER. THE REVOLVING LENDERS SEVERALLY AGREE TO INDEMNIFY THE ISSUING LENDER AND EACH AFFILIATE THEREOF AND ITS RELATED PARTIES (TO THE EXTENT NOT REIMBURSED BY THE BORROWER), RATABLY ACCORDING TO THE RESPECTIVE PRINCIPAL AMOUNTS OF THE REVOLVING ADVANCES THEN HELD BY EACH OF THEM (OR IF NO PRINCIPAL OF THE REVOLVING ADVANCES IS AT THE TIME OUTSTANDING, RATABLY ACCORDING TO THE RESPECTIVE COMMITMENTS HELD BY EACH OF THEM IMMEDIATELY PRIOR TO THE TERMINATION, EXPIRATION OR FULL REDUCTION OF EACH SUCH COMMITMENT), FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST THE ISSUING LENDER OR ANY OF ITS RELATED PARTIES IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT, ANY CREDIT DOCUMENT OR ANY ACTION TAKEN OR OMITTED BY THE ISSUING LENDER UNDER THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT **(INCLUDING SUCH INDEMNITEE' S OWN NEGLIGENCE REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL)**, AND INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LIABILITIES, PROVIDED THAT NO REVOLVING LENDER SHALL BE LIABLE FOR ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNITEE' S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. Without limitation of the foregoing, each Revolving Lender agrees to reimburse the Issuing Lender promptly upon demand for its ratable share (determined as set forth above in this paragraph) of any out-of-pocket expenses (including counsel fees) incurred by the Issuing Lender in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings, or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Credit Document, to the extent that the Issuing Lender is not reimbursed for such by the Borrower.

Section 8.5 Non-Reliance on Administrative Agent and Other Lenders. Each Lender Party acknowledges and agrees that it has, independently and without reliance upon the Administrative Agent or any other Lender Party or any of their Related Parties, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender Party also acknowledges and agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender Party or any of their Related Parties, and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking

action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder. Except for notices, reports, and other documents and information expressly required to be furnished to the Lenders or the Issuing Lender by the Administrative Agent hereunder and for other information in the Administrative Agent' s possession which has been requested by a Lender and for which such Lender pays the Administrative Agent' s expenses in connection therewith, the Administrative Agent shall not have any duty or responsibility to provide any Lender or Issuing Lender with any credit or other information concerning the affairs, financial condition, or business of any Credit Party or any of its Subsidiaries or Affiliates that may come into the possession of the Administrative Agent or any of its Affiliates.

Section 8.6 Resignation of Administrative Agent, Issuing Lender or Swingline Lender.

(a) The Administrative Agent and the Issuing Lender may at any time give notice of its resignation to the other Lender Parties and the Borrower. Upon receipt of any such notice of resignation, the Majority Lenders shall have the right, with the prior written consent of the Borrower (which consent is not required if a Default or Event of Default has occurred and is continuing and which consent shall not be unreasonably withheld or delayed), to, as applicable, (i) appoint a successor Administrative Agent, and (ii) appoint a successor Issuing Lender, which shall be a Lender. If no such successor Administrative Agent or Issuing Lender shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent or Issuing Lender gives notice of its resignation (or such earlier day as shall be agreed by the Majority Lenders) (the "***Resignation Effective Date***"), then the retiring Administrative Agent or Issuing Lender, as applicable, may on behalf of the Lenders and Issuing Lender, appoint a successor agent or issuing lender meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation by an Administrative Agent or an Issuing Lender shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Majority Lenders may, to the extent permitted by applicable Legal Requirement, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Majority Lenders) (the "***Removal Effective Date***"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), (i) the retiring or removed Administrative Agent or Issuing Lender, as applicable, shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that (y) in the case of any collateral security held by such Administrative Agent on behalf of the Lenders or an Issuing Lender under any of the Credit Documents, the retiring Administrative Agent shall continue to hold such

collateral security until such time as a successor Administrative Agent is appointed and (z) the retiring Issuing Lender shall remain the Issuing Lender with respect to any Letters of Credit outstanding on the effective date of its resignation and the provisions affecting the Issuing Lender with respect to such Letters of Credit shall inure to the benefit of the retiring Issuing Lender until the termination of all such Letters of Credit), and (ii) all payments, communications and determinations provided to be made by, to or through the retiring or removed Administrative Agent or Issuing Lender, as applicable, shall instead be made by or to each applicable class of Lenders, until such time as the Majority Lenders appoint a successor Administrative Agent or Issuing Lender as provided for above in this paragraph. Upon the acceptance of a successor' s appointment as Administrative Agent or Issuing Lender hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent or Issuing Lender, as applicable, and the retiring or removed Administrative Agent or Issuing Lender, as applicable, shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents. The fees payable by the Borrower to a successor Administrative Agent or Issuing Lender, as applicable shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent' s or Issuing Lender' s resignation or removal hereunder and under the other Credit Documents, the provisions of this Article and Section 9.1 and Section 2.3(g) shall continue in effect for the benefit of such retiring or removed Administrative Agent and Issuing Lender, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent or Issuing Lender, as applicable, was acting as Administrative Agent or Issuing Lender.

(d) The Swingline Lender may resign at any time by giving 30 days' prior notice to the Administrative Agent, the Lenders and the Borrower. After the resignation of the Swingline Lender hereunder, the retiring Swingline Lender shall remain a party hereto and shall continue to have all the rights and obligations of the Swingline Lender under this Agreement and the other Credit Documents with respect to Swingline Advances made by it prior to such resignation, but shall not be required to make any additional Swingline Advances. Upon such notice of resignation, the Borrower shall have the right to designate any other Revolving Lender as the Swingline Lender with the consent of such Lender so long as operational matters related to the funding of Advances under the Facility have been adequately addressed to the reasonable satisfaction of such new Swingline Lender and the Administrative Agent (if such new Swingline Lender and the Administrative Agent are not the same Person).

Section 8.7 Collateral Matters.

(a) The Administrative Agent is authorized on behalf of the Secured Parties, without the necessity of any notice to or further consent from the Secured Parties, from time to time, to take any actions with respect to any Collateral or Security Documents which may be necessary to perfect and maintain Acceptable Security Interests in and Liens upon the Collateral granted pursuant to the Security Documents. The Administrative Agent is further authorized (but not obligated) on behalf of the Secured

Parties, without the necessity of any notice to or further consent from the Secured Parties, from time to time, to take any action (other than enforcement actions requiring the consent of, or request by, the Majority Lenders as set forth in Section 7.2 or Section 7.3 above) in exigent circumstances as may be reasonably necessary to preserve any rights or privileges of the Lenders under the Credit Documents or applicable Legal Requirement.

(b) The Lenders hereby, and any other Secured Party by accepting the benefit of the Liens granted pursuant to the Security Documents, irrevocably authorize the Administrative Agent to (i) release any Lien granted to or held by such Administrative Agent upon any Collateral (a) upon the occurrence of each of the following ("***Security Termination***"): (1) termination of this Agreement, (2) termination of all Hedging Arrangements with Swap Counterparties (other than Hedging Arrangements as to which arrangements satisfactory to the applicable Swap Counterparty in its sole discretion have been made), (3) termination of all Letters of Credit (other than Letters of Credit as to which other arrangements reasonably satisfactory to the Issuing Lender have been made), and (4) the payment in full of all outstanding Advances, Letter of Credit Obligations (other than with respect to Letters of Credit as to which other arrangements reasonably satisfactory to the Issuing Lender have been made) and all other Secured Obligations payable under this Agreement and under any other Credit Document; (b) constituting property sold or to be sold or disposed of as part of or in connection with any disposition permitted under this Agreement or any other Credit Document; (c) constituting property in which no Credit Party owned an interest at the time the Lien was granted or at any time thereafter (other than, for the avoidance of doubt, as a result of a transaction that is prohibited hereunder); or (d) constituting property leased to any Credit Party under a lease which has expired or has been terminated in a transaction permitted under this Agreement or is about to expire and which has not been, and is not intended by such Credit Party to be, renewed or extended; and (ii) release a Guarantor from its obligations under the Guaranty and any other applicable Credit Document if such Person ceases to be a Subsidiary as a result of a transaction permitted under this Agreement.

(c) Upon request by an Administrative Agent at any time, the Secured Parties will confirm in writing such Administrative Agent' s authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under its Guaranty pursuant to this Section 8.7. The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent' s Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Secured Parties or any other Lender Party for any failure to monitor or maintain any portion of the Collateral.

(d) Notwithstanding anything contained in any of the Credit Documents to the contrary, the Credit Parties, the Administrative Agent, and each Secured Party hereby agree that no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty, it being understood and agreed that all powers, rights and remedies under the Guaranty and under the Security Documents may be exercised solely by the Administrative Agent on behalf of the Secured Parties in accordance with the terms hereof and the other Credit Documents.

(e) By accepting the benefit of the Liens granted pursuant to the Security Documents, each Secured Party hereby agrees to the terms of this Section 8.7.

Section 8.8 No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers, Syndication Agents and Documentation Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender, Swingline Lender or Issuing Lender hereunder.

Section 8.9 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Advance or Letter of Credit Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Advances, Letter of Credit Exposure and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Lender and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Lender and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuing Lender and the Administrative Agent under Section 2.3) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the Issuing Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the Issuing Lender, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 2.8.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay, within 30 days of invoice, (i) all reasonable out-of-pocket expenses incurred by Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the

Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Credit Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by any Lender Party (including the fees, charges and disbursements of any counsel for any Lender Party), in connection with the enforcement or protection of its rights, (A) in connection with this Agreement and the other Credit Documents, including its rights under this Section, or (B) in connection with the Advances made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring, negotiations or legal proceedings in respect of such Advances or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall, and does hereby indemnify, the Administrative Agent (and any sub-agent thereof), each Lender, the Swingline Lender and the Issuing Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "***Indemnitee***") against, and hold each Indemnitee harmless from, any and all actions, suits, losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any other Credit Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Credit Documents, (ii) any Advance or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by an Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged Release of Hazardous Substance on or from any property owned or operated by any Credit Party or any of its Subsidiaries, or any Environmental Claim related in any way to any Credit Party or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Credit Party, and regardless of whether any Indemnitee is a party thereto, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE**; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such actions, suits, losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, or (y) result from a claim brought by the Borrower or any other Credit Party against an Indemnitee for breach in bad faith of

such Indemnitee' s obligations hereunder or under any other Credit Document, if the Borrower or such other Credit Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This Section 9.1(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Legal Requirement, no Credit Party shall assert, agrees not to assert and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Advance or Letter of Credit or the use of the proceeds thereof. To the fullest extent permitted by applicable Legal Requirement, no Lender Party shall assert, agrees not to assert, and hereby waives, any claim against any Credit Party or any Affiliate thereof, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby. For the avoidance of doubt, the parties hereto acknowledge and agree that a claim for indemnity under Section 9.1(b) above, to the extent covered thereby, is a claim of direct or actual damages and nothing contained in the foregoing sentence shall limit the Borrower' s indemnification obligations to the extent set forth in clause (b) above to the extent such special, indirect, consequential or punitive damages are included in any third party claim in connection with which such indemnified person is otherwise entitled to indemnification hereunder. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(d) Survival. Without prejudice to the survival of any other agreement hereunder, the agreements in this Section shall survive the resignation of the Administrative Agent and the Issuing Lender, the replacement of any Lender, the termination of the aggregate Commitments, termination or expiration of all Letters of Credit, and the repayment, satisfaction or discharge of all the other Obligations.

(e) Payments. All amounts due under this Section 9.1 shall, unless otherwise set forth above, be payable not later than 10 days after demand therefor.

(f) Reimbursement by Lenders. To the extent that the Borrower for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the Issuing Lender, Swingline Lender or any Related Party of any of the foregoing, each

Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such Issuing Lender, the Swingline Lender or such Related Party, as the case may be, such Lender' s Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender' s share of the aggregate Maximum Exposure Amount at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that with respect to such unpaid amounts owed to the Administrative Agent, Issuing Lender or Swingline Lender solely in its capacity as such, only the Lenders of the applicable Facility shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Lenders' ratable share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought as set forth in this paragraph above), provided further that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), such Issuing Lender or the Swingline Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), such Issuing Lender or Swingline Lender in connection with such capacity. The obligations of the Lenders under this subsection (f) are subject to the provisions of Section 2.5(e).

Section 9.2 Waivers and Amendments. No amendment or waiver of any provision of this Agreement or any other Credit Document (other than the Fee Letter, any AutoBorrow Agreement, Letter of Credit Applications and Letter of Credit Reimbursement Agreements), nor consent to any departure by any Credit Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that:

(a) no amendment, waiver, or consent shall, unless in writing and signed by all the Revolving Lenders and the Borrower, (i) reduce the principal of, or interest on, the Revolving Advances (provided that, the consent of the Majority Lenders shall be sufficient to waive or reduce the increased portion of interest on the Revolving Advances resulting from Section 2.9(e)), or (ii) change the number of Revolving Lenders which shall be required for the Revolving Lenders to take any action hereunder or under any other Credit Document;

(b) no amendment, waiver, or consent shall, unless in writing and signed by all the Lenders and the Borrower, do any of the following: (i) waive any of the conditions specified in Section 3.1 or Section 3.2, (ii) reduce any fees or other amounts payable hereunder or under any other Credit Document (other than those specifically addressed above in this Section 9.2), (iii) increase the aggregate Commitments (except pursuant to Section 2.16), (iv) amend Section 2.13(f), Section 7.6, this Section 9.2, Section 9.7(a)(v) or any other provision in any Credit Document which expressly requires the consent of, or action or waiver by, all of the Lenders, (v) release all or substantially all of the Guarantors from their respective obligations under the Guaranty except as specifically provided in the Credit Documents or release the Borrower from its obligations under the Guaranty, (vi) release all or substantially all of the Collateral except as permitted under Section 8.7(b), (vii) amend the definitions of "Majority Lenders", or "Maximum Exposure Amount", or (viii) amend the definitions of "Secured Parties", "Secured Obligations" or "Collateral" in a manner materially adverse to any Secured Party;

(c) no amendment, waiver, or consent shall, unless in writing and signed by each Lender directly affected thereby, (i) postpone any date fixed for any interest, fees or other amounts payable hereunder or extend the Maturity Date, or (ii) subordinate payment of the Obligations to any other Indebtedness;

(d) no Commitment of a Lender or any obligations of a Lender may be increased or extended without such Lender' s written consent;

(e) no amendment, waiver, or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or any other Credit Document;

(f) no amendment, waiver or consent shall, unless in writing and signed by the Issuing Lender in addition to the Lenders required above to take such action, affect the rights or duties of such Issuing Lender under this Agreement or any other Credit Document; and

(g) no amendment, waiver or consent shall, unless in writing and signed by the Swingline Lender in addition to the Lenders required above to take such action, affect the rights or duties of such Swingline Lender under this Agreement or any other Credit Document.

For the avoidance of doubt, no Lender or any Affiliate of a Lender shall have any voting rights under this Agreement or any Credit Document as a result of the existence of obligations owed to it under Hedging Arrangements or Banking Services Obligations.

Section 9.3 Severability. In case one or more provisions of this Agreement or the other Credit Documents shall be invalid, illegal or unenforceable in any respect under any applicable Legal Requirement, the validity, legality, and enforceability of the remaining provisions contained herein or therein shall not be affected or impaired thereby.

Section 9.4 Survival of Representations and Obligations. All representations and warranties contained in this Agreement or made in writing by or on behalf of the Credit Parties in connection herewith shall survive the execution and delivery of this Agreement and the other Credit Documents, the making of Credit Extensions and any investigation made by or on behalf of the Lenders, none of which investigations shall diminish any Lender' s right to rely on such representations and warranties. Without limiting the provisions hereof which expressly provide for the survival of obligations, all obligations of the Borrower or any other Credit Party provided for in Section 2.9(d), Section 2.11, Section 2.12, Section 2.14(d), and Section 9.1(a), (b), (c) and (e) and all of the obligations of the Lenders in Section 8.3, Section 8.4, Section 9.1(c) and Section 9.1(f) shall survive any termination of this Agreement, repayment in full of the Obligations, and termination or expiration of all Letters of Credit.

Section 9.5 Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrower, and the Administrative Agent, and when the Administrative Agent shall have, as to each Lender, either received a counterpart hereof executed by such Lender or been notified by such Lender that such Lender has executed it.

Section 9.6 Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender Party or pursuant to a transaction permitted under Section 6.7(a) and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (a) to an Eligible Assignee in accordance with the provisions of Section 9.7, (b) by way of participation in accordance with the provisions of Section 9.7(c), or (c) by way of pledge or assignment of a security interest subject to the restrictions of Section 9.7(e) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 9.7(e) and, to the extent expressly contemplated hereby, the Related Parties of the Administrative Agent and each Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

Section 9.7 Lender Assignments and Participations.

(a) Assignment by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender' s Commitment and/or the Advances at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (a)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (a)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Advances outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000, unless each of the Administrative Agent and, so long as no as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender' s rights and obligations under this Agreement with respect to the Advance or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (a)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender or an Affiliate of a Lender;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person that is not a Lender; and

(C) the consent of the Issuing Lender and Swingline Lender (each such consent not to be unreasonably withheld or delayed) shall be required for any assignment.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of the Borrower' s Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person.

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Advances previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the Issuing Lender, the Swingline Lender and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Advances and participations in Letters of Credit and Swingline Advances in

accordance with its Pro Rata Share. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Legal Requirement without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (b) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender' s rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 2.11, Section 2.12, Section 2.14(c) and Section 9.1 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender' s having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(b) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at its address referred to in Section 9.9 a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, the Commitments, and principal amounts of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "***Register***"). The entries in the Register shall be conclusive absent manifest error, and the Borrower and the Lender Parties may treat each Person whose name is recorded in the applicable Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Borrower hereby agrees that the Administrative Agent acting as its agent solely for the purpose set forth above in this clause (b), shall not subject the Administrative Agent to any fiduciary or other implied duties, all of which are hereby waived by the Borrower.

(c) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person, the Borrower or any of the Borrower' s Affiliates or Subsidiaries) (each, a "***Participant***") in all or a portion of such Lender' s rights and/or obligations under this Agreement (including all or a portion of its Commitments and/or the Advances owing to it); provided that (i) such Lender' s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower and the Lender Parties shall continue to deal solely and directly with such Lender Party in connection with such Lender Party' s rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment,

modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (a) – (d) of Section 9.2, Section 9.6 or clauses (a) or (b) of this Section 9.7 (that adversely affects such Participant). Subject to paragraph (d) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of, and subject to the requirements of, Section 2.11, Section 2.12 and Section 2.14 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (a) of this Section. Each Lender that sells a participation agrees, at the Borrower' s request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.15 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 7.4 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13(f) as though it were a Lender.

Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register in the United States on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant' s interest in the Obligations under the Credit Documents (the "***Participant Register***") and no Lender shall have any obligation to disclose any information contained in any Participant Register (including the identity of any Participant or any information relating to the Participant' s interests under this Agreement) except to the extent that such disclosure is necessary to ensure that the rights and obligations reflected in such register, or in any Register, are in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register. The Borrower hereby agrees that each Lender acting as its agent solely for the purpose set forth above in this clause (c), shall not subject such Lender to any fiduciary or other implied duties, all of which are hereby waived by the Borrower.

(d) Limitations upon Participant Rights. A Participant (i) shall agree to be subject to the provisions of Section 2.15 as if it were an assignee under paragraph (a) of this Section and (ii) shall not be entitled to receive any greater payment under Sections 2.12 or 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower' s prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.14 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of such Borrower, to comply with Section 2.14(g), in which case Section 2.14 shall be applied as if such Participant had become a Lender and had acquired its interest by assignment pursuant to paragraph (a) of this Section; provided that, in no event shall such Participant be entitled to receive any greater payment under Section 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 9.8 Confidentiality. Each Lender Party agrees to keep confidential any information furnished or made available to it by any Credit Party pursuant to this Agreement; provided that nothing herein shall prevent any Lender Party from disclosing such information (a) to any other Lender Party or any Affiliate of any Lender Party, or any officer, director, employee, agent, or advisor of any Lender Party or Affiliate of any Lender Party for purposes of administering, negotiating, considering, processing, implementing, syndicating, assigning, or evaluating the credit facilities provided herein and the transactions contemplated hereby, (b) to any other Person if directly incidental to the administration of the credit facilities provided herein, (c) as required by any Legal Requirement, (d) upon the order of any court or administrative agency, (e) upon the request or demand of any regulatory agency or authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (f) that is or becomes available to the public or that is or becomes available to any Lender Party other than as a result of a disclosure by any other Lender Party prohibited by this Agreement, (g) in connection with any litigation relating to this Agreement or any other Credit Document to which such Lender Party or any of its Affiliates may be a party, (h) to the extent necessary in connection with the exercise of any right or remedy under this Agreement or any other Credit Document, and (i) to any actual or proposed participant or assignee, in each case, subject to provisions similar to those contained in this Section 9.8. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, nothing in this Agreement shall (a) restrict any Lender Party from providing information to any bank or other regulatory or Governmental Authorities, including the Federal Reserve Board and its supervisory staff; (b) require or permit any Lender Party to disclose to any Credit Party that any information will be or was provided to the Federal Reserve Board or any of its supervisory staff; or (c) require or permit any Lender Party to inform any Credit Party of a current or upcoming Federal Reserve Board examination or any nonpublic Federal Reserve Board supervisory initiative or action. Any Person required to maintain the confidentiality of information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such information as such Person would accord to its own confidential information.

Section 9.9 Notices, Etc.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows: (i) if to the Borrower or any other Credit Party, at the applicable address (or facsimile numbers) set forth on Schedule II; (ii) if to the Administrative Agent or Issuing Lender, at the applicable address (or facsimile numbers) set forth on Schedule II; and (iii) if to a Lender, to it at its address (or facsimile number) set forth in its Administrative Questionnaire. Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be

deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications.

(i) The Borrower and the Lenders agree that the Administrative Agent may make any material delivered by the Borrower to the Administrative Agent, as well as any amendments, waivers, consents, and other written information, documents, instruments and other materials relating to the Borrower, any of its Subsidiaries, or any other materials or matters relating to this Agreement, the Notes or any of the transactions contemplated hereby (collectively, the "***Communications***") available to the Lenders by posting such notices on an electronic delivery system (which may be provided by the Administrative Agent, an Affiliate of an Administrative Agent, or any Person that is not an Affiliate of an Administrative Agent), such as IntraLinks, Debt Domain, Syndtrak or a substantially similar electronic system (the "***Platform***"). The Borrower acknowledges that (i) the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution, (ii) the Platform is provided "as is" and "as available" and (iii) none of the Administrative Agent nor any of its Affiliates warrants the accuracy, completeness, timeliness, sufficiency, or sequencing of the Communications posted on the Platform. The Administrative Agent and its Affiliates expressly disclaim with respect to the Platform any liability for errors in transmission, incorrect or incomplete downloading, delays in posting or delivery, or problems accessing the Communications posted on the Platform and any liability for any losses, costs, expenses or liabilities that may be suffered or incurred in connection with the Platform. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by the Administrative Agent or any of its Affiliates in connection with the Platform. In no event shall the Administrative Agent or any of its Related Parties have any liability to the Borrower or the other Credit Parties, any Lender Party or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower' s, any Credit Party' s or any Lender Party' s transmission of communications through the Platform.

(ii) Each Lender agrees that notice to it (as provided in the next sentence) (a "***Notice***") specifying that any Communication has been posted to the Platform shall for purposes of this Agreement constitute effective delivery to such Lender of such information, documents or other materials comprising such Communication. Each Lender agrees (i) to notify, on or before the date such Lender becomes a party to this Agreement, the Administrative Agent in writing of such Lender' s e-mail address to which a Notice may be sent (and from time to time thereafter to ensure that the Agent has on record an effective e-mail address for such Lender) and (ii) that any Notice may be sent to such e-mail address.

(c) Change of Address, Etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

Section 9.10 Usury Not Intended. It is the intent of each Credit Party and each Lender Party in the execution and performance of this Agreement and the other Credit Documents to contract in strict compliance with applicable usury laws, including conflicts of law concepts, governing the Advances of each Lender including such applicable Legal Requirements of the State of New York, if any, and the United States of America from time to time in effect and any other jurisdiction whose laws may be mandatorily applicable to such Lender notwithstanding the other provisions of this Agreement. In furtherance thereof, the Lender Parties and the Credit Parties stipulate and agree that none of the terms and provisions contained in this Agreement or the other Credit Documents shall ever be construed to create a contract to pay, as consideration for the use, forbearance or detention of money, interest at a rate in excess of the Maximum Rate and that for purposes of this Agreement "interest" shall include the aggregate of all charges which constitute interest under such laws that are contracted for, charged or received under this Agreement; and in the event that, notwithstanding the foregoing, under any circumstances the aggregate amounts taken, reserved, charged, received or paid on the Advances, include amounts which by applicable Legal Requirement are deemed interest which would exceed the Maximum Rate, then such excess shall be deemed to be a mistake and each Lender receiving same shall credit the same on the principal of its Obligations (or if such Obligations shall have been paid in full, refund said excess to the Borrower). In the event that the maturity of the Obligations are accelerated by reason of any election of the holder thereof resulting from any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest may never include more than the Maximum Rate, and excess interest, if any, provided for in this Agreement or otherwise shall be canceled automatically as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited on the applicable Obligations (or, if the applicable Obligations shall have been paid in full, refunded to the Borrower of such interest). In determining whether or not the interest paid or payable under any specific contingencies exceeds the Maximum Rate, the Credit Parties and the Lender Parties shall to the maximum extent permitted under applicable law amortize, prorate, allocate and spread in equal parts during the period of the full stated term of the Obligations all amounts considered to be interest under applicable law at any time contracted for, charged, received or reserved in connection with the Obligations. The provisions of this Section shall control over all other provisions of this Agreement or the other Credit Documents which may be in apparent conflict herewith.

Section 9.11 Usury Recapture. In the event the rate of interest chargeable under this Agreement or any other Credit Document at any time is greater than the Maximum Rate, the unpaid principal amount of the Advances shall bear interest at the Maximum Rate until the total amount of interest paid or accrued on the Advances equals the amount of interest which would have been paid or accrued on the Advances if the stated rates of interest set forth in this Agreement or applicable Credit Document had at all times been in effect. In the event, upon payment in full of the Advances, the total amount of interest paid or accrued under the terms of

this Agreement and the Advances is less than the total amount of interest which would have been paid or accrued if the rates of interest set forth in this Agreement had, at all times, been in effect, then the Borrower shall, to the extent permitted by applicable Legal Requirement, pay the Administrative Agent for the account of the applicable Lenders an amount equal to the difference between (i) the lesser of (A) the amount of interest which would have been charged on its Advances if the Maximum Rate had, at all times, been in effect and (B) the amount of interest which would have accrued on its Advances if the rates of interest set forth in this Agreement had at all times been in effect and (ii) the amount of interest actually paid under this Agreement on its Advances. In the event the Lenders ever receive, collect or apply as interest any sum in excess of the Maximum Rate, such excess amount shall, to the extent permitted by applicable Legal Requirement, be applied to the reduction of the principal balance of the Advances, and if no such principal is then outstanding, such excess or part thereof remaining shall be paid to the Borrower.

Section 9.12 **Payments Set Aside**. To the extent that any payment by or on behalf of the Borrower is made to any Lender Party, or any Lender Party exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by any Lender Party in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the Issuing Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect, in the applicable currency of such recovery or payment. The obligations of the Lenders, the Swingline Lender and the Issuing Lender under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

Section 9.13 **Governing Law**. This Agreement, the Notes and the other Credit Documents (other than such Credit Documents which expressly provide otherwise) shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations Law of the State of New York). Each Letter of Credit shall be governed by either (i) the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600, or (ii) the ISP, in either case, including any subsequent revisions thereof approved by a Congress of the International Chamber of Commerce and adhered to by the Issuing Lender.

Section 9.14 **Submission to Jurisdiction**. EACH PARTY TO THIS AGREEMENT IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR

ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LEGAL REQUIREMENT. NOTHING IN THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY LENDER PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AGAINST THE CREDIT PARTIES OR THEIR PROPERTIES IN THE COURTS OF ANY JURISDICTION.

Section 9.15 **Waiver of Venue**. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY COURT REFERRED TO IN SECTION 9.14. EACH OF THE PARTIES HERETO HEREBY AGREES THAT SECTIONS 5-1401 AND 4-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS AGREEMENT AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

Section 9.16 **Service of Process**. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.9. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable Legal Requirement.

Section 9.17 **Keepwell**. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Credit Party to honor all of its obligations under this Agreement in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 9.17 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 9.17, or otherwise under this Agreement, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the termination of all Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the Issuing Lender have been made). Each Qualified ECP Guarantor intends that this Section 9.17 constitute, and this Section 9.17 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Credit Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

Section 9.18 **Execution in Counterparts**. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or by e-mail "PDF" copy shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 9.19 **Electronic Execution of Assignments**. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 9.20 **Waiver of Jury**. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.21 **Confirmation of Flood Policies and Procedures**. Wells Fargo has adopted internal policies and procedures that address requirements placed on federally regulated lenders under the National Flood Insurance Reform Act of 1994 and related legislation (the "***Flood Laws***"). Wells Fargo, as administrative agent, will post on the applicable electronic platform (or otherwise distribute to each Lender) documents that it receives in connection with the Flood Laws; however, Wells Fargo reminds each Lender and Participant in the Facilities that, pursuant to the Flood Laws, each federally regulated Lender (whether acting as a Lender or Participant in the facilities) is responsible for assuring its own compliance with the flood insurance requirements.

Section 9.22 **USA Patriot Act**. Each Lender that is subject to the Patriot Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Credit Party that pursuant to the requirements of the Patriot Act it is required to obtain, verify and

record information that identifies such Credit Party, which information includes the name and address of such Credit Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Credit Party in accordance with the Patriot Act.

Section 9.23 Integration. THIS AGREEMENT AND THE CREDIT DOCUMENTS, AS DEFINED IN THIS AGREEMENT, REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES WITH RESPECT TO THE SUBJECT MATTERS SET FORTH HEREIN AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

[Remainder of this page intentionally left blank. Signature pages follow.]

EXECUTED as of the date first above written.

BORROWER:

BECKMAN PRODUCTION SERVICES, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President, Chief Financial Officer,
Treasurer and Secretary

ADMINISTRATIVE AGENT/LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, a Swingline Lender, an Issuing Lender and a Lender

By: /s/ Philip C. Lauinger III
Name: Philip C. Lauinger III
Title: Managing Director

AMEGY BANK NATIONAL ASSOCIATION
as an Issuing Lender and a Lender

By: /s/ Blake Stoehr
Name: Blake Stoehr
Title: Senior Vice President

Signature Page to Credit Agreement

COMERICA BANK
as a Lender

By: /s/ Evan Elsca
Name: Evan Elsca
Title: Corporate Banking Officer

HSBC BANK USA, NATIONAL ASSOCIATION
as a Lender

By: /s/ Wadie C. Habiby
Name: Wadie C. Habiby
Title: Vice President, Corporate Banking

REGIONS BANK
as a Lender

By: /s/ Dennis M. Hansen
Name: Dennis M. Hansen
Title: Senior Vice President

EXHIBIT A
FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [the][each][1] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each][2] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor' s][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including without limitation any letters of credit, swingline loans and guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

_____

[Assignor [is][is not] a Defaulting Lender]

2. Assignee[s]: _____

_____

[for each Assignee, indicate [Affiliate] of [*identify Lender*]

1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.
2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.
3 Select as appropriate.
4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

3. Borrower: BECKMAN PRODUCTION SERVICES, INC.

4. Administrative Agent: WELLS FARGO BANK, NATIONAL ASSOCIATION

5. Credit Agreement: Credit Agreement dated May 2, 2014 among Borrower, the Lenders party thereto from time to time and Wells Fargo Bank, National Association, as Issuing Lender, Swingline Lender and Administrative Agent.

6. Assigned Interest[s]:

Assignor[s]	Assignee[s]	Facility Assigned	Aggregate Amount of Commitments /Advances for all Lenders	Amount of Commitment / Advances Assigned[5]	Percentage Assigned of Commitment / Advances[6]	CUSIP Number
			$	$	%	
			$	$	%	
			$	$	%	

7. Trade Date: [7]

Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

---

5 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

6 Set forth, to at least 9 decimals, as a percentage of the Commitment / Advances of all Lenders thereunder.

7 To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S][8]
[NAME OF ASSIGNOR]

By: _____
Name: _____
Title: _____

ASSIGNEE[S]
[NAME OF ASSIGNEE]

By: _____
Name: _____
Title: _____

8 Add additional signature blocks as needed.

Consented to and Accepted:[9]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Swingline Lender, Issuing Lender and as Administrative Agent

By: _____
Name: _____
Title: _____

[Consented to:][10]

BECKMAN PRODUCTION SERVICES, INC.

By: _____
Name: _____
Title: _____

9 To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.
10 To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

**STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION**

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim; (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any collateral thereunder, (iii) the financial condition of the Borrower, its Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document or (iv) the performance or observance by the Borrower, its Subsidiaries or Affiliates or any other Person of any of its obligations under any Credit Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 9.7 of the Credit Agreement (subject to such consents, if any, as may be required under Section 9.7 of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.2 of the Credit Agreement, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) if it is not incorporated under the laws of the United States of America or a state thereof, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor[s] and the Assignee[s] shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT B
FORM OF PLEDGE AND SECURITY AGREEMENT

This PLEDGE AND SECURITY AGREEMENT, dated as of May 2, 2014 (as amended, supplemented, amended and restated or otherwise modified from time to time, this "Security Agreement"), is by and among BECKMAN PRODUCTION SERVICES, INC., a Delaware corporation (the "Borrower"), each Subsidiary of the Borrower party hereto from time to time (collectively with the Borrower, the "Grantors" and individually, a "Grantor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent (the "Administrative Agent") for the ratable benefit of the Secured Parties.

W I T N E S S E T H:

WHEREAS, this Security Agreement is entered into in connection with that certain Credit Agreement dated as of May 2, 2014 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the lenders party thereto from time to time (the "Lenders"), and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender; and

WHEREAS, pursuant to the terms of the Credit Agreement, and in consideration of the credit extended by the Lenders to the Borrower and the letters of credit issued by the Issuing Lender for the account of the Borrower or any Subsidiary of the Borrower, the Grantors have executed and delivered the Guaranty; and

WHEREAS, as a condition precedent to the initial extension of credit under the Credit Agreement, each Grantor is required to execute and deliver this Security Agreement; and

WHEREAS, it is in the best interests of each Grantor to execute this Security Agreement inasmuch as each Grantor will derive substantial direct and indirect benefits from (i) the transactions contemplated by the Credit Agreement and the other Credit Documents, (ii) the Hedging Arrangements entered into by the Borrower or any other Credit Party with a Swap Counterparty, and (iii) the Banking Services provided by any of the Banking Services Providers to the Borrower or any other Credit Party, and each Grantor is willing to execute, deliver and perform its obligations under this Security Agreement to secure the Secured Obligations.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees, for the benefit of each Secured Party, as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1. Certain Terms. The following terms (whether or not underscored) when used in this Security Agreement, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Administrative Agent" has the meaning set forth in the preamble.

"Borrower" has the meaning set forth in the preamble.

"Certificated Equipment" means any Equipment the ownership of which is evidenced by, or under applicable Legal Requirement is required to be, evidenced by a certificate of title.

"Collateral" has the meaning set forth in Section 2.1(a).

"Collateral Account" has the meaning set forth in Section 4.3(b).

"Computer Hardware and Software Collateral" means (a) all computer and other electronic data processing hardware, integrated computer systems, central processing units, memory units, display terminals, printers, features, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories and all peripheral devices and other related computer hardware, including all operating system software, utilities and application programs in whatsoever form owned by a Grantor or leased or licensed to Grantor, (b) software programs (including both source code, object code and all related applications and data files), designed for use on the computers and electronic data processing hardware described in clause (a) above owned by a Grantor or leased or licensed to a Grantor, (c) all firmware associated therewith, (d) all documentation (including flow charts, logic diagrams, manuals, guides, specifications, training materials, charts and pseudo codes) with respect to such hardware, software and firmware described in the preceding clauses (a) through (c), and (e) all rights with respect to all of the foregoing, including copyrights (including renewal rights) and trade secrets rights, contract rights of a Grantor with respect to all or any of the foregoing, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, improvements, error corrections, updates, additions or model conversions of any of the foregoing.

"Control Agreement" means an authenticated record in form and substance reasonably satisfactory to the Administrative Agent, that provides for the Administrative Agent (for the ratable benefit of the Secured Parties) to have "control" (as defined in the UCC) over certain Collateral.

"Copyright Collateral" means all copyrights of any Grantor, registered or unregistered and whether published or unpublished, now or hereafter in force throughout the world including all of such Grantor' s rights, titles and interests in and to all copyrights registered in the United States Copyright Office or anywhere else in the world, including those copyright registrations or applications therefor set forth in Item C of Schedule III hereto, and registrations and recordings thereof and all applications for registration thereof, whether pending or in preparation, all copyright licenses, the right to sue for past, present and future infringements of any of the foregoing, all rights corresponding thereto, all extensions and renewals of any thereof and all proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages and Proceeds of suit, which are owned or licensed by such Grantor.

"Credit Agreement" has the meaning set forth in the first recital.

"Distributions" means all cash, cash dividends, stock dividends, other distributions, liquidating dividends, shares of stock resulting from (or in connection with the exercise of) stock splits, reclassifications, warrants, options, non-cash dividends, and all other distributions or payments (whether similar or dissimilar to the foregoing) on or with respect to, or on account of, any Pledged Interest or other rights or interests constituting Collateral.

"Equipment" has the meaning set forth in Section 2.1(a)(i).

"Excluded Collateral" has the meaning set forth in Section 2.1(b).

"Excluded Contract" means any contract (and any contract rights arising thereunder) to which any of the Grantors is a party on the date hereof or which is entered into by any Grantor after the date hereof which complies with Section 6.5 of the Credit Agreement (and the provisions of which are not agreed to by a Grantor for the purposes of excluding such contract from the Lien granted hereunder), in any case to the extent (but only to the extent) that a Grantor is prohibited from granting a security interest in, pledge of, or charge, mortgage or lien upon any such Property by reason of (a) a negative pledge, anti-assignment provision or other contractual restriction in existence on the date hereof or, as to contracts entered into after the date hereof, in existence in compliance with Section 6.5 of the Credit Agreement (and the provisions of which are not agreed to by a Grantor for the purposes of excluding such contract from the Lien granted hereunder), or (b) applicable Legal Requirement to which such Grantor or such Property is subject; provided, however, to the extent that (i) either of the prohibitions discussed in clause (a) and (b) above is ineffective or subsequently rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or under any other Legal Requirement or is otherwise no longer in effect or enforceable, or (ii) the applicable Grantor has obtained the consent of the other parties to such Excluded Contract to the creation of a lien and security interest in, such Excluded Contract, then such contract (and any contract rights arising thereunder) shall cease to be an "Excluded Contract" and shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Security Agreement as "Collateral"; provided further, that any proceeds received by any Grantor from the sale, transfer or other disposition of Excluded Contracts shall constitute Collateral unless any Property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Collateral.

"Excluded Foreign Stock" means the Equity Interests issued by Foreign Subsidiaries other than (a) 65% of the Voting Securities issued by a First Tier Foreign Subsidiary and (b) 100% of Equity Interests issued by a First Tier Foreign Subsidiary that are not Voting Securities.

"Excluded Governmental Approvals" means any Governmental Approval to the extent (but only to the extent) that a Grantor is prohibited from granting a security interest in, pledge of, or charge, mortgage or lien upon any such Property by reason of (a) a negative pledge, anti-assignment provision or other contractual restriction or (b) applicable Legal Requirement to which such Grantor or such Property is subject; provided, however, to the extent that (i) either of the prohibitions discussed in clause (a) and (b) above is ineffective or subsequently rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or under any other Legal Requirement or is otherwise no longer in effect or enforceable, or (ii) the applicable Grantor has obtained the consent of the applicable Governmental Authority to the creation of a lien and security interest in, such Excluded Governmental Approval, then such Governmental Approval

shall cease to be an "Excluded Governmental Approval" and shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Security Agreement as "Collateral"; provided further, that any proceeds received by any Grantor from the sale, transfer or other disposition of Excluded Governmental Approval shall constitute Collateral unless any Property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Collateral.

"Excluded JV Equity Interests" means the Equity Interests owned by any Grantor in a Joint Venture to the extent (but only to the extent) (a) the organizational documents of such Joint Venture prohibit the granting of a Lien on such Equity Interests or (b) such Equity Interests of such Joint Venture are otherwise pledged as collateral to secure (i) obligations to the other holders of the Equity Interests in such Joint Venture (other than a holder that is a Subsidiary of the Borrower) or (ii) Debt of such Joint Venture that is non-recourse to any of the Credit Parties or to any of the Credit Parties' Properties; provided however, if any of the foregoing conditions cease to be in effect for any reason, then the Equity Interest in such Joint Venture shall cease to be an "Excluded JV Equity Interest" and shall automatically be subject to the lien and security interest granted hereby and to the terms and provisions of this Security Agreement as "Collateral"; provided further, that any proceeds received by any Grantor from the sale, transfer or other disposition of Excluded JV Equity Interest shall constitute Collateral unless any Property constituting such proceeds are themselves subject to the exclusions set forth above.

"Excluded PMSI Collateral" means any Property and proceeds thereof (including insurance proceeds) of a Grantor that is now or hereafter subject to a Lien securing purchase money debt or a Capital Lease obligation to the extent (and only to the extent) that (a) the Debt associated with such Lien is permitted under Section 6.1(d), (i) or (k) of the Credit Agreement, and (b) the documents evidencing such purchase money debt or Capital Lease obligation prohibit or restrict the granting of a Lien in such Property; provided, however, to the extent that either of the prohibitions discussed in clause (a) and (b) above is ineffective or subsequently rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or under any other Legal Requirement or is otherwise no longer in effect, then such Property and proceeds thereof shall cease to be "Excluded PMSI Collateral" and shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Security Agreement as "Collateral"; provided further, that any proceeds received by any Grantor from the sale, transfer or other disposition of Excluded PMSI Collateral shall constitute Collateral unless any Property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Collateral.

"Excluded Real Property" means all fee owned and leased real property (including all leases related thereto) of any Credit Party and all insurance proceeds thereof.

"Excluded Trademark Collateral" means all United States intent to use trademark applications with respect to which the grant of a security interest therein would impair the validity or enforceability of said intent to use trademark application under federal law; provided, however, to the extent that such applicable law is no longer in effect, then such trademark application shall cease to be an "Excluded Trademark Collateral" and shall automatically be subject to the lien and security interests granted hereby and to the terms and provisions of this Security Agreement as "Collateral"; provided further, that any proceeds received by any Grantor

from the sale, transfer or other disposition of Excluded Trademark Collateral shall constitute Collateral unless any Property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Collateral.

"General Intangibles" means all "general intangibles" and all "payment intangibles", each as defined in the UCC, and shall include all interest rate or currency protection or hedging arrangements, all tax refunds, all licenses, permits, concessions and authorizations and all Intellectual Property Collateral (in each case, regardless of whether characterized as general intangibles under the UCC).

"Governmental Approval" has the meaning set forth in Section 2.1(a)(vi).

"Grantor" has the meaning set forth in the preamble.

"Indemnitee" has the meaning set forth in Section 6.3(a).

"Intellectual Property Collateral" means, collectively, the Computer Hardware and Software Collateral, the Copyright Collateral, the Patent Collateral, the Trademark Collateral and the Trade Secrets Collateral.

"Inventory" has the meaning set forth in Section 2.1(a)(ii).

"Lenders" has the meaning set forth in the first recital.

"Patent Collateral" means (a) all inventions and discoveries, whether patentable or not, all letters patent and applications for letters patent throughout the world, including those patents and patent applications referred to in Item A of Schedule III hereto, (b) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clause (a), (c) all patent licenses, and other agreements providing any Grantor with the right to use any items of the type referred to in clauses (a) and (b) above, and (d) all proceeds of, and rights associated with, the foregoing (including licenses, royalties income, payments, claims, damages and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, and for breach or enforcement of any patent license.

"Pledged Interests" means all Equity Interests or other ownership interests of any Pledged Interests Issuer, including those described in Item A of Schedule I hereto; all registrations, certificates, articles, by-laws, regulations, limited liability company agreements or constitutive agreements governing or representing any such interests; all options and other rights, contractual or otherwise, at any time existing with respect to such interests, as such interests are amended, modified, or supplemented from time to time, and together with any interests in any Pledged Interests Issuer taken in extension or renewal thereof or substitution therefor.

"Pledged Interests Issuer" means each Person identified in Item A of Schedule I hereto as the issuer of the Pledged Interests identified opposite the name of such Person.

"Pledged Note Issuer" means each Person identified in Item B of Schedule I hereto as the issuer of the Pledged Notes identified opposite the name of such Person.

"Pledged Notes" means all promissory notes of any Pledged Note Issuer (each such note being payable to one or more Grantors) evidencing Debt incurred pursuant to Section 6.1(c) of the Credit Agreement in form and substance reasonably satisfactory to the Administrative Agent delivered by any Grantor to the Administrative Agent as Pledged Property hereunder, as such promissory notes, in accordance with Section 7.3, are amended, modified or supplemented from time to time and together with any promissory note of any Pledged Note Issuer taken in extension or renewal thereof or substitution therefor.

"Pledged Property" means all Pledged Notes, Pledged Interests, all assignments of any amounts due or to become due with respect to the Pledged Interests, all other instruments which are now being delivered by any Grantor to the Administrative Agent or may from time to time hereafter be delivered by any Grantor to the Administrative Agent for the purpose of pledging under this Security Agreement or any other Credit Document, and all proceeds of any of the foregoing.

"Receivables" has the meaning set forth in Section 2.1(a)(iii).

"Related Contracts" has the meaning set forth in Section 2.1(a)(iii).

"Security Agreement" has the meaning set forth in the preamble.

"Termination Date" means the date on which Security Termination occurs.

"Trademark Collateral" means (a) (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos and other source or business identifiers, and all goodwill of the business associated therewith, now existing or hereafter adopted or acquired, including those trademarks referred to in Item B of Schedule III hereto, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America, or any State thereof or any other country or political subdivision thereof or otherwise, and all common-law rights relating to the foregoing, and (ii) the right to obtain all reissues, extensions or renewals of the foregoing (collectively referred to as the "Trademark"), (b) all trademark licenses for the grant by or to any Grantor of any right to use any trademark, (c) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clause (a), and to the extent applicable, clause (b), (d) the right to sue third parties for past, present and future infringements of any Trademark Collateral described in clause (a) and, to the extent applicable, clause (b), and (e) all Proceeds of, and rights associated with, the foregoing, including any claim by any Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license and all rights corresponding thereto throughout the world.

"Trade Secrets Collateral" means all common law and statutory trade secrets and all other confidential, proprietary or useful information and all know-how obtained by or used in or contemplated at any time for use in the business of any Grantor, and any patent applications in preparation for filing (all of the foregoing being collectively called a "Trade Secret"), including

all documents and things embodying, incorporating or referring in any way to such Trade Secret, all Trade Secret licenses, and including the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any Trade Secret and for the breach or enforcement of any such Trade Secret license.

"UCC" means the Uniform Commercial Code, as in effect in the State of New York, as the same may be amended from time to time.

SECTION 1.2. Credit Agreement Definitions. Unless otherwise defined herein or the context otherwise requires, capitalized terms used in this Security Agreement, including its preamble and recitals, have the meanings provided in the Credit Agreement.

SECTION 1.3. UCC Definitions. Unless otherwise defined herein or the context otherwise requires, terms for which meanings are provided in the UCC are used in this Security Agreement, including its preamble and recitals, with such meanings.

SECTION 1.4. Miscellaneous. Article, Section, Schedule, and Exhibit references are to Articles and Sections of and Schedules and Exhibits to this Security Agreement, unless otherwise specified. All references to instruments, documents, contracts, and agreements (including this Security Agreement) are references to such instruments, documents, contracts, and agreements as the same may be amended, supplemented, and otherwise modified from time to time, unless otherwise specified and shall include all schedules and exhibits thereto unless otherwise specified. The words "hereof", "herein", and "hereunder" and words of similar import when used in this Security Agreement shall refer to this Security Agreement as a whole and not to any particular provision of this Security Agreement. The term "including" means "including, without limitation,". Paragraph headings have been inserted in this Security Agreement as a matter of convenience for reference only and it is agreed that such paragraph headings are not a part of this Security Agreement and shall not be used in the interpretation of any provision of this Security Agreement.

ARTICLE II
SECURITY INTEREST

SECTION 2.1. Grant of Security Interest.

(a) Each Grantor hereby pledges, hypothecates, assigns, charges, mortgages, delivers, and transfers to the Administrative Agent, for the ratable benefit of each Secured Party, and hereby grants to the Administrative Agent, for the ratable benefit of each Secured Party, a continuing security interest in all of such Grantor' s right, title and interest in, to and under, all of the following, whether now owned or hereafter acquired by such Grantor, and wherever located and whether now owned or hereafter existing or arising (collectively, the "Collateral"):

(i) all equipment in all of its forms (including all drilling platforms and rigs and remotely operated vehicles, trenchers, and other equipment used by any Grantor, vehicles, motor vehicles, rolling stock, vessels, and aircraft) of such Grantor, wherever located, and all surface or subsurface machinery, equipment, facilities, supplies, or other tangible personal property, including tubing, rods, pumps, pumping units and engines, pipe, pipelines, meters, apparatus, boilers, compressors, liquid extractors, connectors,

valves, fittings, power plants, poles, lines, cables, wires, transformers, starters and controllers, machine shops, tools, machinery and parts, storage yards and equipment stored therein, buildings and camps, telegraph, telephone, and other communication systems, loading docks, loading racks, and shipping facilities, and any manuals, instructions, blueprints, computer software (including software that is imbedded in and part of the equipment), and similar items which relate to the above, and any and all additions, substitutions and replacements of any of the foregoing, wherever located together with all improvements thereon and all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (any and all of the foregoing being the "Equipment");

(ii) all inventory in all of its forms of such Grantor, wherever located, including (A) all oil, gas, or other hydrocarbons and all products and substances derived therefrom, all raw materials and work in process therefore, finished goods thereof, and materials used or consumed in the manufacture or production thereof, (B) all documents of title covering any inventory, including work in process, materials used or consumed in any Grantor' s business, now owned or hereafter acquired or manufactured by any Grantor and held for sale in the ordinary course of its business, (C) all goods in which such Grantor has an interest in mass or a joint or other interest or right of any kind (including goods in which such Grantor has an interest or right as consignee), (D) all goods which are returned to or repossessed by such Grantor, and all accessions thereto, products thereof and documents therefore, and (E) any other item constituting "inventory" under the UCC (any and all such inventory, materials, goods, accessions, products and documents being the "Inventory");

(iii) all accounts, money, payment intangibles, deposit accounts (including the Collateral Accounts and all amounts on deposit therein and all cash equivalent investments carried therein and all proceeds thereof), contracts, contract rights, all rights constituting a right to the payment of money, chattel paper, documents, documents of title, instruments, and General Intangibles of such Grantor, whether or not earned by performance or arising out of or in connection with the sale or lease of goods or the rendering of services, including all moneys due or to become due in repayment of any loans or advances, and all rights of such Grantor now or hereafter existing in and to all security agreements, guaranties, leases, agreements and other contracts securing or otherwise relating to any such accounts, money, payment intangibles, deposit accounts, contracts, contract rights, rights to the payment of money, chattel paper, documents, documents of title, instruments, and General Intangibles (any and all such accounts, money, payment intangibles, deposit accounts, contracts, contract rights, rights to the payment of money, chattel paper, documents, documents of title, instruments, and General Intangibles being the "Receivables", and any and all such security agreements, guaranties, leases, agreements and other contracts being the "Related Contracts");

(iv) all Intellectual Property Collateral of such Grantor;

(v) all books, correspondence, credit files, records, invoices, tapes, cards, computer runs, writings, data bases, information in all forms, paper and documents and other property relating to, used or useful in connection with, evidencing, embodying, incorporating or referring to, any of the foregoing in this Section 2.1(a);

(vi) all governmental approvals, permits, licenses, authorizations, consents, rulings, tariffs, rates, certifications, waivers, exemptions, filings, claims, orders, judgments and decrees and other Legal Requirements (each a "Governmental Approval");

(vii) all interest rate swap agreements, interest rate cap agreements and interest rate collar agreements, and all other agreements or arrangements designed to protect such Grantor against fluctuations in interest rates or currency exchange rates and all commodity hedge, commodity swap, exchange, forward, future, floor, collar or cap agreements, fixed price agreements and all other agreements or arrangements designed to protect such Grantor against fluctuations in commodity prices (including any Hedging Arrangement);

(viii) to the extent not included in the foregoing, all bank accounts, investment property, fixtures, supporting obligations, and goods;

(ix) all Pledged Interests, Pledged Notes, and any other Pledged Property and all Distributions, interest, and other payments and rights with respect to such Pledged Property;

(x) (A) all policies of insurance now or hereafter held by or on behalf of such Grantor, including casualty, liability, key man life insurance, business interruption, foreign credit insurance, and any title insurance, (B) all proceeds of insurance, and (C) all rights, now or hereafter held by such Grantor to any warranties of any manufacturer or contractor of any other Person;

(xi) all accessions, substitutions, replacements, products, offspring, rents, issues, profits, returns, income and proceeds of and from any and all of the foregoing Collateral (including proceeds which constitute property of the types described in sub-clauses (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix) and (x) and proceeds deposited from time to time in any lock boxes of such Grantor, and, to the extent not otherwise included, all payments and proceeds under insurance (whether or not the Administrative Agent is the loss payee thereof), or any condemnation award, indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the Collateral);

(xii) any and all Liens and security interests (together with the documents evidencing such security interests) granted to such Grantor by an obligor to secure such obligor' s obligations owing under any Instrument, Chattel Paper, or contract that is pledged hereunder or with respect to which a security interest in such Grantor' s rights in such Instrument, Chattel Paper, or contract is granted hereunder;

(xiii) any and all guaranties given by any Person for the benefit of such Grantor which guarantees the obligations of an obligor under any Instrument, Chattel Paper, or contract, which are pledged hereunder; and

(xiv) all of such Grantor' s other property and rights of every kind and description and interests therein, including all other "Accounts", "Certificated Securities", "Chattel Paper", "Commodity Accounts", "Commodity Contracts", "Deposit Accounts", "Documents", "Equipment", "Fixtures", "General Intangibles", "Goods", "Instruments", "Inventory", "Investment Property", "Money", "Payment Intangibles", "Proceeds", "Securities", "Securities Accounts", "Security Entitlements", "Supporting Obligations" and "Uncertificated Securities" as such terms are defined in the UCC;

(b) Notwithstanding anything to the contrary contained in Section 2.1(a) and other than to the extent set forth in this Section 2.1(b), the following property shall be excluded from the lien and security interest granted hereunder (and shall, as applicable, not be included as "Accounts", "Certificated Securities", "Chattel Paper", "Collateral", "Commodity Accounts", "Commodity Contracts", "Deposit Accounts", "Documents", "Equipment", "Fixtures", "General Intangibles", "Goods", "Instruments", "Inventory", "Investment Property", "Money", "Payment Intangibles", "Proceeds", "Securities", "Securities Accounts", "Security Entitlements", "Supporting Obligations" or "Uncertificated Securities" for purposes of this Security Agreement) (collectively, the "Excluded Collateral"):

(i) commercial tort claims;

(ii) letter of credit rights;

(iii) Excluded Contracts;

(iv) Excluded JV Equity Interests;

(v) Excluded Governmental Approvals;

(vi) Excluded PMSI Collateral;

(vii) Excluded Real Property;

(viii) Excluded Foreign Stock; and

(ix) Excluded Trademark Collateral;

provided, however, that (x) the exclusion from the Lien and security interest granted by any Grantor hereunder of any Excluded Collateral shall not limit, restrict or impair the grant by such Grantor of the Lien and security interest in any accounts or receivables arising under any such Excluded Collateral or any payments due or to become due thereunder unless the conditions in effect which qualify such Property as Excluded Collateral applies with respect to such accounts and receivables and (y) any proceeds received by any Grantor from the sale, transfer or other disposition of Excluded Collateral shall constitute Collateral unless the conditions in effect which qualify such Property as Excluded Collateral applies with respect to such proceeds.

SECTION 2.2. Security for Obligations.

(a) This Security Agreement, and the Collateral in which the Administrative Agent for the benefit of the Secured Parties is granted a security interest hereunder by each Grantor, secures the prompt and payment in full in cash and performance of all Secured Obligations.

(b) Notwithstanding anything contained herein to the contrary, it is the intention of each Grantor, the Administrative Agent and the other Secured Parties that the amount of the Secured Obligations secured by each Grantor' s interests in any of its Property shall be in, but not in excess of, the maximum amount permitted by fraudulent conveyance, fraudulent transfer and other similar law, rule or regulation of any Governmental Authority applicable to such Grantor. Accordingly, notwithstanding anything to the contrary contained in this Security Agreement or in any other agreement or instrument executed in connection with the payment of any of the Secured Obligations, the amount of the Secured Obligations secured by each Grantor' s interests in any of its Property pursuant to this Security Agreement shall be limited to an aggregate amount equal to the largest amount that would not render such Grantor' s obligations hereunder or the Liens and security interest granted to the Administrative Agent hereunder subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provision of any other applicable law.

SECTION 2.3. Continuing Security Interest; Transfer of Advances; **Reinstatement**. This Security Agreement shall create continuing security interests in the Collateral and shall (a) except as otherwise provided in the Credit Agreement, remain in full force and effect until the Termination Date, (b) be binding upon each Grantor and its successors, transferees and assigns, and (c) inure, together with the rights and remedies of the Administrative Agent hereunder, to the benefit of the Administrative Agent and each other Secured Party and its respective permitted successors, transferees and assigns, subject to the limitations as set forth in the Credit Agreement. Without limiting the generality of the foregoing clause (c), any Lender may assign or otherwise transfer (in whole or in part) any Note or any Advance held by it as provided in Section 9.7 of the Credit Agreement, and any successor or assignee thereof shall thereupon become vested with all the rights and benefits in respect thereof granted to such Secured Party under any Credit Document (including this Security Agreement), or otherwise, subject, however, to any contrary provisions in such assignment or transfer, and as applicable to the provisions of Section 9.7 and Article 8 of the Credit Agreement. **If at any time all or any part of any payment theretofore applied by the Administrative Agent or any other Secured Party to any of the Secured Obligations is or must be rescinded or returned by the Administrative Agent or any such Secured Party for any reason whatsoever (including the insolvency, bankruptcy, reorganization or other similar proceeding of any Grantor or any other Person), such Secured Obligations shall, for purposes of this Security Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued to be in existence, notwithstanding any application by the Administrative Agent or such Secured Party or any termination agreement or release provided to any Grantor, and this Security Agreement shall continue to be effective or reinstated, as the case may be, as to such Secured Obligations, all as though such application by the Administrative Agent or such Secured Party had not been made**.

SECTION 2.4. Grantors Remain Liable. Anything herein to the contrary notwithstanding, (a) each Grantor shall remain liable under the contracts and agreements

included in the Collateral to the extent set forth therein, and will perform all of its duties and obligations under such contracts and agreements to the same extent as if this Security Agreement had not been executed, (b) the exercise by the Administrative Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under any such contracts or agreements included in the Collateral, and (c) neither the Administrative Agent nor any other Secured Party shall have any obligation or liability under any contracts or agreements included in the Collateral by reason of this Security Agreement, nor shall the Administrative Agent nor any Secured Party be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 2.5. Delivery of Pledged Property; Instruments and Tangible Chattel Paper. All certificates or instruments representing or evidencing (i) all Pledged Interests and Pledged Notes and (ii) other Collateral consisting of Instruments and Tangible Chattel Paper individually, or collectively, evidencing amounts payable in excess of $2,000,000, shall be delivered to and held by or on behalf of (or in the case of the Pledged Notes, endorsed to the order of) the Administrative Agent pursuant hereto, shall be in suitable form for transfer by delivery, and shall be accompanied by all necessary endorsements or instruments of transfer or assignment, duly executed in blank. To the extent any of the Collateral constitutes an "uncertificated security" (as defined in Section 8-102(a)(18) of the UCC) or a "security entitlement" (as defined in Section 8-102(a)(17) of the UCC), then at the Administrative Agent' s request and its determination that such Property is not Excluded Perfection Collateral, the applicable Grantor shall take and cause the appropriate Person (including any issuer, entitlement holder or securities intermediary thereof) to take all actions necessary to grant "control" (as defined in 8-106 of the UCC) to the Agent (for the benefit of the Secured Parties) over such Collateral.

SECTION 2.6. Distributions on Pledged Interests. In the event that any Distribution with respect to any Pledged Interest pledged hereunder is permitted to be paid (in accordance with Section 6.9 of the Credit Agreement), such Distribution or payment may be paid directly to the applicable Grantor. If any Distribution is made in contravention of Section 6.9 of the Credit Agreement, the applicable Grantor shall hold the same segregated and in trust for the Administrative Agent until paid to the Administrative Agent in accordance with Section 4.1(e).

SECTION 2.7. Security Interest Absolute, etc. This Security Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable grant of security interest, and shall remain in full force and effect until the Termination Date. All rights of the Secured Parties and the security interests granted to the Administrative Agent (for its benefit and the ratable benefit of each other Secured Party) hereunder, and all obligations of each Grantor hereunder, shall, in each case, be absolute, unconditional and irrevocable irrespective of (a) any lack of validity, legality or enforceability of any Credit Document, (b) the failure of any Secured Party (i) to assert any claim or demand or to enforce any right or remedy against any Grantor or any other Person under the provisions of any Credit Document or otherwise, or (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any Secured Obligations, (c) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Secured Obligations, or any other extension, compromise or renewal of any Secured Obligations, (d) any reduction, limitation, impairment or termination of any Secured Obligations (except in the case of the occurrence of the Termination Date) for any reason, including any

claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and each Grantor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Secured Obligations or otherwise, (e) any amendment to, rescission, waiver, or other modification of, or any consent to or departure from, any of the terms of any Credit Document, (f) any addition, exchange or release of any Collateral of the Secured Obligations, or any surrender or non-perfection of any collateral, or any amendment to or waiver or release or addition to, or consent to or departure from, any other guaranty held by any Secured Party securing any of the Secured Obligations, or (g) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, any Grantor or any other Credit Party, any surety or any guarantor.

SECTION 2.8. Waiver of Subrogation. Until 91 days after the Termination Date, each Grantor hereby irrevocably waives any claim or other rights which it may now or hereafter acquire against any Credit Party that arise from the existence, payment, performance or enforcement of such Grantor' s obligations under this Security Agreement or any other Credit Document, including any right of subrogation, reimbursement, exoneration or indemnification, any right to participate in any claim or remedy of any Secured Party against any Credit Party or any collateral which any Secured Party now has or hereafter acquires, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law, including the right to take or receive from any Credit Party, directly or indirectly, in cash or other property or by set-off or in any manner, payment or security on account of such claim or other rights. If any amount shall be paid to any Grantor in violation of the preceding sentence and the Termination Date shall not have occurred, then such amount shall be deemed to have been paid to such Grantor for the benefit of, and held in trust for, the Administrative Agent (on behalf of the Secured Parties), and shall forthwith be paid to the Administrative Agent to be credited and applied upon the Secured Obligations, whether matured or unmatured. Each Grantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Credit Agreement and that the waiver set forth in this Section 2.8 is knowingly made in contemplation of such benefits.

SECTION 2.9. Election of Remedies. Except as otherwise provided in the Credit Agreement, if any Secured Party may, under applicable law, proceed to realize its benefits under any of this Security Agreement or the other Credit Documents giving any Secured Party a Lien upon any Collateral, either by judicial foreclosure or by non-judicial sale or enforcement, such Secured Party may, at its sole option, determine which of its remedies or rights it may pursue without affecting any of its rights and remedies under this Security Agreement. If, in the exercise of any of its rights and remedies, any Secured Party shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against any Credit Party or any other Person, whether because of any applicable laws pertaining to "election of remedies" or the like, each Grantor hereby consents to such action by such Secured Party and waives any claim based upon such action, to the extent not prohibited by any Legal Requirement, even if such action by such Secured Party shall result in a full or partial loss of any rights of subrogation that such Grantor might otherwise have had but for such action by such Secured Party.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

In order to induce the Secured Parties to enter into the Credit Agreement and make Advances thereunder and for the Issuing Lender to issue Letters of Credit thereunder, and to induce the Secured Parties to enter into Hedging Arrangements and Banking Services, each Grantor represents and warrants unto each Secured Party as set forth in this Article.

SECTION 3.1. Ownership, No Liens, etc. Such Grantor is the legal and beneficial owner of, and has good title to (and has full right and authority to pledge, grant and assign) the Collateral, free and clear of all Liens, except for any Lien that is a Permitted Lien. No effective UCC financing statement or other filing similar in effect covering all or any part of the Collateral is on file in any recording office, except those filed in favor of the Administrative Agent relating to this Security Agreement, Permitted Liens or as to which a termination statement relating to such UCC financing statement or other instrument has been duly authorized to be filed on the Closing Date. This Security Agreement creates a valid security interest in the Collateral, securing the payment of the Secured Obligations, and, except for (a) the proper filing of the applicable financing statements with the filing offices listed on Item A-1 of Schedule II attached hereto, (b) the recordation of security agreements with the U.S. Patent and Trademark Office and the U.S. Copyright Office, (c) taking possession of any Pledged Property with necessary endorsements, and (d) the notation of the Administrative Agent' s security interest on the certificate of title for Certificated Equipment that does not constitute Excluded Perfection Collateral, all filings and other actions necessary to perfect and protect such security interest in the Collateral (other than, as to perfection, any Excluded Perfection Collateral) have been duly taken and, subject to Permitted Liens, such security interest shall be a first priority security interest.

SECTION 3.2. As to Equity Interests of the Subsidiaries, Investment Property.

(a) With respect to the Pledged Interests, all such Pledged Interests (i) other than with respect to Pledged Interests in limited liability companies and partnerships, are duly authorized and validly issued, fully paid and non-assessable, and (ii) unless otherwise noted on Schedule I, are represented by a certificate.

(b) With respect to the Pledged Interests, no such Pledged Interests (i) are dealt in or traded on securities exchanges or in securities markets, or (ii) are held in a Securities Account, except, with respect to this clause (b), Pledged Interests (A) for which the Administrative Agent is the registered owner or (B) with respect to which the Pledged Interests Issuer has agreed in an authenticated record with such Grantor and the Administrative Agent to comply with any instructions of the Administrative Agent without the consent of such Grantor.

(c) Such Grantor has delivered all Certificated Securities constituting Collateral held by such Grantor on the Closing Date to the Administrative Agent, together with duly executed undated blank stock powers, or other equivalent instruments of transfer reasonably acceptable to the Administrative Agent.

(d) With respect to Uncertificated Securities constituting Collateral owned by such Grantor on the Closing Date, such Grantor has caused the Pledged Interests Issuer or other

issuer thereof either (i) to register the Administrative Agent as the registered owner of such security, or (ii) to agree in an authenticated record with such Grantor and the Administrative Agent that such Pledged Interests Issuer or other issuer will comply with instructions with respect to such security originated by the Administrative Agent without further consent of such Grantor.

(e) The percentage of the issued and outstanding Pledged Interests of each Pledged Interests Issuer pledged by such Grantor hereunder is as set forth on Schedule I and the percentage of the total membership, partnership and/or other Equity Interests in the Pledged Interests Issuer is indicated on Schedule I, in each case, as such Schedule I may be supplemented from time to time pursuant to the terms hereof. All of the Pledged Interests constitute one hundred percent (100%) of such Grantor' s interest in the applicable Pledged Interests Issuer, except in the case of the Pledged Interests that are issued by First-Tier Foreign Subsidiaries with respect to which such Grantor has pledged (i) sixty-five percent (65%) of the outstanding Voting Securities issued by such First-Tier Foreign Subsidiaries and (ii) one hundred percent (100%) of all Equity Interests issued by such First-Tier Foreign Subsidiaries that are not Voting Securities, in any case, as indicated on Schedule I.

(f) There are no outstanding rights, rights to subscribe, options, warrants or convertible securities outstanding or any other rights outstanding whereby any Person would be entitled to acquire shares, member interests or units of any Pledged Interests Issuer other than (i) as to Pledged Interests Issuers that are not Subsidiaries or (ii) such rights that constitute Collateral.

(g) In the case of each Pledged Note, all of such Pledged Notes have been duly authorized, executed, endorsed, issued and delivered, and are the legal, valid and binding obligation of the issuers thereof, and, as of the Closing Date, are not in default.

SECTION 3.3. Grantor' s Name, Location, etc.

(a) Other than as otherwise permitted pursuant to any Credit Document, (i) the jurisdiction in which such Grantor is located for purposes of Sections 9-301 and 9-307 of the UCC is set forth in Item A-1 of Schedule II hereto, (ii) as of the Closing Date or such later date on which such Grantor joins this Security Agreement, the place of business of such Grantor or, if such Grantor has more than one place of business, the chief executive office of such Grantor and the office where such Grantor keeps its records concerning the Receivables, is set forth in Item A-2 of Schedule II hereto, and (iii) such Grantor' s federal taxpayer identification number is set forth in Item A-3 of Schedule II hereto.

(b) Within the past five years, such Grantor has not been known by any legal name different from the one set forth on the signature page hereto, nor has such Grantor been the subject of any merger or other corporate reorganization, except as set forth in Item B of Schedule II hereto.

(c) None of the Receivables in excess of $2,000,000 is evidenced by a promissory note or other instrument other than a promissory note or instrument that has been delivered to the Administrative Agent (with appropriate endorsements).

(d) As of the Closing Date or such later date on which such Grantor joins this Security Agreement, the name set forth on the signature page attached hereto (or, if applicable, the signature page to the supplement document pursuant to which such Grantor joins this Security Agreement) is the true and correct legal name (as defined in the UCC) of such Grantor.

SECTION 3.4. Possession of Inventory; Control. Such Grantor has exclusive possession and control, subject to Permitted Liens, of the Equipment and Inventory, except as otherwise required, necessary or customary in the ordinary course of its business. Such Grantor has not consented to, and is otherwise unaware of, any Person (other than, if applicable, the Administrative Agent pursuant to Section 4.3(b) or Section 4.1(b)(i) hereof) having control (within the meaning of Section 9-104 or Section 8-106 of the UCC) over any Collateral, or any other interest in any of such Grantor' s rights in respect thereof other than, with respect to Deposit Accounts and Securities Accounts, as to Liens permitted under Section 6.2(c), (h), (i), (l) and (m) of the Credit Agreement.

SECTION 3.5. Pledged Property, Instruments and Tangible Chattel Paper. Such Grantor has, contemporaneously herewith, delivered (or will deliver as required herein) to the Administrative Agent possession of all originals of all certificates or instruments representing or evidencing (i) any Pledged Interests and Pledged Notes, and (ii) other Collateral consisting of Instruments and Tangible Chattel Paper individually, or collectively, evidencing amounts payable in excess of $2,000,000, owned or held by such Grantor (duly endorsed, in blank, if requested by the Administrative Agent).

SECTION 3.6. Intellectual Property Collateral. Such Grantor represents that except for any Patent Collateral, Trademark Collateral, and Copyright Collateral specified in Item A, Item B and Item C, respectively, of Schedule III hereto, and any and all Trade Secrets Collateral, as of the date hereof, such Grantor does not own and has no interests in any other Intellectual Property Collateral material to the operations or business of such Grantor, other than the Computer Hardware and Software Collateral. Such Grantor further represents and warrants that, with respect to all Intellectual Property Collateral material to the conduct of such Grantor' s business (a) such Intellectual Property Collateral is valid, subsisting, unexpired and enforceable and has not been abandoned or adjudged invalid or unenforceable, in whole or in part, (b) other than with respect to Intellectual Property Collateral licensed to it, such Grantor is the sole and exclusive owner of the right, title and interest in and to such Intellectual Property Collateral, subject to Permitted Liens, and, to such Grantor' s knowledge, no claim has been made that the use of such Intellectual Property Collateral does or may, conflict with, infringe, misappropriate, dilute, misuse or otherwise violate any of the rights of any third party in any material respects, (c) such Grantor has made all necessary filings and recordations to protect its interest in such Intellectual Property Collateral, including recordations of any of its interests in the Patent Collateral and Trademark Collateral in the United States Patent and Trademark Office and, if requested by the Administrative Agent, in corresponding offices throughout the world, and its claims to the Copyright Collateral in the United States Copyright Office and, if requested by the Administrative Agent, in corresponding offices throughout the world, (d) such Grantor has taken all reasonable steps to safeguard its material Trade Secrets Collateral and to its knowledge none of such Trade Secrets Collateral of such Grantor has been used, divulged, disclosed or appropriated for the benefit of any other Person other than such Grantor, the Borrower or any Subsidiary thereof, (e) to such Grantor' s knowledge, no third party is infringing upon any such

Intellectual Property Collateral owned or used by such Grantor in any material respect, or any of its respective licensees, (f) no settlement or consents, covenants not to sue, nonassertion assurances, or releases have been entered into by such Grantor or to which such Grantor is bound that adversely affects its rights to own or use any such Intellectual Property Collateral, and (g) the consummation of the transactions contemplated by the Credit Agreement and this Security Agreement will not result in the termination or material impairment of any material portion of such Intellectual Property Collateral.

SECTION 3.7. Authorization, Approval, etc. Except as have been obtained or made and are in full force and effect, no Governmental Approval, authorization, approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required either (a) for the grant by such Grantor of the security interest granted hereby, (b) except with respect to the notation of the Administrative Agent' s security interest on the certificate of title for Certificated Equipment that does not constitute Excluded Perfection Collateral and Excluded Perfection Collateral, for the perfection or maintenance of the security interests hereunder including the first priority (subject to Permitted Liens) nature of such security interest (except with respect to the financing statements or, with respect to Intellectual Property Collateral, the recordation of any agreements with the U.S. Patent and Trademark Office or the U.S. Copyright Office) or the exercise by the Administrative Agent of its rights and remedies hereunder, or (c) for the exercise by the Administrative Agent of the voting or other rights provided for in this Security Agreement, except (i) with respect to any Pledged Interests, as may be required in connection with a disposition of such Pledged Interests by laws affecting the offering and sale of securities generally, the remedies in respect of the Collateral pursuant to this Security Agreement and (ii) any "change of control" or similar filings required by state licensing agencies.

SECTION 3.8. Best Interests. It is in the best interests of each Grantor to execute this Security Agreement in as much as such Grantor will, as a result of being the Borrower, or a Subsidiary of the Borrower, derive substantial direct and indirect benefits from (a) the Advances and other extensions of credit (including Letters of Credit) made from time to time to the Borrower or any other Grantor by the Lenders and the Issuing Lender pursuant to the Credit Agreement, (b) the Hedging Arrangements entered into with the Swap Counterparties, and (c) the Banking Services provided by the Banking Services Providers, and each Grantor agrees that the Secured Parties are relying on this representation in agreeing to make such Advances and other extensions of credit pursuant to the Credit Agreement to the Borrower. Furthermore, such extensions of credit, Hedging Arrangements and Banking Services are (i) in furtherance of each Grantor' s corporate purposes, and (ii) necessary or convenient to the conduct, promotion or attainment of each Grantor' s business.

ARTICLE IV
COVENANTS

Each Grantor covenants and agrees that, until the Termination Date, it will perform, comply with and be bound by the obligations set forth below.

SECTION 4.1. As to Investment Property, etc.

(a) Equity Interests of Subsidiaries. No Grantor shall allow or permit any of its Subsidiaries (i) that is a corporation, business trust, joint stock company or similar Person, to issue Uncertificated Securities, unless such Person promptly takes the actions set forth in Section 4.1(b)(ii) with respect to any such Uncertificated Securities, (ii) that is a partnership or limited liability company, to (A) issue Equity Interests that are to be dealt in or traded on securities exchanges or in securities markets, (B) expressly provide in its organizational documents that its Equity Interests are securities governed by Article 8 of the UCC, or (C) place such Subsidiary' s Equity Interests in a Securities Account, unless such Person promptly takes the actions set forth in Section 4.1(b)(ii) with respect to any such Equity Interests, and (iii) to issue Equity Interests in addition to or in substitution for the Pledged Property or any other Equity Interests pledged hereunder, except for additional Equity Interests issued to such Grantor; provided that (A) such Equity Interests are pledged and delivered to the Administrative Agent within 10 Business Days, and (B) such Grantor delivers a supplement to Schedule I to the Administrative Agent identifying such new Equity Interests as Pledged Property, in each case pursuant to the terms of this Security Agreement. No Grantor shall permit any of its Subsidiaries to issue any warrants, options, contracts or other commitments or other securities that are convertible to any of the foregoing (except as to Equity Interests issued by Subsidiaries that are not wholly-owned by one or more Credit Parties) or that entitle any Person to purchase any of the foregoing, and except for this Security Agreement or any other Credit Document, shall not, and shall not permit any of its Subsidiaries to, enter into any agreement creating any restriction or condition upon the transfer, voting or control of any Pledged Property.

(b) Investment Property (other than Certificated Securities).

(i) With respect to any Securities Accounts, Commodity Accounts, Commodity Contracts or Security Entitlements constituting Investment Property owned or held by any Grantor, such Grantor will, following (A) the occurrence and during the continuance of an Event of Default and (B) the request of the Administrative Agent, either (1) cause the intermediary maintaining such Investment Property to execute a Control Agreement relating to such Investment Property pursuant to which such intermediary agrees to comply with the Administrative Agent' s instructions with respect to such Investment Property without further consent by such Grantor, or (2) transfer such Investment Property to intermediaries that have or will agree to execute such Control Agreements.

(ii) With respect to any Uncertificated Securities (other than Uncertificated Securities credited to a Securities Account) owned or held by any Grantor, such Grantor will (y) cause the Pledged Interests Issuer or other issuer of such securities to either (A) register the Administrative Agent as the registered owner thereof on the books and records of the issuer, or (B) execute a Control Agreement relating to such Investment Property pursuant to which the Pledged Interests Issuer or other issuer agrees to comply with the Administrative Agent' s instructions with respect to such Uncertificated Securities without further consent by such Grantor following the occurrence and during the continuance of an Event of Default, and (z) take and cause the appropriate Person (including any issuer, entitlement holder or securities intermediary thereof) to take all other actions necessary to grant "control" (as defined in 8-106 of the UCC) to the Administrative Agent (for the ratable benefit of the Secured Parties) over such Collateral.

(c) Certificated Securities (Stock Powers). Each Grantor agrees that all Pledged Interests which are certificated (and all other certificated shares of Equity Interests constituting Collateral) delivered by such Grantor pursuant to this Security Agreement will be accompanied by duly endorsed undated blank stock powers, or other equivalent instruments of transfer reasonably acceptable to the Administrative Agent. Each Grantor will, from time to time upon the reasonable request of the Administrative Agent, promptly deliver to the Administrative Agent such stock powers, instruments and similar documents, reasonably satisfactory in form and substance to the Administrative Agent, with respect to the Collateral and will, from time to time upon the request of the Administrative Agent during the continuance of any Event of Default, promptly transfer any Pledged Interests or other shares of Equity Interests constituting Collateral into the name of any nominee designated by the Administrative Agent.

(d) Continuous Pledge. Each Grantor will (subject to the terms of the Credit Agreement and this Security Agreement) at all times keep pledged to the Administrative Agent pursuant hereto, on a first-priority, perfected basis all Pledged Property and all Distributions with respect thereto, and all Proceeds and rights from time to time received by or distributable to such Grantor in respect of any of the foregoing Collateral (other than, as to perfection, Excluded Perfection Collateral). Each Grantor agrees that it will, no later than ten (10) Business Days following receipt thereof, deliver to the Administrative Agent possession of all originals of Pledged Property that it acquires following the Closing Date and shall deliver to the Administrative Agent a supplement to Schedule I identifying any such new Pledged Property.

(e) Voting Rights; Dividends, etc. Each Grantor agrees:

(i) that promptly upon receipt of notice of the occurrence and continuance of an Event of Default from the Administrative Agent and without any request therefor by the Administrative Agent, so long as such Event of Default shall continue, to deliver (properly endorsed where required hereby or requested by the Administrative Agent) to the Administrative Agent all Distributions with respect to Investment Property, all interest principal and other cash payments on the Pledged Property and all Proceeds of the Pledged Property, in case thereafter received by such Grantor, all of which shall be held by the Administrative Agent as additional Collateral; and

(ii) if an Event of Default shall have occurred and be continuing and the Administrative Agent has notified such Grantor of the Administrative Agent' s intention to exercise its voting power under this Section 4.1(e)(ii),

(A) the Administrative Agent may exercise (to the exclusion of such Grantor) the voting power and all other incidental rights of ownership with respect to any Pledged Interests, Investment Property or other Equity Interests constituting Collateral. **EACH GRANTOR HEREBY GRANTS THE ADMINISTRATIVE AGENT AN IRREVOCABLE PROXY (WHICH IRREVOCABLE PROXY SHALL CONTINUE IN EFFECT UNTIL SUCH EVENT OF**

DEFAULT SHALL HAVE BEEN CURED OR WAIVED) EXERCISABLE UNDER SUCH CIRCUMSTANCES, TO VOTE THE PLEDGED INTERESTS, INVESTMENT PROPERTY AND SUCH OTHER COLLATERAL; AND

(B) promptly to deliver to the Administrative Agent such additional proxies and other documents as may be necessary to allow the Administrative Agent to exercise such voting power.

All Distributions, interest, principal, cash payments, Payment Intangibles and Proceeds that may at any time and from time to time be held by any Grantor but which such Grantor is then obligated to deliver to the Administrative Agent, shall, until delivery to the Administrative Agent, be held by such Grantor separate and apart from its other property in trust for the Administrative Agent. The Administrative Agent agrees that unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have given the notice referred to in this Section 4.1(e), each Grantor shall be entitled to receive and retain all Distributions and shall have the exclusive voting power, and is granted a proxy, with respect to any Equity Interests constituting Collateral. Administrative Agent shall, upon the written request of any Grantor, promptly deliver such proxies and other documents, if any, as shall be reasonably requested by such Grantor which are necessary to allow such Grantor to exercise that voting power with respect to any such Equity Interests constituting Collateral; provided, however, that no vote shall be cast, or consent, waiver, or ratification given, or action taken by such Grantor that would violate any provision of the Credit Agreement or any other Credit Document (including this Security Agreement).

SECTION 4.2. As to Deposit Accounts. With respect to any Deposit Account owned or held by any Grantor, such Grantor will, following (a) the occurrence and continuance of an Event of Default and (b) the request of the Administrative Agent, either (i) cause the depositary bank maintaining such Deposit Account to execute a Control Agreement relating to such Deposit Account and the funds therein pursuant to which such depositary bank agrees to comply with the Administrative Agent' s instructions with respect to such Deposit Account without further consent by such Grantor, or (ii) transfer the funds in such Deposit Account to depositary banks that have or will agree to execute such Control Agreements and close such Deposit Account.

SECTION 4.3. As to Accounts.

(a) Each Grantor shall have the right to collect all Accounts so long as no Event of Default shall have occurred and be continuing.

(b) Upon (i) the occurrence and continuance of an Event of Default and (ii) the delivery of notice by the Administrative Agent to each Grantor, all Proceeds of Collateral received by any Grantor shall be delivered in kind to the Administrative Agent for deposit in a Deposit Account of such Grantor (A) maintained with the Administrative Agent or (B) maintained at a depositary bank other than the Administrative Agent to which such Grantor, the Administrative Agent and the depositary bank have entered into a Control Agreement in form and substance acceptable to the Administrative Agent in its sole discretion providing that the depositary bank will comply with the instructions originated by the Administrative Agent directing disposition of the funds in the account without further consent by such Grantor (any

such Deposit Accounts, together with any other Deposit Accounts pursuant to which any portion of the Collateral is deposited with the Administrative Agent, a "Collateral Account," and collectively, the "Collateral Accounts"), and such Grantor shall not commingle any such Proceeds, and shall hold separate and apart from all other property, all such Proceeds in express trust for the benefit of the Administrative Agent until delivery thereof is made to the Administrative Agent.

(c) Following the delivery of notice pursuant to clause (b)(ii) during the continuance of an Event of Default, the Administrative Agent shall have the right to apply any amount in the Collateral Account to the payment of any Secured Obligations which are due and payable or in accordance with Section 7.6 of the Credit Agreement.

(d) With respect to each of the Collateral Accounts, it is hereby confirmed and agreed that (i) deposits in such Collateral Account are subject to a security interest as contemplated hereby, (ii) such Collateral Account shall be under the control of the Administrative Agent after the occurrence and during the continuance of an Event of Default (unless otherwise agreed to by the Borrower and the Majority Lenders), and (iii) the Administrative Agent shall have the sole right of withdrawal over such Collateral Account; provided that such withdrawals shall only be made during the existence of an Event of Default.

(e) No Grantor shall adjust, settle, or compromise the amount or payment of any Receivable, nor release wholly or partly any account debtor or obligor thereof, nor allow any credit or discount thereon; provided that, a Grantor may make such adjustments, settlements or compromises and release wholly or partly any account debtor or obligor thereof and allow any credit or discounts thereon so long as (i) such action is taken in the ordinary course of business, and (ii) such action is, in such Grantor' s good faith business judgment, advisable.

SECTION 4.4. As to Grantor' s Use of Collateral.

(a) Subject to clause (b), each Grantor (i) may in the ordinary course of its business, at its own expense, sell, lease or furnish under the contracts of service any of the Inventory held by such Grantor for such purpose, and use and consume any raw materials, work in process or materials held by such Grantor for such purpose, (ii) following the occurrence and during the continuance of an Event of Default, shall, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any of the Collateral, including the taking of such action with respect to such collection as the Administrative Agent may request or, in the absence of such request, as such Grantor may deem advisable, and (iii) may grant, in the ordinary course of business, to any party obligated on any of the Collateral, any rebate, refund or allowance to which such party may be lawfully entitled, and may accept, in connection therewith, the return of Goods, the sale or lease of which shall have given rise to such Collateral.

(b) At any time following the occurrence and during the continuance of an Event of Default, whether before or after the maturity of any of the Secured Obligations, the Administrative Agent may (i) revoke any or all of the rights of any Grantor set forth in clause (a), (ii) notify any parties obligated on any of the Collateral to make payment to the Administrative Agent of any amounts due or to become due thereunder, and (iii) enforce collection of any of the Collateral by suit or otherwise and surrender, release, or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby.

(c) Upon request of the Administrative Agent following the occurrence and during the continuance of an Event of Default, each Grantor will, at its own expense, notify any parties obligated on any of the Collateral to make payment to the Administrative Agent of any amounts due or to become due thereunder.

(d) At any time following the occurrence and during the continuation of an Event of Default, the Administrative Agent may endorse, in the name of the applicable Grantor, any item, howsoever received by the Administrative Agent, representing any payment on or other Proceeds of any of the Collateral.

SECTION 4.5. As to Equipment and Inventory and Goods. Each Grantor agrees to take such action (or cause its Subsidiaries that are also Credit Parties to take such action), including endorsing certificates of title or executing applications for transfer of title, as is reasonably required by the Administrative Agent to enable it to properly perfect and protect its Lien on all Certificated Equipment that does not constitute Excluded Perfection Collateral and to transfer the same. Upon the occurrence and during the continuance of an Event of Default and if requested by the Administrative Agent, each Grantor agrees to take such action (or cause its Subsidiaries that are also Credit Parties to take such action), including endorsing certificates of title or executing applications for transfer of title, as is reasonably required by the Administrative Agent to enable it to properly perfect and protect its Lien on all Certificated Equipment that constitutes Excluded Perfection Collateral and to transfer the same. Each Grantor agrees to take such action (or cause its Subsidiaries that are also Credit Parties to take such action) as is reasonably requested by the Administrative Agent to enable it to properly perfect and protect its Lien on Equipment and Inventory and Goods (other than, as to perfection, Excluded Perfection Collateral) that such Grantor has transferred from a jurisdiction within the United States of America or its offshore waters to a jurisdiction outside of the United States of America or its offshore waters.

SECTION 4.6. As to Intellectual Property Collateral. Each Grantor covenants and agrees to comply with the following provisions as such provisions relate to any Intellectual Property Collateral material to the operations or business of such Grantor:

(a) such Grantor will not (i) do or fail to perform any act whereby any such Patent Collateral may lapse or become abandoned or dedicated to the public or unenforceable except upon the expiration of the life of the applicable patent, (ii) permit any of its licensees to (A) fail to continue to use any of such Trademark Collateral in order to maintain all of such Trademark Collateral in full force free from any claim of abandonment for non-use, (B) fail to maintain as in the past the quality of products and services offered under all such Trademark Collateral, (C) fail to employ all of such Trademark Collateral registered with any federal or state, or if requested by the Administrative Agent, foreign authority with an appropriate notice of such registration, (D) knowingly adopt or use any other Trademark which is confusingly similar or a colorable imitation of any such Trademark Collateral, (E) use any such Trademark Collateral registered with any federal, state or if requested by the Administrative Agent, foreign authority except for the uses for which registration or application for registration of all of the

Trademark Collateral has been made, or (F) do or permit any act or knowingly omit to do any act whereby any such Trademark Collateral may lapse or become invalid or unenforceable, or (iii) do or permit any act or knowingly omit to do any act whereby any such Copyright Collateral or any such Trade Secrets Collateral may lapse or become invalid or unenforceable or placed in the public domain except upon expiration of the end of an unrenewable term of a registration thereof, unless, in the case of any of the foregoing requirements in clauses (i), (ii) and (iii), such Grantor shall reasonably and in good faith determine that any of such Intellectual Property Collateral is of negligible economic value to such Grantor or in the case of Trade Secret Collateral, the publication of such information is customary in the ordinary course of business of such Grantor;

(b) such Grantor shall promptly notify the Administrative Agent if it knows that any application or registration relating to any material item of such Intellectual Property Collateral may become abandoned or dedicated to the public or placed in the public domain or invalid or unenforceable (other than upon the expiration of the life of the applicable patent), or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or if requested by the Administrative Agent, any foreign counterpart thereof or any court) regarding such Grantor' s ownership of any such Intellectual Property Collateral, its right to register the same or to keep and maintain and enforce the same;

(c) in no event will such Grantor or any of its agents, employees, designees or licensees file an application for the registration of any such material Intellectual Property Collateral with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, unless it promptly informs the Administrative Agent, and upon request of the Administrative Agent (subject to the terms of the Credit Agreement), such Grantor shall execute and deliver all agreements, instruments and documents as the Administrative Agent may reasonably request to evidence the Administrative Agent' s security interest in such Intellectual Property Collateral;

(d) such Grantor will take all necessary steps, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or (subject to the terms of the Credit Agreement), if requested by the Administrative Agent, any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue any application (and to obtain the relevant registration) filed with respect to, and to maintain any registration of, each such Intellectual Property Collateral, including the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings and the payment of fees and taxes (except to the extent that dedication, abandonment or invalidation is permitted under the foregoing clause (a) or (b) or to the extent such Grantor shall reasonably and in good faith determine is of immaterial economic value to such Grantor);

(e) following the obtaining of an interest in any such Intellectual Property Collateral by such Grantor, such Grantor shall deliver a supplement to Schedule III identifying such new Intellectual Property Collateral; and

(f) following the obtaining of an interest in any such Intellectual Property Collateral by such Grantor or, following the occurrence and during the continuance of an Event of Default, upon the request of the Administrative Agent, such Grantor shall deliver all agreements, instruments and documents the Administrative Agent may reasonably request to evidence the Administrative Agent' s security interest in such Intellectual Property Collateral and as may otherwise be required to acknowledge or register or perfect the Administrative Agent' s interest in any part of such item of Intellectual Property Collateral.

SECTION 4.7. As to Electronic Chattel Paper and Transferable Records. If any Grantor at any time holds or acquires an interest in any electronic chattel paper or any "transferable record," as that term is defined in Section 201 of the U.S. Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the U.S. Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, with a value in excess of $2,000,000, such Grantor shall promptly notify the Administrative Agent thereof and, at the reasonable request of the Administrative Agent, shall take such action as the Administrative Agent may reasonably request to vest in the Administrative Agent control (for the ratable benefit of Secured Parties) under Section 9-105 of the UCC of such electronic chattel paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Administrative Agent agrees with each Grantor that the Administrative Agent will arrange, pursuant to procedures reasonably satisfactory to the Administrative Agent and so long as such procedures will not result in the Administrative Agent' s loss of control, for such Grantor to make alterations to the electronic chattel paper or transferable record permitted under Section 9-105 of the UCC or, as the case may be, Section 201 of the U.S. Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the U.S. Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Grantor with respect to such electronic chattel paper or transferable record.

SECTION 4.8. As to Certificated Equipment. Until the Administrative Agent exercises remedies upon the occurrence and during the continuance of an Event of Default and following the request of the Administrative Agent, the certificates of title with respect to Certificated Equipment that constitutes Excluded Perfection Collateral shall be maintained at the applicable Grantor' s offices.

SECTION 4.9. Trade Secrets. With respect to any patent applications in preparation for filing that comprise Trade Secret Collateral, Grantor shall have the right to assert its attorney-client privilege in such applications and not to disclose such applications unless and until an Event of Default has occurred and is continuing. If an Event of Default has occurred and is continuing, then at the request of the Administrative Agent, the Grantors shall deliver to the Administrative Agent any patent applications in preparation for filing and all documents and things embodying, incorporating or referring to inventions that in any way relate to such patent application.

SECTION 4.10. Further Assurances, etc. Each Grantor shall warrant and defend the right and title herein granted unto the Administrative Agent in and to the Collateral (and all right,

title and interest represented by the Collateral) against the claims and demands of all Persons whomsoever. Each Grantor agrees that, from time to time at its own expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or that the Administrative Agent may reasonably request, in order to perfect, preserve and protect any security interest granted or purported to be granted hereby or to enable the Administrative Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral (other than, as to perfection, Excluded Perfection Collateral) subject to the terms hereof. Each Grantor agrees that, upon the acquisition after the date hereof by such Grantor of any Collateral, with respect to which the security interest granted hereunder is not perfected automatically upon such acquisition, to take such actions with respect to such Collateral (other than, as to perfection, Excluded Perfection Collateral) or any part thereof as required by the Credit Documents. Without limiting the generality of the foregoing, each Grantor will:

(a) from time to time upon the request of the Administrative Agent, promptly deliver to the Administrative Agent such stock powers, instruments and similar documents, reasonably satisfactory in form and substance to the Administrative Agent, with respect to such Collateral as the Administrative Agent may reasonably request and will, from time to time upon the request of the Administrative Agent, after the occurrence and during the continuance of any Event of Default, (i) promptly transfer any securities constituting Collateral into the name of any nominee designated by the Administrative Agent and (ii) if any Collateral shall be evidenced by an Instrument, negotiable Document, promissory note or tangible Chattel Paper, deliver and pledge to the Administrative Agent hereunder such Instrument, negotiable Document, promissory note, Pledged Note or tangible Chattel Paper duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Administrative Agent;

(b) file (and hereby authorize the Administrative Agent to file) such financing statements or continuation statements, or amendments thereto, and such other instruments or notices (including any assignment of claim form under or pursuant to the federal assignment of claims statute, 31 U.S.C. § 3726, any successor or amended version thereof or any regulation promulgated under or pursuant to any version thereof), as may be necessary or that the Administrative Agent may reasonably request in order to perfect and preserve the security interests and other rights granted or purported to be granted to the Administrative Agent hereby; and

(c) furnish to the Administrative Agent, from time to time at the Administrative Agent' s reasonable request, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Administrative Agent may reasonably request, all in reasonable detail.

The authorization contained in Section 4.10(b) above shall be irrevocable and continuing until the Termination Date. Each Grantor agrees that a carbon, photographic or other reproduction of this Security Agreement or any UCC financing statement covering the Collateral or any part thereof shall be sufficient as a UCC financing statement where permitted by law. Each Grantor hereby authorizes the Administrative Agent to file financing statements describing as the collateral covered thereby "all of the debtor' s personal property or assets" or words to that effect, notwithstanding that such wording may be broader in scope than the Collateral described in this Security Agreement.

ARTICLE V
THE ADMINISTRATIVE AGENT

SECTION 5.1. Administrative Agent Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints the Administrative Agent its attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time in the Administrative Agent' s discretion, following the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument which the Administrative Agent may deem necessary or advisable to accomplish the purposes of this Security Agreement, including (a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral, (b) to receive, endorse, and collect any drafts or other Instruments, Documents and Chattel Paper, in connection with clause (a) above, (c) to file any claims or take any action or institute any proceedings which the Administrative Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Administrative Agent with respect to any of the Collateral, and (d) to perform the affirmative obligations of such Grantor hereunder. **EACH GRANTOR HEREBY ACKNOWLEDGES, CONSENTS AND AGREES THAT THE POWER OF ATTORNEY GRANTED PURSUANT TO THIS SECTION 5.1 IS IRREVOCABLE AND COUPLED WITH AN INTEREST AND SHALL BE EFFECTIVE UNTIL THE TERMINATION DATE.**

SECTION 5.2. Administrative Agent May Perform. If any Grantor fails to perform any agreement contained herein, the Administrative Agent may, during the continuance of any Event of Default, itself perform, or cause performance of, such agreement, and the expenses of the Administrative Agent incurred in connection therewith shall be payable by such Grantor pursuant to Section 6.3 hereof and Section 9.1 of the Credit Agreement and the Administrative Agent may from time to time take any other action which the Administrative Agent reasonably deems necessary for the maintenance, preservation or protection of any of the Collateral or of its security interest therein.

SECTION 5.3. Administrative Agent Has No Duty. The powers conferred on the Administrative Agent hereunder are solely to protect its interest (on behalf of the Secured Parties) in the Collateral and shall not impose any duty on it to exercise any such powers. Except for reasonable care of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Administrative Agent shall have no duty as to any Collateral or responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Investment Property and any other Pledged Property, whether or not the Administrative Agent has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

SECTION 5.4. Reasonable Care. The Administrative Agent is required to exercise reasonable care in the custody and preservation of any of the Collateral in its possession;

provided, that the Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral (a) if such Collateral is accorded treatment substantially equal to that which the Administrative Agent accords its own personal property, or (b) if the Administrative Agent takes such action for that purpose as any Grantor reasonably requests in writing at times other than upon the occurrence and during the continuance of an Event of Default; provided, further, that failure of the Administrative Agent to comply with any such request at any time shall not in itself be deemed a failure to exercise reasonable care.

ARTICLE VI
REMEDIES

SECTION 6.1. Certain Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Administrative Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Collateral) and also may (i) take possession of any Collateral not already in its possession without demand and without legal process, (ii) require any Grantor to, and each Grantor hereby agrees that it will, at its expense and upon request of the Administrative Agent forthwith, assemble all or part of the Collateral as directed by the Administrative Agent and make it available to the Administrative Agent at a place to be designated by the Administrative Agent that is reasonably convenient to both parties, (iii) subject to applicable law or agreements with landlords, bailees, or warehousemen, enter onto the property where any Collateral is located and take possession thereof without demand and without legal process, (iv) without notice except as specified below, lease, license, sell or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Administrative Agent' s offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Administrative Agent may deem commercially reasonable. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' prior notice to the applicable Grantor of the time and place of any public sale or the time of any private sale is to be made shall constitute reasonable notification; provided, however, that with respect to Collateral that is (x) perishable or threatens to decline speedily in value, or (y) is of a type customarily sold on a recognized market (including Investment Property), no notice of sale or disposition need be given. For purposes of this Article VI, notice of any intended sale or disposition of any Collateral may be given by first-class mail, hand-delivery (through a delivery service or otherwise), facsimile or email, and shall be deemed to have been "sent" upon deposit in the U.S. Mails with adequate postage properly affixed, upon delivery to an express delivery service or upon electronic submission through telephonic or internet services, as applicable. The Administrative Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Each Grantor that is or may become a fee estate owner of property where any Collateral is located (regardless of ownership thereof by any other Grantor) agrees and

acknowledges that (i) Administrative Agent may remove the Collateral or any part thereof from such property in accordance with statutory law appertaining thereto without objection, delay, hindrance or interference by such Grantor and in such case such Grantor will make no claim or demand whatsoever against the Collateral, (ii) it will (x) cooperate with Administrative Agent in its efforts to assemble and/or remove all of the Collateral located on such property; (y) permit Administrative Agent and its agents to enter upon such property and occupy the property at any or all times to conduct an auction or sale, and/or to inspect, audit, examine, safeguard, assemble, appraise, display, remove, maintain, prepare for sale or lease, repair, lease, transfer, auction and/or sell the Collateral; and (z) not hinder Administrative Agent' s actions in enforcing its security interest in the Collateral. Money damages may not be a sufficient remedy for a breach of this Section 6.1(b). In addition to all other remedies available hereunder, under any other Credit Document, at law or in equity, the Administrative Agent shall be entitled to seek, at such Grantor' s expense, equitable relief, including injunction and specific performance, without proof of actual damages.

(c) Each Grantor agrees and acknowledges that a commercially reasonable disposition of Inventory, Equipment, Goods, Computer Hardware and Software Collateral, or Intellectual Property Collateral may be by lease or license of, in addition to the sale of, such Collateral. Each Grantor further agrees and acknowledges that the following shall be deemed a reasonable commercial disposition: (i) a disposition made in the usual manner on any recognized market, (ii) a disposition at the price current in any recognized market at the time of disposition, and (iii) a disposition in conformity with reasonable commercial practices among dealers in the type of property subject to the disposition.

(d) All cash Proceeds received by the Administrative Agent in respect of any sale of, collection from, or other realization upon, all or any part of the Collateral shall be applied by the Administrative Agent against, all or any part of the Secured Obligations as set forth in Section 7.6 of the Credit Agreement. The Administrative Agent shall not be obligated to apply or pay over for application noncash proceeds of collection or enforcement unless (i) the failure to do so would be commercially unreasonable, and (ii) the affected party has provided the Administrative Agent with a written demand to apply or pay over such noncash proceeds on such basis.

(e) The Administrative Agent may do any or all of the following: (i) transfer all or any part of the Collateral into the name of the Administrative Agent or its nominee, with or without disclosing that such Collateral is subject to the Lien hereunder, (ii) notify the parties obligated on any of the Collateral to make payment to the Administrative Agent of any amount due or to become due thereunder, (iii) withdraw, or cause or direct the withdrawal, of all funds with respect to the Collateral Account, (iv) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto, (v) endorse any checks, drafts, or other writings in the applicable Grantor' s name to allow collection of the Collateral, (vi) take control of any Proceeds of the Collateral, or (vii) execute (in the name, place and stead of the applicable Grantor) endorsements, assignments, stock powers and other instruments of conveyance or transfer with respect to all or any of the Collateral.

SECTION 6.2. Compliance with Restrictions. Each Grantor agrees that in any sale of any of the Collateral whenever an Event of Default shall have occurred and be continuing, the Administrative Agent is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral), or in order to obtain any required approval of the sale or of the purchaser by any Governmental Authority or official, and each Grantor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Administrative Agent be liable nor accountable to such Grantor for any discount allowed by the reason of the fact that such Collateral is sold in compliance with any such limitation or restriction.

SECTION 6.3. Indemnity and Expenses.

(a) **WITHOUT LIMITING THE GENERALITY OF THE PROVISIONS OF SECTION 9.1 OF THE CREDIT AGREEMENT, EACH GRANTOR SHALL, AND DOES HEREBY INDEMNIFY, THE ADMINISTRATIVE AGENT (AND ANY SUB-AGENT THEREOF), EACH OTHER SECURED PARTY AND EACH RELATED PARTY OF ANY OF THE FOREGOING PERSONS (EACH SUCH PERSON BEING CALLED AN "INDEMNITEE") AGAINST, AND HOLD EACH INDEMNITEE HARMLESS FROM, ANY AND ALL ACTIONS, SUITS, LOSSES, CLAIMS, DAMAGES, LIABILITIES AND RELATED EXPENSES (INCLUDING THE REASONABLE FEES, CHARGES AND DISBURSEMENTS OF ANY COUNSEL FOR ANY INDEMNITEE), INCURRED BY ANY INDEMNITEE OR ASSERTED AGAINST ANY INDEMNITEE BY ANY THIRD PARTY OR BY ANY GRANTOR ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF (I) THE EXECUTION OR DELIVERY OF THIS SECURITY AGREEMENT, ANY OTHER CREDIT DOCUMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY OR THEREBY, THE PERFORMANCE BY THE PARTIES HERETO OF THEIR RESPECTIVE OBLIGATIONS HEREUNDER OR THEREUNDER, THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, OR, IN THE CASE OF THE ADMINISTRATIVE AGENT (AND ANY SUB-AGENT THEREOF) AND ITS RELATED PARTIES ONLY, THE ADMINISTRATION OF THIS SECURITY AGREEMENT AND THE OTHER CREDIT DOCUMENTS, (II) ANY ADVANCE OR LETTER OF CREDIT OR THE USE OR PROPOSED USE OF THE PROCEEDS THEREFROM (INCLUDING ANY REFUSAL BY AN ISSUING LENDER TO HONOR A DEMAND FOR PAYMENT UNDER A LETTER OF CREDIT IF THE DOCUMENTS PRESENTED IN CONNECTION WITH SUCH DEMAND DO NOT STRICTLY COMPLY WITH THE TERMS OF SUCH LETTER OF CREDIT), (III) ANY ACTUAL OR ALLEGED RELEASE OF HAZARDOUS SUBSTANCE ON OR FROM ANY PROPERTY OWNED OR OPERATED BY ANY GRANTOR OR ANY OF ITS SUBSIDIARIES, OR ANY ENVIRONMENTAL CLAIM RELATED IN ANY WAY TO ANY GRANTOR OR ANY OF ITS SUBSIDIARIES, OR (IV) ANY ACTUAL OR**

PROSPECTIVE CLAIM, LITIGATION, INVESTIGATION OR PROCEEDING RELATING TO ANY OF THE FOREGOING, WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY, WHETHER BROUGHT BY A THIRD PARTY OR BY ANY GRANTOR AND REGARDLESS OF WHETHER ANY INDEMNITEE IS A PARTY THERETO, IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE; PROVIDED THAT SUCH INDEMNITY SHALL NOT, AS TO ANY INDEMNITEE, BE AVAILABLE TO THE EXTENT THAT SUCH ACTIONS, SUITS, LOSSES, CLAIMS, DAMAGES, LIABILITIES OR RELATED EXPENSES (X) ARE DETERMINED BY A COURT OF COMPETENT JURISDICTION BY FINAL AND NONAPPEALABLE JUDGMENT TO HAVE RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE, OR (Y) RESULT FROM A CLAIM BROUGHT BY ANY GRANTOR AGAINST AN INDEMNITEE FOR BREACH IN BAD FAITH OF SUCH INDEMNITEE' S OBLIGATIONS HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT, IF SUCH GRANTOR HAS OBTAINED A FINAL AND NONAPPEALABLE JUDGMENT IN ITS FAVOR ON SUCH CLAIM AS DETERMINED BY A COURT OF COMPETENT JURISDICTION. THIS SECTION 6.3(A) SHALL NOT APPLY WITH RESPECT TO TAXES OTHER THAN ANY TAXES THAT REPRESENT LOSSES, CLAIMS, DAMAGES, ETC. ARISING FROM ANY NON-TAX CLAIM.

(b) Other than as set forth in clause (c) below, each Grantor will upon demand pay to the Administrative Agent the amount of any and all out-of-pocket expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents, which the Administrative Agent may incur in connection herewith, including in connection with the administration of this Security Agreement and the custody, preservation, use or operation of, any of the Collateral.

(c) Each Grantor will upon demand pay to the Administrative Agent the amount of any and all out-of-pocket expenses, including the fees and disbursements of its counsel and of any experts and agents, which the Administrative Agent may incur in connection (i) the sale of, collection from, or other realization upon, any of the Collateral, (ii) the exercise or enforcement of any of the rights of the Administrative Agent or any of the Secured Parties hereunder, or (iii) the failure by any Grantor to perform or observe any of the provisions hereof.

SECTION 6.4. Warranties. The Administrative Agent may sell the Collateral without giving any warranties or representations as to the Collateral. The Administrative Agent may disclaim any warranties of title or the like. Each Grantor agrees that this procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

ARTICLE VII
MISCELLANEOUS PROVISIONS

SECTION 7.1. Credit Document. This Security Agreement is a Credit Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article 9 thereof.

SECTION 7.2. Binding on Successors, Transferees and Assigns; Assignment. This Security Agreement shall remain in full force and effect until the Termination Date, shall be binding upon each Grantor and its successors, transferees and assigns and, subject to the limitations set forth in the Credit Agreement, shall inure to the benefit of and be enforceable by each Secured Party and its successors, transferees and assigns; provided that, no Grantor shall assign any of its obligations hereunder (unless otherwise permitted under the terms of the Credit Agreement).

SECTION 7.3. Amendments, etc. No amendment to or waiver of any provision of this Security Agreement, nor consent to any departure by any Grantor from its obligations under this Security Agreement, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent (on behalf of the Lenders or the Majority Lenders, as the case may be, pursuant to Section 9.2 of the Credit Agreement) and such Grantor and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 7.4. Notices. All notices and other communications provided for herein shall be given in the manner and subject to the terms of Section 9.9 of the Credit Agreement.

SECTION 7.5. No Waiver; Remedies. No right, power, or remedy conferred to any Secured Party in this Security Agreement, or now or hereafter existing at law, in equity, by statute, or otherwise shall be exclusive, and each such right, power, or remedy shall to the full extent permitted by law be cumulative and in addition to every other such right, power or remedy. No course of dealing and no delay in exercising any right, power, or remedy conferred to any Secured Party in this Security Agreement or now or hereafter existing at law, in equity, by statute, or otherwise shall operate as a waiver of or otherwise prejudice any such right, power, or remedy. Any Secured Party may cure any Event of Default without waiving the Event of Default. No notice to or demand upon the Borrower shall entitle the Borrower to similar notices or demands in the future.

SECTION 7.6. Headings. The various headings of this Security Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Security Agreement or any provisions thereof.

SECTION 7.7. Severability. In case one or more provisions of this Security Agreement shall be invalid, illegal or unenforceable in any respect under any applicable Legal Requirement, the validity, legality, and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

SECTION 7.8. Counterparts. This Security Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Security Agreement by facsimile or by e-mail "PDF" copy shall be effective as delivery of a manually executed counterpart of this Security Agreement.

SECTION 7.9. Consent as Holder of Equity and as Pledged Interests Issuer. Each Grantor hereby (a) consents to the execution by each other Grantor of this Security Agreement and grant by each other Grantor of a security interest, encumbrance, pledge and hypothecation in all Pledged Interests and other Collateral of such other Grantor to the Administrative Agent pursuant hereto, and (b) without limiting the generality of the foregoing, consents to the transfer of any Pledged Interest to the Administrative Agent or its nominee pursuant to the terms of this Security Agreement following the occurrence and during the continuance of an Event of Default and to the substitution of the Administrative Agent or its nominee as a partner under the limited partnership agreement or as a member under the limited liability company agreement, in any case, as heretofore and hereafter amended. Furthermore, each Grantor as the holder of any Equity Interests in a Pledged Interests Issuer, hereby (i) waives all rights of first refusal, rights to purchase, and rights to consent to transfer (to any Secured Party or to any purchaser resulting from the exercise of a Secured Party' s remedy provided hereunder or under applicable law) and (ii) if required by the organizational documents of such Pledged Interests Issuer, agrees to cause such Pledged Interests Issuer to register the Lien granted hereunder and encumbering such Equity Interests in the registry books of such Pledged Interests Issuer.

SECTION 7.10. Additional Grantors. Pursuant to Sections 5.6 and 5.7 of the Credit Agreement, certain Subsidiaries of the Borrower that are created or acquired after the date of the Credit Agreement are required to become party to this Security Agreement as a Grantor. Upon execution and delivery after the date hereof by the Administrative Agent and such Subsidiary of an instrument in the form of Annex 1, such Subsidiary shall become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of any instrument adding an additional Grantor as a party to this Security Agreement shall not require the consent of any other Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Security Agreement.

SECTION 7.11. Acknowledgment of Pledged Interests Issuers. Each Pledged Interests Issuer that is party hereto agrees that it will comply with instructions of the Administrative Agent with respect to the applicable Uncertificated Securities without further consent by the applicable Grantor.

SECTION 7.12. Conflicts with Credit Agreement. To the fullest extent possible, the terms and provisions of the Credit Agreement shall be read together with the terms and provisions of this Security Agreement so that the terms and provisions of this Security Agreement do not conflict with the terms and provisions of the Credit Agreement; provided, however, notwithstanding the foregoing, in the event that any of the terms or provisions of this Security Agreement conflict with any terms or provisions of the Credit Agreement, the terms or provisions of the Credit Agreement shall govern and control for all purposes; provided that the inclusion in this Security Agreement of terms and provisions, supplemental rights or remedies in favor of the Administrative Agent not addressed in the Credit Agreement shall not be deemed to be in conflict with the Credit Agreement and all such additional terms, provisions, supplemental rights or remedies contained herein shall be given full force and effect.

SECTION 7.13. Governing Law. This Security Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations Law of the State of New York).

SECTION 7.14. Submission to Jurisdiction. EACH GRANTOR IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH GRANTOR IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, IN SUCH FEDERAL COURT. EACH GRANTOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LEGAL REQUIREMENT. NOTHING IN THIS SECURITY AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS SECURITY AGREEMENT AGAINST ANY OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

SECTION 7.15. Waiver of Venue. EACH GRANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT IN ANY COURT REFERRED TO IN SECTION 7.14. EACH GRANTOR HEREBY AGREES THAT SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS SECURITY AGREEMENT AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

SECTION 7.16. Service of Process. Each Grantor party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.9 of the Credit Agreement. Nothing in this Security Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

SECTION 7.17. Waiver of Jury. EACH GRANTOR PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH

GRANTOR PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS SECURITY AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

THIS SECURITY AGREEMENT AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND SUPERSEDE ALL PRIOR UNDERSTANDINGS AND AGREEMENTS, WHETHER WRITTEN OR ORAL, RELATING TO THE TRANSACTIONS PROVIDED FOR HEREIN AND THEREIN. ADDITIONALLY, THIS SECURITY AGREEMENT AND THE CREDIT DOCUMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

[Remainder of this page intentionally left blank. Signature pages to follow.]

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be duly executed and delivered by its Responsible Officer as of the date first above written.

GRANTORS

BECKMAN PRODUCTION SERVICES, INC.,
a Delaware corporation

By: _____
Name:
Title:

REDZONE HOLDCO,
a Delaware corporation

By: _____
Name:
Title:

BECKMAN PRODUCTION SERVICES, INC.,
a Michigan corporation

By: _____
Name:
Title:

NORTHERN PRODUCTION COMPANY, LLC, a Wyoming limited liability company

By: _____
Name:
Title:

REDZONE COIL TUBING, LLC, a Texas limited liability company

By: _____
Name:
Title:

R & S WELL SERVICE, INC., a Wyoming corporation

By: _____
Name:
Title:

SJL WELL SERVICE, LLC, an Oklahoma limited liability company

By: _____
Name:
Title:

J & R WELL SERVICE, LLC, a Michigan limited liability company

By: _____
Name:
Title:

FIRST CALL WELL SERVICE, LLC, an Oklahoma limited liability company

By: _____
Name:
Title:

ADMINISTRATIVE AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____

Name: _____

Title: _____

SCHEDULE I
to Pledge and Security
Agreement

ITEM A – PLEDGED INTERESTS

Common Stock

Pledgor	Pledged Interests Issuer (corporate)	Cert. #	# of Shares	Authorized Shares	% of Total Shares Pledged
Beckman Production Services, Inc. (Delaware)	Beckman Production Services, Inc. (Michigan)	2	50,000	50,000	100 %
Beckman Production Services, Inc. (Michigan)	R & S Well Service, Inc.	13	29,761.91	29,761.91	100 %

Limited Liability Company Interests
(Uncertificated unless otherwise noted)

Pledgor	Pledged Interests Issuer (limited liability company)	% of Limited Liability Company Interests Owned	% of Limited Liability Company Interests Pledged	Type of Limited Liability Company Interests Pledged
Beckman Production Services, Inc. (Delaware)	RedZone Holdco, LLC	100 %	100 %	Membership Interest
Beckman Production Services, Inc. (Delaware)	Northern Production Company, LLC	100 %	100 %	Membership Interest
RedZone Holdco, LLC	RedZone Coil Tubing, LLC	100 %	100 %	Membership Interest
Beckman Production Services, Inc. (Michigan)	SJL Well Service, LLC	100 %	100 %	Membership Interest
Beckman Production Services, Inc. (Michigan)	J & R Well Service, LLC	100 %	100 %	Membership Interest
Beckman Production Services, Inc. (Michigan)	First Call Well Service, LLC	100 %	100 %	Membership Interest

ITEM B – PLEDGED NOTES

None.

Item A-1. Location of Grantor for purposes of UCC.

Borrower:	
Beckman Production Services, Inc.	Delaware
Subsidiaries:	
RedZone Holdco, LLC	Delaware
Beckman Production Services, Inc.	Michigan
Northern Production Company, LLC	Wyoming
RedZone Coil Tubing, LLC	Texas
R & S Well Service	Wyoming
SJL Well Service, LLC	Oklahoma
J & R Well Service, LLC	Michigan
First Call Well Service, LLC	Oklahoma

Item A-2. Grantor' s place of business or principal office.

Borrower:	
Beckman Production Services, Inc.	3786 Beebe Road Northwest Kalkaska, Michigan 49646
Subsidiaries:	
RedZone Holdco, LLC	3786 Beebe Road Northwest Kalkaska, Michigan 49646
Beckman Production Services, Inc.	3786 Beebe Road Northwest Kalkaska, Michigan 49646
Northern Production Company, LLC	701 Sinclair Street Gillette, WY 82718
RedZone Coil Tubing, LLC	701 North First Street, Suite 109 Lufkin, TX 75901
R & S Well Service	818 S. 7th Street Thermopolis, WY 82443

SJL Well Service, LLC	Highway 81 South Hennessey, OK 73742
J & R Well Service, LLC	791 Lane 9 Powell, WY 82435
First Call Well Service, LLC	No physical address. Dormant entity.

Item A-3. Taxpayer ID number.

Borrower:	
Beckman Production Services, Inc.	46-0533905
Subsidiaries:	
RedZone Holdco, LLC	32-0438627
Beckman Production Services, Inc.	35-2189564
Northern Production Company, LLC	83-0216384
RedZone Coil Tubing, LLC	45-3745195
R & S Well Service	83-0199812
SJL Well Service, LLC	26-0535148
J & R Well Service, LLC	20-0319316
First Call Well Service, LLC	20-8898905

Item B. Merger or other corporate reorganization.

Beckman Production Services, Inc. (MI)

Pursuant to that certain Purchase Agreement, dated July 31, 2012, by and between the Borrower and Dart Energy Corporation, a Michigan Corporation ("Dart"), Dart sold all of the issued and outstanding shares of Beckman Production Services, Inc., a Michigan corporation, to the Borrower.

Northern Production Company, LLC

Pursuant to that certain Purchase and Sale Agreement, dated November 15, 2013, by and among Donald F. Schuh, Justin J. Schuh, and Andrea D. Schuh, as sellers ("Sellers"), and the Borrower, as buyer, Sellers sold all of the outstanding membership interests in Northern Production Company, LLC to the Borrower.

Pursuant to that certain Certificate of Conversion dated November 12, 2013, Northern Production Company, Inc. converted from a Wyoming corporation to a Wyoming limited liability company and changed its name to Northern Production Company, LLC.

RedZone Coil Tubing, LLC

Pursuant to that certain Certificate of Filing with the Secretary of State of Texas dated December 23, 2011, CT Long Reach, LLC changed its name to RedZone Coil Tubing, LLC.

INTELLECTUAL PROPERTY COLLATERAL

Item A. Patent Collateral.

Issued Patents

Country	Patent No.	Issue Date	Inventor(s)	Title

Patent Applications

Country	Patent No.	Issue Date	Inventor(s)	Title

Item B. Trademark Collateral

Company	Registration #	Trademarks/ Service Marks	Goods or Services
Northern Production Company, LLC	3,814,009	**Service mark**	The mark consists of the fanciful design of a mobile rig for oil and gas services.

Item C. Copyright Collateral.

None.

SUPPLEMENT NO. dated as of , 20 (this "Supplement"), to the Pledge and Security Agreement dated as of May 2, 2014 (as amended, supplemented, restated, or otherwise modified from time to time, the "Security Agreement"), among BECKMAN PRODUCTION SERVICES, INC., a Delaware corporation (the "Borrower"), each Subsidiary of the Borrower party thereto from time to time (collectively with the Borrower, the "Grantors" and individually, a "Grantor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Wells Fargo"), as Administrative Agent (the "Administrative Agent") for the ratable benefit of the Secured Parties (as defined in the Credit Agreement referred to herein).

A. Reference is made to that certain Credit Agreement, dated as of May 2, 2014 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the lenders party thereto from time to time (the "Lenders"), and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement and the Credit Agreement.

C. Section 7.10 of the Security Agreement provides that additional Subsidiaries of the Borrower may become Grantors under the Security Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary of the Borrower (the "New Grantor") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Grantor under the Security Agreement.

Accordingly, the Administrative Agent and the New Grantor agree as follows:

SECTION 1. In accordance with Section 7.10 of the Security Agreement, the New Grantor by its signature below becomes a Grantor under the Security Agreement with the same force and effect as if originally named therein as a Grantor and the New Grantor hereby agrees (a) to all the terms and provisions of the Security Agreement applicable to it as a Grantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Grantor thereunder are true and correct on and as of the date hereof. In furtherance of the foregoing, the New Grantor, as security for the payment and performance in full of the Secured Obligations (as defined in the Credit Agreement), does hereby create and grant to the Administrative Agent, its successors and assigns, for the benefit of the Secured Parties, their successors and assigns as provided in the Security Agreement, a continuing security interest in and Lien on all of the New Grantor' s right, title and interest in and to the Collateral (as defined in the Security Agreement) of the New Grantor. Each reference to a "Grantor" in the Security Agreement shall be deemed to include the New Grantor. The Security Agreement is hereby incorporated herein by reference.

SECTION 2. The New Grantor represents and warrants to the Administrative Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance

with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

SECTION 3. This Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Administrative Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Grantor and the Administrative Agent. Delivery of an executed signature page to this Supplement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Grantor hereby agrees that the schedules attached to the Security Agreement are hereby supplemented by the corresponding schedules attached to this Supplement. The New Grantor hereby represents and warrants that the information provided in the schedules attached hereto are true and correct as of the date hereof.

SECTION 5. The New Grantor hereby expressly acknowledges and agrees to the terms of Section 6.3. (Indemnity and Expenses) of the Security Agreement and expressly acknowledges the irrevocable proxy provided in Section 4.1(e) of the Security Agreement. In furtherance thereof, **NEW GRANTOR HEREBY GRANTS THE ADMINISTRATIVE AGENT AN IRREVOCABLE PROXY (WHICH IRREVOCABLE PROXY SHALL CONTINUE IN EFFECT UNTIL THE TERMINATION DATE) EXERCISABLE UNDER THE CIRCUMSTANCES PROVIDED IN SECTION 4.1 OF THE SECURITY AGREEMENT, TO VOTE THE PLEDGED INTERESTS, INVESTMENT PROPERTY AND SUCH OTHER COLLATERAL**.

SECTION 6. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

SECTION 7. This Supplement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations Law of the State of New York).

SECTION 8. In case one or more provisions of this Supplement shall be invalid, illegal or unenforceable in any respect under any applicable Legal Requirement, the validity, legality, and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

SECTION 9. All communications and notices hereunder shall be in writing and given as provided in the Security Agreement. All communications and notices hereunder to the New Grantor shall be given to it at the address set forth under its signature hereto.

SECTION 10. The New Grantor agrees to reimburse the Administrative Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Administrative Agent.

SECTION 11. Submission to Jurisdiction. NEW GRANTOR IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND NEW GRANTOR IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, IN SUCH FEDERAL COURT. NEW GRANTOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LEGAL REQUIREMENT.

SECTION 12. Waiver of Venue. NEW GRANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENT IN ANY COURT REFERRED TO IN SECTION 11. NEW GRANTOR HEREBY AGREES THAT SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS SUPPLEMENT AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

SECTION 13. Service of Process. New Grantor irrevocably consents to service of process in the manner provided for notices in Section 9.9 of the Credit Agreement. Nothing in this Supplement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

SECTION 14. Waiver of Jury. NEW GRANTOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SUPPLEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). NEW GRANTOR (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS SUPPLEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

THIS SUPPLEMENT, THE SECURITY AGREEMENT AND THE OTHER CREDIT DOCUMENTS, AS DEFINED IN THE CREDIT AGREEMENT REFERRED TO IN THIS SUPPLEMENT, REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO.

IN WITNESS WHEREOF, the New Grantor and the Administrative Agent have duly executed this Supplement to the Security Agreement as of the day and year first above written.

[Name of New Grantor],

By: _____
Name: _____
Title: _____

Address: _____
_____
_____

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: _____
Name: _____
Title: _____

EXHIBIT C
FORM OF GUARANTY AGREEMENT

This Guaranty Agreement dated as of May 2, 2014 (as amended, supplemented, amended and restated or otherwise modified from time to time, this "Guaranty") is executed by each of the undersigned (individually a "Guarantor" and collectively, the "Guarantors"), in favor of Wells Fargo Bank, National Association, as Administrative Agent (as defined below) for the ratable benefit of the Secured Parties (as defined in the Credit Agreement referred to herein).

INTRODUCTION

A. This Guaranty is given in connection with that certain Credit Agreement dated as of May 2, 2014 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Credit Agreement"), by and among Beckman Production Services, Inc. (the "Borrower"), the lenders party thereto from time to time (the "Lenders"), and Wells Fargo Bank, National Association, as the administrative agent (in such capacity, the "Administrative Agent"), as the Issuing Lender and as the Swingline Lender.

B. Each Guarantor (other than the Borrower) is a Subsidiary of the Borrower and (i) the transactions contemplated by the Credit Agreement and the other Credit Documents, (ii) the Hedging Arrangements entered into by any Credit Party with a Swap Counterparty, and (iii) the Banking Services provided by any Banking Services Provider to any Credit Party, each are (a) in furtherance of such Subsidiary' s corporate purposes, (b) necessary or convenient to the conduct, promotion or attainment of such Subsidiary' s business, and (c) for such Subsidiary' s direct or indirect benefit.

C. Each Guarantor is executing and delivering this Guaranty (i) to induce the Lenders to provide and to continue to provide Advances under the Credit Agreement, (ii) to induce the Issuing Lender to provide and to continue to provide Letters of Credit under the Credit Agreement, and (iii) intending it to be a legal, valid, binding, enforceable and continuing obligation of such Guarantor.

NOW, THEREFORE, in consideration of the premises, each Guarantor hereby agrees as follows:

Section 1. Definitions. All capitalized terms not otherwise defined in this Guaranty that are defined in the Credit Agreement shall have the meanings assigned to such terms by the Credit Agreement.

Section 2. Guaranty.

(a) (i) Each Guarantor (other than the Borrower) hereby absolutely, unconditionally and irrevocably guarantees the punctual payment and performance, when due, whether at stated maturity, by acceleration or otherwise, of all Secured Obligations, whether absolute or contingent and whether for principal, interest (including, without limitation, interest that but for the existence of a bankruptcy, reorganization or similar proceeding would accrue), fees, amounts owing in respect of Letter of Credit Obligations, amounts required to be provided as collateral, indemnities, expenses or otherwise (collectively, the "Subsidiary Guaranteed

Obligations") and (ii) the Borrower hereby absolutely, unconditionally and irrevocably guarantees the punctual payment and performance, when due, whether at stated maturity, by acceleration or otherwise, of all Banking Services Obligations and all Swap Obligations (other than Excluded Swap Obligations) of the other Credit Parties, whether absolute or contingent and whether for principal, interest (including, without limitation, interest that but for the existence of a bankruptcy, reorganization or similar proceeding would accrue), fees, amounts required to be provided as collateral, indemnities, expenses or otherwise (collectively, the "Borrower Guaranteed Obligations", and together with the Subsidiary Guaranteed Obligations, the "Guaranteed Obligations"). Without limiting the generality of the foregoing, each Guarantor' s liability shall extend to all amounts that constitute part of the Borrower Guaranteed Obligations or the Subsidiary Guaranteed Obligations, as applicable, and would be owed by the Borrower or any other Credit Party to the Secured Parties but for the fact that they are unenforceable or not allowable due to insolvency or the existence of a bankruptcy, reorganization or similar proceeding involving the Borrower or any Credit Party.

(b) In order to provide for just and equitable contribution among the Guarantors, the Guarantors agree that in the event a payment shall be made on any date under this Guaranty by any Guarantor (the "Funding Guarantor"), each other Guarantor (each a "Contributing Guarantor") shall indemnify the Funding Guarantor in an amount equal to the amount of such payment, in each case multiplied by a fraction the numerator of which shall be the net worth of the Contributing Guarantor as of such date and the denominator of which shall be the aggregate net worth of all the Contributing Guarantors together with the net worth of the Funding Guarantor as of such date. Any Contributing Guarantor making any payment to a Funding Guarantor pursuant to this Section 2(b) shall be subrogated to the rights of such Funding Guarantor to the extent of such payment.

(c) Anything contained in this Guaranty to the contrary notwithstanding, the obligations of each Guarantor under this Guaranty on any date shall be limited to a maximum aggregate amount equal to the largest amount that would not, on such date, render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of the Bankruptcy Code of the United States or any applicable provisions of comparable laws relating to bankruptcy, insolvency, or reorganization, or relief of debtors (collectively, the "Fraudulent Transfer Laws"), but only to the extent that any Fraudulent Transfer Law has been found in a final non-appealable judgment of a court of competent jurisdiction to be applicable to such obligations as of such date, in each case:

(i) after giving effect to all liabilities of such Guarantor, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws, but specifically excluding:

(A) any liabilities of such Guarantor in respect of intercompany indebtedness to the Borrower or other affiliates of the Borrower to the extent that such indebtedness would be discharged in an amount equal to the amount paid by such Guarantor hereunder;

(B) any liabilities of such Guarantor under this Guaranty; and

(C) any liabilities of such Guarantor under each of its other guarantees of and joint and several co-borrowings of Debt, in each case entered into on the date this Guaranty becomes effective, which contain a limitation as to maximum amount substantially similar to that set forth in this Section 2(c) (each such other guarantee and joint and several co-borrowing entered into on the date this Guaranty becomes effective, a "Competing Guaranty") to the extent such Guarantor' s liabilities under such Competing Guaranty exceed an amount equal to (1) the aggregate principal amount of such Guarantor' s obligations under such Competing Guaranty (notwithstanding the operation of that limitation contained in such Competing Guaranty that is substantially similar to this Section 2(c)), multiplied by (2) a fraction (i) the numerator of which is the aggregate principal amount of such Guarantor' s obligations under such Competing Guaranty (notwithstanding the operation of that limitation contained in such Competing Guaranty that is substantially similar to this Section 2(c)), and (ii) the denominator of which is the sum of (x) the aggregate principal amount of the obligations of such Guarantor under all other Competing Guaranties (notwithstanding the operation of those limitations contained in such other Competing Guaranties that are substantially similar to this Section 2(c)), (y) the aggregate principal amount of the obligations of such Guarantor under this Guaranty (notwithstanding the operation of this Section 2(c)), and (z) the aggregate principal amount of the obligations of such Guarantor under such Competing Guaranty (notwithstanding the operation of that limitation contained in such Competing Guaranty that is substantially similar to this Section 2(c)); and

(ii) after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, reimbursement, indemnification or contribution of such Guarantor pursuant to applicable law or pursuant to the terms of any agreement (including any such right of contribution under Section 2(b)).

Section 3. Guaranty Absolute. Until the date on which Security Termination occurs (such date being the "Termination Date"), each Guarantor guarantees that the Borrower Guaranteed Obligations or the Subsidiary Guaranteed Obligations, as applicable, will be paid strictly in accordance with the terms of the Credit Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Administrative Agent, the Issuing Lender, the Swingline Lender, any Lender, any Banking Services Provider or any Swap Counterparty with respect thereto but subject to Section 2(c) above. The obligations of each Guarantor under this Guaranty are independent of the Guaranteed Obligations or any other obligations of any other Person under the Credit Documents or in connection with any Hedging Arrangement, and a separate action or actions may be brought and prosecuted against a Guarantor to enforce this Guaranty, irrespective of whether any action is brought against any Guarantor or any other Person or whether any Guarantor or any other Person is joined in any such action or actions. The liability of each Guarantor under this Guaranty shall be irrevocable, absolute and unconditional irrespective of, and each Guarantor, to the extent not prohibited by applicable law, hereby irrevocably waives any defenses it may now or hereafter have in any way relating to, any or all of the following:

(a) any lack of validity or enforceability of any Credit Document or any agreement or instrument relating thereto or any part of the Guaranteed Obligations being irrecoverable;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations or any other obligations of any Person under the Credit Documents or any agreement or instrument relating to Hedging Arrangements with a Swap Counterparty or Banking Services with a Banking Services Provider, or any other amendment or waiver of or any consent to departure from any Credit Document or any agreement or instrument relating to Hedging Arrangements with a Swap Counterparty or Banking Services with a Banking Services Provider, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to the Borrower or otherwise;

(c) any taking, exchange, release or non-perfection of any Collateral, or any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;

(d) any manner of application of Collateral, or proceeds thereof, to all or any of the Guaranteed Obligations, or any manner of sale or other disposition of any Collateral for all or any of the Guaranteed Obligations or any other obligations of any other Person under the Credit Documents or any other assets of any Guarantor;

(e) any change, restructuring or termination of the corporate structure or existence of any Guarantor;

(f) any failure of any Lender, the Administrative Agent, the Issuing Lender, the Swingline Lender or any other Secured Party to disclose to any Guarantor any information relating to the business, condition (financial or otherwise), operations, properties or prospects of any Person now or in the future known to the Administrative Agent, the Issuing Lender, the Swingline Lender, any Lender or any other Secured Party (and each Guarantor hereby irrevocably waives any duty on the part of any Secured Party to disclose such information);

(g) any signature of any officer of any Guarantor being mechanically reproduced in facsimile or otherwise; or

(h) any other circumstance or any existence of or reliance on any representation by any Secured Party that might otherwise constitute a defense available to, or a discharge of, any Guarantor or any other guarantor, surety or other Person.

Section 4. Continuation and Reinstatement, Etc. Each Guarantor agrees that, to the extent that payments of any of the Guaranteed Obligations are made, or any Secured Party receives any proceeds of Collateral, and such payments or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, or otherwise required to be repaid, then to the extent of such repayment such Guaranteed Obligations shall be reinstated and continued in full force and effect as of the date such initial payment or collection of proceeds occurred. **EACH GUARANTOR SHALL DEFEND AND INDEMNIFY EACH SECURED PARTY FROM AND AGAINST ANY CLAIM, DAMAGE, LOSS,**

LIABILITY, COST, OR EXPENSE UNDER THIS SECTION 4 (INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES) IN THE DEFENSE OF ANY SUCH ACTION OR SUIT, INCLUDING SUCH CLAIM, DAMAGE, LOSS, LIABILITY, COST, OR EXPENSE ARISING AS A RESULT OF THE INDEMNIFIED SECURED PARTY' S OWN NEGLIGENCE BUT EXCLUDING SUCH CLAIM, DAMAGE, LOSS, LIABILITY, COST, OR EXPENSE THAT IS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNIFIED SECURED PARTY' S BAD FAITH, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT; PROVIDED, HOWEVER, THAT IT IS THE INTENTION OF THE PARTIES HERETO THAT EACH INDEMNIFIED SECURED PARTY BE INDEMNIFIED IN THE CASE OF ITS OWN NEGLIGENCE (OTHER THAN GROSS NEGLIGENCE), REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL.

Section 5. Waivers and Acknowledgments.

(a) Each Guarantor, to the extent not prohibited by applicable law, hereby waives promptness, diligence, presentment, notice of acceptance and any other notice with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that any Secured Party protect, secure, perfect or insure any Lien or any property or exhaust any right or take any action against the Borrower or any other Person or any collateral.

(b) Each Guarantor, to the extent not prohibited by applicable law, hereby irrevocably waives any right to revoke this Guaranty, and acknowledges that this Guaranty is continuing in nature and applies to all Borrower Guaranteed Obligations or Subsidiary Guaranteed Obligations, as applicable, whether existing now or in the future.

(c) Each Guarantor acknowledges that it will receive substantial direct and indirect benefits from (i) the financing arrangements involving the Borrower or any other Guarantor contemplated by the Credit Documents, (ii) the Hedging Arrangements entered into by a Credit Party with a Swap Counterparty, and (iii) the Banking Services provided to any Credit Party by any Banking Services Provider, and that the waivers set forth in this Guaranty are knowingly made in contemplation of such benefits.

Section 6. Subrogation and Subordination.

(a) No Guarantor will exercise any rights that it may now have or hereafter acquire against any other Credit Party to the extent that such rights arise from the existence, payment, performance or enforcement of such Guarantor' s obligations under this Guaranty or any other Credit Document, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of any Secured Party against any Credit Party, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Credit Party, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, until after the Termination Date. If any amount shall be paid to a

Guarantor in violation of the preceding sentence at any time prior to or on the Termination Date, such amount shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Administrative Agent to be credited and applied to the Guaranteed Obligations and any and all other amounts payable by the Guarantors under this Guaranty, whether matured or unmatured, in accordance with the terms of the Credit Documents.

(b) Each Guarantor agrees that all Subordinated Guarantor Obligations (as hereinafter defined) are and shall be subordinate and inferior in rank, preference and priority to all obligations of such Guarantor in respect of the Guaranteed Obligations hereunder, and such Guarantor shall, if requested by the Administrative Agent, execute a subordination agreement reasonably satisfactory to the Administrative Agent to more fully set out the terms of such subordination. Each Guarantor agrees that none of the Subordinated Guarantor Obligations shall be secured by a lien or security interest on any assets of such Guarantor or any ownership interests in any Subsidiary of such Guarantor. "Subordinated Guarantor Obligations" means any and all obligations and liabilities of a Guarantor owing to the Borrower or any other Guarantor, direct or contingent, due or to become due, now existing or hereafter arising, including, without limitation, all future advances, with interest, attorneys' fees, expenses of collection and costs.

Section 7. Representations and Warranties. Each Guarantor hereby represents and warrants as follows:

(a) There are no conditions precedent to the effectiveness of this Guaranty. Such Guarantor benefits from executing this Guaranty.

(b) Such Guarantor has, independently and without reliance upon the Administrative Agent, any Lender or any other Secured Party and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Guaranty, and such Guarantor has established adequate means of obtaining from each Credit Party on a continuing basis information pertaining to, and is now and on a continuing basis will be completely familiar with, the business, condition (financial and otherwise), operations, properties and prospects of each Credit Party.

(c) The obligations of such Guarantor under this Guaranty are the valid, binding and legally enforceable obligations of such Guarantor, (except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws at the time in effect affecting the rights of creditors generally and (ii) general principles of equity whether applied by a court of law or equity), and the execution and delivery of this Guaranty by such Guarantor has been duly and validly authorized in all respects by all requisite corporate, limited liability company or partnership actions on the part of such Guarantor, and the Person who is executing and delivering this Guaranty on behalf of such Guarantor has full power, authority and legal right to so do, and to observe and perform all of the terms and conditions of this Guaranty on such Guarantor' s part to be observed or performed.

Section 8. Right of Set-Off. Upon the occurrence and during the continuance of any Event of Default, any Lender, the Administrative Agent, the Issuing Lender, the Swingline Lender and any other Secured Party is hereby authorized at any time, to the fullest extent permitted by law, to set-off and apply any deposits (general or special, time or demand,

provisional or final) and other indebtedness owing by such Secured Party to the account of each Guarantor against any and all of the obligations of the Guarantors under this Guaranty, irrespective of whether or not such Secured Party shall have made any demand under this Guaranty and although such obligations may be contingent and unmatured. Such Secured Party shall promptly notify the affected Guarantor after any such set-off and application is made, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Secured Parties under this Section 8 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which any Secured Party may have.

Section 9. Amendments, Etc. No amendment or waiver of any provision of this Guaranty and no consent to any departure by any Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by the affected Guarantor and the Administrative Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 10. Notices, Etc. All notices and other communications provided for herein shall be given in the manner and subject to the terms of Section 9.9 of the Credit Agreement.

Section 11. No Waiver: Remedies. No right, power, or remedy conferred to any Secured Party under this Guaranty, or now or hereafter existing at law, in equity, by statute, or otherwise shall be exclusive, and each such right, power, or remedy shall to the full extent permitted by law be cumulative and in addition to every other such right, power or remedy. No course of dealing and no delay in exercising any right, power, or remedy conferred to any Secured Party in this Guaranty or now or hereafter existing at law, in equity, by statute, or otherwise shall operate as a waiver of or otherwise prejudice any such right, power, or remedy. Any Secured Party may cure any Event of Default without waiving the Event of Default. No notice to or demand upon any Guarantor shall entitle such Guarantor to similar notices or demands in the future.

Section 12. Continuing Guaranty: Assignments under the Credit Agreement. This Guaranty is a continuing guaranty and shall (a) remain in full force and effect until the Termination Date, (b) be binding upon each Guarantor and its successors and assigns, and (c) inure to the benefit of the Administrative Agent and each other Secured Party and its respective permitted successors, transferees and assigns, subject to the limitations set forth in the Credit Agreement, including, but without limitation, Section 8.7(d) of the Credit Agreement. Without limiting the generality of the foregoing clause (c), any Lender may assign or otherwise transfer (in whole or in part) any Note or any Advance held by it as provided in Section 9.7 of the Credit Agreement, and any successor or assignee thereof shall thereupon become vested with all the rights and benefits in respect thereof granted to such Secured Party under any Credit Document (including this Security Agreement), or otherwise, subject, however, to any contrary provisions in such assignment or transfer, and as applicable to the provisions of Section 9.7 and Article 8 of the Credit Agreement.

Section 13. Governing Law. This Guaranty shall be deemed a contract under, and shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations Law of the State of New York).

Section 14. Submission to Jurisdiction. EACH GUARANTOR IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH GUARANTOR IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, IN SUCH FEDERAL COURT. EACH GUARANTOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LEGAL REQUIREMENT. NOTHING IN THIS GUARANTY SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS GUARANTY AGAINST ANY OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

Section 15. Waiver of Venue. EACH GUARANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY IN ANY COURT REFERRED TO IN SECTION 14. EACH GUARANTOR HEREBY AGREES THAT SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS GUARANTY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

Section 16. Service of Process. Each Guarantor party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.9 of the Credit Agreement. Nothing in this Guaranty will affect the right of any party hereto to serve process in any other manner permitted by applicable Legal Requirement.

Section 17. Waiver of Jury. EACH GUARANTOR HEREBY ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED BY AND HAS CONSULTED WITH COUNSEL OF ITS CHOICE AND HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTY OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT

OR ANY OTHER THEORY). EACH GUARANTOR (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS GUARANTY AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 18. **INDEMNIFICATION. EACH GUARANTOR SHALL, AND DOES HEREBY INDEMNIFY, THE ADMINISTRATIVE AGENT (AND ANY SUB-AGENT THEREOF), EACH LENDER, THE SWINGLINE LENDER AND THE ISSUING LENDER AND EACH RELATED PARTY OF ANY OF THE FOREGOING PERSONS (EACH SUCH PERSON BEING CALLED AN "INDEMNITEE") AGAINST, AND HOLD EACH INDEMNITEE HARMLESS FROM, ANY AND ALL ACTIONS, SUITS, LOSSES, CLAIMS, DAMAGES, LIABILITIES AND RELATED EXPENSES (INCLUDING THE REASONABLE FEES, CHARGES AND DISBURSEMENTS OF ANY COUNSEL FOR ANY INDEMNITEE), INCURRED BY ANY INDEMNITEE OR ASSERTED AGAINST ANY INDEMNITEE BY ANY THIRD PARTY OR BY SUCH GUARANTOR OR ANY OTHER CREDIT PARTY ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF (I) THE EXECUTION OR DELIVERY OF THIS GUARANTY, ANY OTHER CREDIT DOCUMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY OR THEREBY, THE PERFORMANCE BY THE PARTIES HERETO OF THEIR RESPECTIVE OBLIGATIONS HEREUNDER OR THEREUNDER, THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, OR, IN THE CASE OF THE ADMINISTRATIVE AGENT (AND ANY SUB-AGENT THEREOF) AND ITS RELATED PARTIES ONLY, THE ADMINISTRATION OF THIS GUARANTY AND THE OTHER CREDIT DOCUMENTS, (II) ANY ADVANCE OR LETTER OF CREDIT OR THE USE OR PROPOSED USE OF THE PROCEEDS THEREFROM (INCLUDING ANY REFUSAL BY THE ISSUING LENDER TO HONOR A DEMAND FOR PAYMENT UNDER A LETTER OF CREDIT IF THE DOCUMENTS PRESENTED IN CONNECTION WITH SUCH DEMAND DO NOT STRICTLY COMPLY WITH THE TERMS OF SUCH LETTER OF CREDIT), (III) ANY ACTUAL OR ALLEGED RELEASE OF HAZARDOUS SUBSTANCE ON OR FROM ANY PROPERTY OWNED OR OPERATED BY ANY CREDIT PARTY OR ANY OF ITS SUBSIDIARIES, OR ANY ENVIRONMENTAL CLAIM RELATED IN ANY WAY TO ANY CREDIT PARTY OR ANY OF ITS SUBSIDIARIES, OR (IV) ANY ACTUAL OR PROSPECTIVE CLAIM, LITIGATION, INVESTIGATION OR PROCEEDING RELATING TO ANY OF THE FOREGOING, WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY, WHETHER BROUGHT BY A THIRD PARTY OR BY ANY CREDIT PARTY AND REGARDLESS OF WHETHER ANY INDEMNITEE IS A PARTY THERETO, IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE; PROVIDED THAT SUCH INDEMNITY SHALL NOT, AS TO ANY INDEMNITEE, BE AVAILABLE TO THE EXTENT THAT SUCH ACTIONS, SUITS, LOSSES, CLAIMS, DAMAGES, LIABILITIES OR RELATED EXPENSES (X)**

ARE DETERMINED BY A COURT OF COMPETENT JURISDICTION BY FINAL AND NONAPPEALABLE JUDGMENT TO HAVE RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE, OR (Y) RESULT FROM A CLAIM BROUGHT BY ANY GUARANTOR OR ANY OTHER CREDIT PARTY AGAINST AN INDEMNITEE FOR BREACH IN BAD FAITH OF SUCH INDEMNITEE' S OBLIGATIONS HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT, IF SUCH GUARANTOR OR SUCH OTHER CREDIT PARTY HAS OBTAINED A FINAL AND NONAPPEALABLE JUDGMENT IN ITS FAVOR ON SUCH CLAIM AS DETERMINED BY A COURT OF COMPETENT JURISDICTION. THIS SECTION 18 SHALL NOT APPLY WITH RESPECT TO TAXES OTHER THAN ANY TAXES THAT REPRESENT LOSSES, CLAIMS, DAMAGES, ETC. ARISING FROM ANY NON-TAX CLAIM.

Section 19. Additional Guarantors. Pursuant to Section 5.7 of the Credit Agreement, certain Subsidiaries of the Borrower that are created or acquired after the date of the Credit Agreement are required to become party to this Guaranty as a Guarantor. Upon execution and delivery after the date hereof by the Administrative Agent and such Subsidiary of an instrument in the form of Annex 1, such Subsidiary shall become a Guarantor hereunder with the same force and effect as if originally named as a Guarantor herein. The execution and delivery of any instrument adding an additional Guarantor as a party to this Guaranty shall not require the consent of any other Guarantor hereunder. The rights and obligations of each Guarantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor as a party to this Guaranty.

Section 20. USA Patriot Act. Each Secured Party that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any other Secured Party) hereby notifies each Guarantor that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001))(the "Act"), it is required to obtain, verify and record information that identifies such Guarantor, which information includes the name and address of such Guarantor and other information that will allow such Secured Party or the Administrative Agent, as applicable, to identify such Guarantor in accordance with the Act. Following a request by any Secured Party, each Guarantor shall promptly furnish all documentation and other information that such Secured Party reasonably requests in order to comply with its ingoing obligations under the applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

Section 21. Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Credit Party to honor all of its obligations under this Guaranty in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 21 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 21, or otherwise under this Guaranty, voidable under the Fraudulent Transfer Laws, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Termination Date. Each Qualified ECP Guarantor intends that this Section 21 constitute, and this Section 21 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Credit Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

Section 22. **NOTICE OF FINAL AGREEMENT. THIS GUARANTY AND THE CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.**

[Remainder of this page intentionally left blank.]

The Administrative Agent and each Guarantor has caused this Guaranty to be duly executed as of the date first above written.

GUARANTORS:

BECKMAN PRODUCTION SERVICES, INC.,
a Delaware corporation

By: _____
Name:
Title:

REDZONE HOLDCO, LLC
a Delaware limited liability company

By: _____
Name:
Title:

BECKMAN PRODUCTION SERVICES, INC.,
a Michigan corporation

By: _____
Name:
Title:

NORTHERN PRODUCTION COMPANY, LLC, a Wyoming limited liability company

By: _____
Name:
Title:

REDZONE COIL TUBING, LLC,
a Texas limited liability company

By: _____
Name:
Title:

R & S WELL SERVICE, INC.,
a Wyoming corporation

By: _____
Name:
Title:

SJL WELL SERVICE, LLC,
a Oklahoma limited liability company

By: _____
Name:
Title:

J & R WELL SERVICE, LLC,
a Michigan limited liability company

By: _____
Name:
Title:

FIRST CALL WELL SERVICE, LLC,
a Oklahoma limited liability company

By: _____
Name:
Title:

ADMINISTRATIVE AGENT:

WELLS FARGO BANK,
NATIONAL ASSOCIATION

By: _____
Name:
Title:

SUPPLEMENT NO. dated as of (this "*Supplement*"), to the Guaranty Agreement dated as of May 2, 2014 (as amended, supplemented or otherwise modified from time to time, the "*Guaranty Agreement*"), among BECKMAN PRODUCTION SERVICES, INC., a Delaware corporation (the "*Borrower*"), each Subsidiary of the Borrower from time to time party thereto (together with the Borrower, each a "*Guarantor*", and collectively the "*Guarantors*"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent (the "*Administrative Agent*") for the benefit of the Secured Parties (as defined in the Credit Agreement referred to herein).

A. Reference is made to the Credit Agreement dated as of May 2, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among the Borrower, the lenders from time to time party thereto (the "*Lenders*"), and Wells Fargo Bank, National Association, as Administrative Agent, as Issuing Lender and as Swingline Lender.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Guaranty Agreement and the Credit Agreement.

C. The Guarantors have entered into the Guaranty Agreement in order to induce the Lenders to make Advances and the Issuing Lender to issue Letters of Credit. Section 19 of the Guaranty Agreement provides that additional Subsidiaries of the Borrower may become Guarantors under the Guaranty Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary of the Borrower (the "*New Guarantor*") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Guarantor under the Guaranty Agreement in order to induce the Lenders to make additional Advances and the Issuing Lender to issue additional Letters of Credit and as consideration for Advances previously made and Letters of Credit previously issued.

Accordingly, the Administrative Agent and the New Guarantor agree as follows:

SECTION 1. In accordance with Section 19 of the Guaranty Agreement, the New Guarantor by its signature below becomes a Guarantor under the Guaranty Agreement with the same force and effect as if originally named therein as a Guarantor and the New Guarantor hereby (a) guarantees the Subsidiary Guaranteed Obligations, (b) agrees to all the terms and provisions of the Guaranty Agreement applicable to it as a Guarantor thereunder and (c) represents and warrants that the representations and warranties made by it as a Guarantor thereunder are true and correct in all material respects on and as of the date hereof. Each reference to a "Guarantor" in the Guaranty Agreement shall be deemed to include the New Guarantor. The Guaranty Agreement is hereby incorporated herein by reference.

SECTION 2. The New Guarantor represents and warrants to the Administrative Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it by all requisite corporate, limited liability company or partnership action and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

SECTION 3. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Supplement by facsimile or by e-mail "PDF" copy shall be effective as delivery of a manually executed counterpart of this Supplement.

SECTION 4. Except as expressly supplemented hereby, the Guaranty Agreement shall remain in full force and effect.

SECTION 5. This Supplement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations Law of the State of New York).

SECTION 6. NEW GUARANTOR IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND NEW GUARANTOR IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, IN SUCH FEDERAL COURT. NEW GUARANTOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LEGAL REQUIREMENT. NOTHING IN THIS SUPPLEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS SUPPLEMENT AGAINST ANY OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

SECTION 7. NEW GUARANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENT IN ANY COURT REFERRED TO IN SECTION 6. NEW GUARANTOR HEREBY AGREES THAT SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS SUPPLEMENT AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

SECTION 8. New Guarantor irrevocably consents to service of process in the manner provided for notices in Section 9.9 of the Credit Agreement. Nothing in this Supplement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

SECTION 9. NEW GUARANTOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SUPPLEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). NEW GUARANTOR (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS SUPPLEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 10. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Guaranty Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision hereof in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 11. All communications and notices hereunder shall be in writing and given as provided in Section 10 of the Guaranty Agreement.

THIS SUPPLEMENT, THE GUARANTY AGREEMENT AND THE OTHER CREDIT DOCUMENTS, AS DEFINED IN THE CREDIT AGREEMENT REFERRED TO IN THIS SUPPLEMENT, REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the New Guarantor and the Administrative Agent have duly executed this Supplement to the Guaranty Agreement as of the day and year first above written.

[Name of New Guarantor]

By: _____
Name: _____
Title: _____

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Administrative Agent

By: _____
Name: _____
Title: _____

EXHIBIT D
COMPLIANCE CERTIFICATE

FOR THE PERIOD FROM , 201 TO , 201

This certificate dated as of , is prepared pursuant to the Credit Agreement dated as of May 2, 2014 (as amended, restated, supplemented, amended and restated or otherwise modified from time to time, the "Credit Agreement"), by and among Beckman Production Services, Inc. (the "Borrower"), the lenders party thereto from time to time (the "Lenders"), and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender. Unless otherwise defined in this certificate, capitalized terms that are defined in the Credit Agreement shall have the meanings assigned to them by the Credit Agreement.

The undersigned, on behalf of the Borrower, certifies that:

(a) all of the representations and warranties made by any Credit Party or any officer of any Credit Party contained in the Credit Documents are true and correct in all material respects (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof) on the date hereof, except that any representation and warranty which by its terms is made as of a specified date is true and correct in all material respects (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date;

(b) attached hereto in Schedule A is a spreadsheet reflecting the calculations of, as of the date and for the periods covered by this certificate, Funded Debt, EBITDA, Interest Expense, Capital Expenditures expended by the Borrower or any Subsidiary, any Equity Funded Capital Expenditures, and any Capital Expenditures that constitute a Permitted Acquisition;

[(c) no Default or Event of Default has occurred or is continuing as of the date hereof; and]

–or–

[(c) the following Default[s] or Event[s] of Default exist[s] as of the date hereof, if any, and the actions set forth below are being taken to remedy such circumstances:

; and]

(d) as of the date hereof for the periods set forth below the following statements, amounts, and calculations included herein and in Schedule A, are true and correct in all material respects:

I. Section 6.16 Leverage Ratio for the period of four fiscal quarters ending , 20 (the "Testing Period"):[1]

(a)	Funded Debt as of the last day of such Testing Period		$_____
(b)	EBITDA for the Testing Period[2]		
	(i)	the Borrower' s consolidated Net Income for the Testing Period	$_____
	(ii)	to the extent deducted in determining such consolidated Net Income for such period, Interest Expense, Federal, state, local and foreign income taxes (including Texas franchise taxes), depreciation, amortization and other non-cash charges (including any provision for the reduction in the carrying value of assets recorded in accordance with GAAP and including non-cash charges resulting from the requirements of ASC 410, 718 and 815) for such period	$_____
	(iii)	to the extent deducted in determining such consolidated Net Income for such period, any cash charges or other expenses incurred in connection with the Transactions during such period	$_____
	(iv)	to the extent deducted in determining such consolidated Net Income for such period, reasonable non-recurring cash charges and expenses incurred in connection with Permitted Acquisitions during such period in an amount not to exceed such amount as agreed to between the Administrative Agent and the Borrower	$_____
	(v)	to the extent deducted in determining such consolidated Net Income for such period, equity-based compensation paid for such period	$_____
	(vi)	to the extent deducted in determining such consolidated Net Income for such period, restructuring and other non-recurring expenses incurred during such period, including severance costs, costs associated with office or plant openings or closings and consolidation or relocation fees for such period up to a maximum of $2,000,000 in the aggregate	$_____

1 Calculated as of the last day of each fiscal quarter, commencing with the quarter ending June 30, 2014.

2 In accordance with the Credit Agreement, EBITDA shall be subject to pro forma adjustments for Acquisitions (including the Closing Date Acquisition) and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be in a manner reasonably acceptable to the Administrative Agent and with supporting documentation reasonably acceptable to the Administrative Agent.

(vii)	all non-cash items of income which were included in determining such consolidated Net Income (including non-cash income resulting from the requirements of ASC 410, 718 and 815)	$_____
(b)	= [(i)+(ii)+(iii)+(iv)+(v)+(vi)] - (vii)	$_____
Leverage Ratio = (a) divided by (b) =		_____ to 1.00
Maximum Leverage Ratio		[3.50 to 1.00][3.25 to 1.00] [3.00 to 1.00][3]
Compliance		**Yes** **No**

[Remainder of this page intentionally left blank.
Compliance Certificate continues on following pages.]

3 Use (a) 3.50 to 1.00 for each fiscal quarter ending on or prior to March 31, 2015, (b) 3.25 to 1.00 for each fiscal quarter ending after March 31, 2015 but on or prior to March 31, 2016, and (c) 3.00 to 1.00 for each fiscal quarter ending after March 31, 2016.

II. Section 6.17 Interest Coverage Ratio:[4]

(a)	EBITDA for the Testing Period *(See I.(b) above)*	$_____
(b)	Interest Expense for the Testing Period	$_____
	Interest Coverage Ratio = (a) divided by (b) =	_____to 1.00
	Minimum Interest Coverage Ratio	3.00 to 1.00
	Compliance	**Yes** **No**

[Remainder of this page intentionally left blank.
Compliance Certificate continues on following pages.]

4 Calculated as of the last day of each fiscal quarter, commencing with the quarter ending June 30, 2014.

III. Section 6.18 Capital Expenditures:[5]

(a)	Capital Expenditures expended by the Borrower or any of its Subsidiaries for most recently ended fiscal year	$_____
(b)	Equity Funded Capital Expenditures for most recently ended fiscal year	$_____
(c)	Capital Expenditures for most recently ended fiscal year that constitute a Permitted Acquisition	$_____
(d)	EBITDA for most recently ended fiscal year	$_____
[(e)	limit for Capital Expenditures expended in the fiscal year ending December 31, 2014 = $60,000,000	$_____]
[(e)	limit for Capital Expenditures expended in each fiscal year ending after December 31, 2014 = 75% of III.(d) =	$_____]
	Capital Expenditure Covenant:	[(a) - (b) - (c)] ≤ (e)
	Compliance	**Yes** **No**

5 Only calculated for the compliance certificate delivered with the year-end financials.

IN WITNESS THEREOF, I have hereto signed my name to this Compliance Certificate as of , .

BECKMAN PRODUCTION SERVICES, INC.

By: _____
Name: Ryan Liles
Title: Chief Financial Officer, Treasurer and Secretary

EXHIBIT E

NOTICE OF BORROWING

[Date]

Wells Fargo Bank, National Association
1000 Louisiana Street, 9th Floor
Houston, Texas 77002
Attn: Philip C. Lauinger III
Telephone: (713) 319-1313
Telecopy: (713) 739-1087
Email: lauingpc@wellsfargo.com

Ladies and Gentlemen:

The undersigned, Beckman Production Services, Inc., a Delaware corporation ("Borrower"), refers to the Credit Agreement dated as of May 2, 2014 (as the same may be amended or modified from time-to-time, the "Credit Agreement," the defined terms of which are used in this Notice of Borrowing as defined therein unless otherwise defined in this Notice of Borrowing) among the Borrower, the lenders party thereto from time to time (the "Lenders") and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender (as each such term is defined therein). The Borrower hereby gives you irrevocable notice pursuant to [Section 2.5(a)][Section 2.4(e)] of the Credit Agreement that the Borrower hereby requests a Borrowing consisting of [Revolving Advances][Swingline Advances] (the "Proposed Borrowing"), and in connection with that request sets forth below the information relating to such Proposed Borrowing as required by the Credit Agreement:

The Business Day of the Proposed Borrowing is , .

The Proposed Borrowing will be composed of [Base Rate Advances][Eurodollar Advances][Swingline Advances].

The aggregate amount of the Proposed Borrowing is $.[1]

[The Interest Period for each Eurodollar Advance made as part of the Proposed Borrowing is [one][three][six] month(s)].

The Borrower hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(i) the representations and warranties contained in Article IV of the Credit Agreement and each of the other Credit Documents are true and correct in all material respects (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof), on and as of the date

---

1 Each Proposed Borrowing shall (A) if comprised of Base Rate Advances be in an aggregate amount not less than $500,000.00 and in integral multiples of $100,000.00 in excess thereof and (B) if comprised of Eurodollar Advances be in an aggregate amount not less than $1,000,000.00 and in integral multiples of $500,000.00 in excess thereof.

of the Proposed Borrowing, before and after giving effect to such Proposed Borrowing, as though made on the date of the Proposed Borrowing except for those representations and warranties that are expressly made as of an earlier date or period which are true and correct in all material respects as of such earlier date or period (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof); and

(ii) no Default has occurred and is continuing, or would result from such Proposed Borrowing.

Very truly yours,

BECKMAN PRODUCTION SERVICES, INC.

By: _____
Name: _____
Title: _____

EXHIBIT F

NOTICE OF CONTINUATION OR CONVERSION

[Date]

Wells Fargo Bank, National Association
1000 Louisiana Street, 9th Floor
Houston, Texas 77002
Attn: Philip C. Lauinger III
Telephone: (713) 319-1313
Telecopy: (713) 739-1087
Email: lauingpc@wellsfargo.com

Ladies and Gentlemen:

The undersigned, Beckman Production Services, Inc., a Delaware corporation ("Borrower"), refers to the Credit Agreement dated as of May 2, 2014 (as the same may be amended or modified from time-to-time, the "Credit Agreement," the defined terms of which are used in this Notice of Continuation or Conversion as defined therein unless otherwise defined in this Notice of Continuation or Conversion) among the Borrower, the lenders party thereto from time to time (the "Lenders") and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender (as each such term is defined therein). The Borrower hereby gives you irrevocable notice pursuant to Section 2.5(b) of the Credit Agreement that the Borrower hereby requests a [Conversion][continuation] of outstanding Revolving Advances (the "Proposed Borrowing") and in connection with that request sets forth below the information relating to such Proposed Borrowing as required by the Credit Agreement:

1. The Business Day of the Proposed Borrowing is , .

2. The aggregate amount of the existing Revolving Advances to be [Converted] [continued] is $ and is comprised of [Base Rate Advances][Eurodollar Advances] ("Existing Advances").

3. The Proposed Borrowing consists of [a Conversion of the Existing Advances to [Base Rate Advances] [Eurodollar Advances]] [a continuation of the Existing Advances].

[(4) The Interest Period for the Proposed Borrowing is [one][three][six] month[s]].

The Borrower hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

A. the representations and warranties contained in the Credit Agreement and each of the other Credit Documents are true and correct in all material respects (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof), on and as of the requested funding date of this Proposed Borrowing, before and after giving effect to such Proposed Borrowing, as though made on and as of such date except for those representations and warranties which were expressly made as of an earlier date or period which are true and correct in all material respects as of such earlier date or period (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof); and

B. no Default has occurred and is continuing or would result from such Proposed Borrowing.

Very truly yours,

BECKMAN PRODUCTION SERVICES, INC.

By: _____
Name: _____
Title: _____

EXHIBIT G-1
FORM OF REVOLVING NOTE

$_____ _____, ____

For value received, the undersigned **BECKMAN PRODUCTION SERVICES, INC.,** a Delaware corporation (the "Borrower"), hereby promises to pay to _____ or its registered assigns ("Payee") the principal amount of _____ No/100 Dollars ($____) or, if less, the aggregate outstanding principal amount of the Revolving Advances (as defined in the Credit Agreement referred to below) made by the Payee (or predecessor in interest) to the Borrower, together with interest on the unpaid principal amount of the Revolving Advances from the date of such Revolving Advances until such principal amount is paid in full, at such interest rates, and at such times, as are specified in the Credit Agreement (as hereunder defined). The Borrower may make prepayments on this Revolving Note in accordance with the terms of the Credit Agreement.

This Revolving Note is one of the Revolving Notes referred to in, and is entitled to the benefits of, and is subject to the terms of, the Credit Agreement dated as of May 2, 2014 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the lenders party thereto (the "Lenders"), and Wells Fargo Bank, National Association, as administrative agent (the "Administrative Agent"), as Issuing Lender and as Swingline Lender. Capitalized terms used in this Revolving Note that are defined in the Credit Agreement and not otherwise defined in this Revolving Note have the meanings assigned to such terms in the Credit Agreement. The Credit Agreement, among other things, (a) provides for the making of the Revolving Advances by the Payee to the Borrower in an aggregate amount not to exceed at any time outstanding the Dollar amount first above mentioned, the indebtedness of the Borrower resulting from each such Revolving Advance being evidenced by this Revolving Note, and (b) contains provisions for acceleration of the maturity of this Revolving Note upon the happening of certain events stated in the Credit Agreement and for optional and mandatory prepayments of principal prior to the maturity of this Revolving Note upon the terms and conditions specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to the Administrative Agent at the location or address specified by the Administrative Agent to the Borrower in same day funds. The Payee shall record payments of principal made under this Revolving Note, but no failure of the Payee to make such recordings shall affect the Borrower' s repayment obligations under this Revolving Note.

This Revolving Note is secured by the Security Documents and guaranteed pursuant to the terms of the Guaranty.

This Revolving Note is made expressly subject to the terms of Section 9.10 and Section 9.11 of the Credit Agreement.

Except as specifically provided in the Credit Agreement and the other Credit Documents, the Borrower hereby waives presentment, demand, protest, notice of intent to accelerate, notice of acceleration, and any other notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder of this Revolving Note shall operate as a waiver of such rights.

THIS REVOLVING NOTE SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 AND SECTION 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

THIS REVOLVING NOTE AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND SUPERSEDE ALL PRIOR UNDERSTANDINGS AND AGREEMENTS, WHETHER WRITTEN OR ORAL, RELATING TO THE TRANSACTIONS PROVIDED FOR HEREIN AND THEREIN. ADDITIONALLY, THIS REVOLVING NOTE AND THE CREDIT DOCUMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

BECKMAN PRODUCTION SERVICES, INC.

By: _____

Name: _____

Title: _____

EXHIBIT G-2
FORM OF SWINGLINE NOTE

$_____ _____, ____

For value received, the undersigned **BECKMAN PRODUCTION SERVICES, INC.**, a Delaware corporation (the "Borrower"), hereby promises to pay to _____ or its registered assigns ("Payee") the principal amount of _____ No/100 Dollars ($____) or, if less, the aggregate outstanding principal amount of the Swingline Advances (as defined in the Credit Agreement referred to below) made by the Payee (or predecessor in interest) to the Borrower, together with interest on the unpaid principal amount of the Swingline Advances from the date of such Swingline Advances until such principal amount is paid in full, at such interest rates, and at such times, as are specified in the Credit Agreement (as hereunder defined). The Borrower may make prepayments on this Swingline Note in accordance with the terms of the Credit Agreement.

This Swingline Note is one of the Swingline Notes referred to in, and is entitled to the benefits of, and is subject to the terms of, the Credit Agreement dated as of May 2, 2014 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the lenders party thereto (the "Lenders"), and Wells Fargo Bank, National Association, as administrative agent (the "Administrative Agent"), as Issuing Lender and as Swingline Lender. Capitalized terms used in this Swingline Note that are defined in the Credit Agreement and not otherwise defined in this Swingline Note have the meanings assigned to such terms in the Credit Agreement. The Credit Agreement, among other things, (a) provides for the making of the Swingline Advances by the Payee to the Borrower in an aggregate amount not to exceed at any time outstanding the Dollar amount first above mentioned, the indebtedness of the Borrower resulting from each such Swingline Advance being evidenced by this Swingline Note, and (b) contains provisions for acceleration of the maturity of this Swingline Note upon the happening of certain events stated in the Credit Agreement and for optional and mandatory prepayments of principal prior to the maturity of this Swingline Note upon the terms and conditions specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to the Administrative Agent at the location or address specified by the Administrative Agent to the Borrower in same day funds. The Payee shall record payments of principal made under this Swingline Note, but no failure of the Payee to make such recordings shall affect the Borrower' s repayment obligations under this Swingline Note.

This Swingline Note is secured by the Security Documents and guaranteed pursuant to the terms of the Guaranty.

This Swingline Note is made expressly subject to the terms of Section 9.10 and Section 9.11 of the Credit Agreement.

Except as specifically provided in the Credit Agreement and the other Credit Documents, the Borrower hereby waives presentment, demand, protest, notice of intent to accelerate, notice of acceleration, and any other notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder of this Swingline Note shall operate as a waiver of such rights.

THIS SWINGLINE NOTE SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 AND SECTION 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

THIS SWINGLINE NOTE AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND SUPERSEDE ALL PRIOR UNDERSTANDINGS AND AGREEMENTS, WHETHER WRITTEN OR ORAL, RELATING TO THE TRANSACTIONS PROVIDED FOR HEREIN AND THEREIN. ADDITIONALLY, THIS SWINGLINE NOTE AND THE CREDIT DOCUMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

BECKMAN PRODUCTION SERVICES, INC.

By: _____

Name: _____

Title: _____

EXHIBIT H-1

FORM OF NOTICE OF MANDATORY PAYMENT

[Date]

Wells Fargo Bank, National Association
1000 Louisiana, 9th Floor, MAC T5002-090
Houston, Texas 77002
Attn: Philip C. Lauinger III
Telephone: (713) 319-1313
Facsimile: (713) 739-1087
Email: lauingpc@wellsfargo.com

Ladies and Gentlemen:

The undersigned, Beckman Production Services, Inc., a Delaware corporation (the "Borrower"), (a) refers to the Credit Agreement dated as of May 2, 2014 (as the same may be amended, restated or modified from time-to-time, the "Credit Agreement," the defined terms of which are used in this Notice of Mandatory Payment unless otherwise defined in this Notice of Mandatory Payment) among the Borrower, the lenders party thereto from time to time and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender, and (b) certifies that it is authorized to execute and deliver this Notice of Mandatory Payment under and pursuant to the Credit Agreement.

Borrower hereby gives you irrevocable notice pursuant to Section 2.13(c) of the Credit Agreement of the following payments

☐ MANDATORY PREPAYMENT AS A RESULT OF INCREASE IN REVOLVING COMMITMENTS

An increase in the aggregate Revolving Commitments is effected as permitted under Section 2.16 of the Credit Agreement.

As required under Section 2.6(c) of the Credit Agreement, Borrower will make a payment of $____[1] on _____, 20 __, which may be made with the proceeds of Revolving Advances made by all applicable Revolving Lenders in connection with such increase.

---

1 Borrower shall prepay any Revolving Advances outstanding on the date such increase is effected to the extent necessary to keep the outstanding Revolving Advances ratable to reflect the revised Pro Rata Shares of the Revolving Lenders.

Very truly yours,

BECKMAN PRODUCTION SERVICES, INC.
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT H-2

FORM OF NOTICE OF OPTIONAL PAYMENT

[Date]

Wells Fargo Bank, National Association
1000 Louisiana, 9th Floor, MAC T5002-090
Houston, Texas 77002
Attn: Philip C. Lauinger III
Telephone: (713) 319-1313
Facsimile: (713) 739-1087
Email: lauingpc@wellsfargo.com

Ladies and Gentlemen:

The undersigned, Beckman Production Services, Inc., a Delaware corporation (the "Borrower"), (a) refers to the Credit Agreement dated as of May 2, 2014 (as the same may be amended, restated or modified from time-to-time, the "Credit Agreement," the defined terms of which are used in this Notice of Optional Payment unless otherwise defined in this Notice of Optional Payment) among the Borrower, the lenders party thereto from time to time, and Wells Fargo Bank, National Association, as administrative agent (the "Administrative Agent"), Issuing Lender and Swingline Lender, and (b) certifies that it is authorized to execute and deliver this Notice of Optional Payment under and pursuant to the Credit Agreement.

Borrower hereby gives you [irrevocable][1] notice pursuant to the Credit Agreement of the following payments (*check the box next to which would apply for this Notice of Optional Payment):*

☐ **OPTIONAL PREPAYMENT – Eurodollar Advances**

Borrower hereby gives the Administrative Agent at least three Business Days' notice that Borrower will make a prepayment of **Eurodollar Advances** in an amount equal to ____[2] on _____, 201_ and such prepayment shall be applied in the following amounts and in the following order:

(i) $____ to prepay [Revolving][Swingline][3] Advances

(ii) $____ to prepay [Revolving][Swingline] Advances

---

1 If a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.1(b) of the Credit Agreement, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.1(b)(iii).

2 Each optional prepayment of Eurodollar Advances must be at least $1,000,000.00 and in multiple integrals of $500,000.00 in excess thereof (or such lesser amount or integral to repay a Borrowing in full); unless the outstanding principal amount of such Advances is less than such minimum amount.

3 Each optional prepayment of Swingline Advances must be at least $100,000.00 and in multiple integrals of $50,000.00 in excess thereof (or such lesser amount or integral to repay a Borrowing in full); except as otherwise provided in any AutoBorrow Agreement.

OPTIONAL PREPAYMENT – Base Rate Advances

Borrower hereby gives the Administrative Agent one Business Day' s notice that Borrower will make a prepayment of **Base Rate Advances** in an amount equal to $____[4] on _____, 201_ and such prepayment shall be applied in the following amounts and in the following order:

(i) $____ to prepay [Revolving][Swingline][5] Advances

(ii) $____ to prepay [Revolving][Swingline] Advances

---

4 Each optional prepayment of Base Rate Advances must be at least $500,000.00 and in multiple integrals of $100,000.00 in excess thereof (or such lesser amount or integral to repay a Borrowing in full), unless the outstanding principal amount of such Advances is less than such minimum amount.

5 Each optional prepayment of Swingline Advances must be at least $100,000.00 and in multiple integrals of $50,000.00 in excess thereof (or such lesser amount or integral to repay a Borrowing in full); except as otherwise provided in any AutoBorrow Agreement.

Very truly yours,

BECKMAN PRODUCTION SERVICES, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT I-1

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as May 2, 2014 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Beckman Production Services, Inc., a Delaware corporation (the "Borrower"), the lenders party thereto from time to time, Wells Fargo Bank, National Association, as administrative agent (in such capacity, the "Administrative Agent"), as issuing lender and as swing line lender.

Pursuant to the provisions of Section 2.14 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the loan(s) (as well as any Note(s) evidencing such loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT I-2

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of May 2, 2014 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Beckman Production Services, Inc., a Delaware corporation (the "Borrower"), the lenders party thereto from time to time, Wells Fargo Bank, National Association, as administrative agent (in such capacity, the "Administrative Agent"), as issuing lender and as swing line lender.

Pursuant to the provisions of Section 2.14 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT I-3

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of May 2, 2014 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Beckman Production Services, Inc., a Delaware corporation (the "Borrower"), the lenders party thereto from time to time, Wells Fargo Bank, National Association, as administrative agent (in such capacity, the "Administrative Agent"), as issuing lender and as swing line lender.

Pursuant to the provisions of Section 2.14 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN and an IRS Form W-8ECI from each of such partner' s/member' s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT I-4

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of May 2, 2014 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Beckman Production Services, Inc., a Delaware corporation (the "Borrower"), the lenders party thereto from time to time, Wells Fargo Bank, National Association, as administrative agent (in such capacity, the "Administrative Agent"), as issuing lender and as swing line lender.

Pursuant to the provisions of Section 2.14 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the loan(s) (as well as any Note(s) evidencing such loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such loan(s) (as well as any Note(s) evidencing such loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Credit Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN and an IRS Form W-8ECI from each of such partner' s/member' s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT J

FORM OF BORROWING BASE CERTIFICATE

[date]

Wells Fargo Bank, National Association
1525 W WT Harris Blvd.
Mail Code NC0680
Charlotte, North Carolina 28262
Attn: Syndication/Agency Services
Telephone: (704) 590-2760
Telecopy: (704) 590-2790

With a copy to:

Wells Fargo Bank, National Association
1000 Louisiana, 9th Floor, MAC T5002-090
Houston, Texas 77002
Attn: Philip C. Lauinger III
Facsimile: (713) 739-1087

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement dated as of May 2, 2014, among Beckman Production Services, Inc., a Delaware corporation (the "**Borrower**"), the lenders party thereto from time to time, and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the "**Administrative Agent**"), swingline lender and issuing lender (as amended, supplemented, restated, amended and restated or otherwise modified from time to time, the "**Credit Agreement**"). Capitalized terms used herein and not otherwise defined herein have the meanings set forth in the Credit Agreement.

The Borrower hereby certifies that:

(a) the amounts and calculations regarding the Borrowing Base and the Facility set forth in Sections A, B, C, D, E and F on the attached Schedule A and on the accompanying supporting reports, if any, attached hereto are true and correct in all material respects as of the dates set forth on Schedule A;

(b) the amounts and calculations regarding the Accounts Receivable Aging Report and the Accounts Payable Aging Report for the Credit Parties as set forth in Schedule B and Schedule C, respectively, and on the accompanying supporting reports, if any, attached hereto are true and correct in all material respects as of the date set forth on Schedule B and Schedule C, respectively;

(c) attached hereto as Schedule D is a detailed chart reflecting the Equipment of the Credit Parties, including (i) each Equipment' s NOLV or Net Invoice Cost and a notation of which value applies, (ii) a list of Equipment acquired from the month end "as of" date of the Borrowing Base in effect immediately prior to the date hereof until the month end "as of" date of the Borrowing Base being calculated under this certificate (the "**Subject Period**") and such Equipment' s NOLV or Net Invoice Cost[1], (iii) a list of Equipment Disposed of during such Subject Period and such Equipment' s NOLV or Net Invoice Cost[1], and (iv) a notation of whether such Equipment is Certificated Equipment; and

(d) attached hereto as Schedule E is a detailed chart reflecting the Inventory of the Credit Parties.

[signature page follows]

---

1 If Equipment is covered under a written appraisal delivered and accepted by the Administrative Agent and prepared by an industry recognized third party appraiser acceptable to the Administrative Agent, its NOLV as set forth in such appraisal, and as to any other Equipment, the Net Invoice Cost thereof.

Very truly yours,

BECKMAN PRODUCTION SERVICES, INC.

By: _____
Name: _____
Title: _____

SCHEDULE A

BORROWING BASE CALCULATION

AVAILABILITY CALCULATION

As of [DATE]:

A. ELIGIBLE EQUIPMENT[2]

1. BB Value of Equipment[3] of the Credit Parties reflected on their books in accordance with GAAP as of the month end immediately preceding the date hereof and, for the avoidance of doubt, owned by such Credit Parties on such date and which conforms to the representations and warranties in Article IV of the Credit Agreement and in the Security Documents $ _____

   minus

2. (without duplication) the sum of Equipment of the Credit Parties which:

   a. is not subject to an Acceptable Security Interest in favor of the Administrative Agent $_____

   b. constitutes immovable leasehold improvements or fixtures located on leased Property $_____

   c. is subject to any third party' s Lien, including Permitted Liens which would be superior to the Lien of the Administrative Agent created under the Security Documents (other than landlord, bailee, mechanic or similar Liens permitted under Section 6.2(b) of the Credit Agreement which are addressed in item (g) below and Liens permitted under Section 6.2(d) of the Credit Agreement for taxes that are not yet due and payable) $_____

   d. has become obsolete or materially damaged or is not operational and saleable or leasable in its present state for the use for which it was manufactured or purchased (other than non-obsolete, damaged Equipment held by a third party for repair) $_____

   e. is damaged Equipment held by a third party for repair and such Equipment has been held by such third party for more than 45 days

---

2 "Equipment" of any Person means (a) all equipment (as defined in the UCC) owned by such Person, wherever located, and (b) all rental tools and other goods (other than consumer goods) customarily held for rent in the oilfield service industry consistent with the past practices and which are considered "equipment" on such Person' s books for purposes of GAAP.

3 Based on the value of (a) if such Equipment is covered under a written appraisal delivered and accepted by the Administrative Agent and prepared by an industry recognized third party appraiser acceptable to the Administrative Agent, the NOLV of such equipment as set forth in such appraisal, and (b) as to any other Equipment, the Net Invoice Cost thereof.

f. is damaged Equipment held by a third party for repair for less than 45 days to the extent the aggregate BB Value of all such Equipment held by a third party exceeds $2,500,000 (this item (f) is only the amount in excess of $2,500,000)

g. is not in use and stored at any location other than (i) on premises that are owned by a Credit Party or (ii) at a Third Party Location that is (A) subject to a Collateral Access Agreement in favor of the Administrative Agent or (B) covered under the Rent Reserve Amount for such Borrowing Base in the Administrative Agent' s Permitted Discretion $_____

or

is not in use and stored at a customer location not in the ordinary course of business for more than thirty days $_____

h. is Certificated Equipment and Administrative Agent (or its designated agent) has not received the original certificate of title to such Equipment or such other documents, agreements or instruments as the Administrative Agent may request which are required in order to register the Administrative Agent' s first priority Lien on the certificate of title for such Certificated Equipment $_____

TOTAL: **$_____**

3. Eligible Equipment = (1) - (2) = **$_____**

4. Amount of Eligible Equipment (A.3) which is covered under a written appraisal delivered and accepted by the Administrative Agent and prepared by an industry recognized third party appraiser acceptable to the Administrative Agent (i.e. NOLV) **$_____**

5. Amount of Eligible Equipment (A.3) which is not covered under such appraisal (i.e. Net Invoice Cost) **$_____**

* *The sum of A.4 plus A.5 cannot exceed A.3.*

B. ELIGIBLE RECEIVABLES

1. Receivables[4] of the Credit Parties in each case reflected on their books in accordance with GAAP as of the month end immediately preceding the date hereof and, for the avoidance of doubt, owned by such Credit Parties on such date and which conform to the representations and warranties in Article IV of the Credit Agreement and in the Security Documents to the extent such provisions are applicable to the Receivables $ _____

   minus

2. (without duplication) the sum of Receivables which are:

   a. not subject to an Acceptable Security Interest in favor of the Administrative Agent $_____

   b. Receivables to which a Credit Party does not have good and marketable title $_____

   c. not billed substantially in accordance with billing practices of such Credit Party in effect on the Amendment No. 4 Effective Date $_____

      or

      billed substantially in accordance with billing practices of such Credit Party in effect on the Amendment No. 4 Effective Date but such Receivable is unpaid for more than 90 days from the date of the invoice (or such longer period for certain specific Receivables or specific Account Debtors as may otherwise be permitted by Administrative Agent in its sole discretion) $_____

4 "Receivables" of any Person means, at any date of determination thereof, the unpaid portion of the obligation, as stated on the respective invoice or other writing, of a customer of such Person in respect of goods sold or services rendered by such Person, including the unpaid portion of an "account" or "account receivable" as defined in the UCC, if applicable

d. if for services, (i) Receivables not created in the ordinary course of business of any Credit Party from the performance by such Credit Party of services which have been fully and satisfactorily performed or (ii) Receivable which is a progress billing or contingent upon any further performance $_____

or

if for goods held for sale, (i) not from an absolute sale on open account, (ii) on consignment, on approval or on a "sale or return" basis, (iii) such goods were not solely and completely owned by the Credit Parties, or (iv) such goods were shipped or delivered to the Account Debtor but the Credit Parties do not have possession of any evidence of shipping or delivery receipts $_____

or

if for goods held for rent, Receivables not created in the ordinary course of business from the rental by any Credit Party as the lessor of goods owned by such Credit Party. $_____

e. Receivables that do not (i) represent a legal, valid and binding payment obligation of the Account Debtor thereof enforceable in accordance with its terms or (ii) arise from an enforceable contract $_____

f. due from an Account Debtor that has more than 20% of its aggregate Receivables owed to any Credit Party more than 90 days past the invoice date $_____

g. owed by an Account Debtor that any Credit Party deems to not be creditworthy $_____

or

owed by an Account Debtor which has (i) applied for, suffered, or consented to the appointment of any receiver, custodian, trustee, or liquidator of its assets, (ii) has had possession of all or a material part of its property taken by any receiver, custodian, trustee or liquidator, (iii) filed, or had filed against it, any request or petition for liquidation, reorganization, arrangement, adjustment of debts, adjudication as bankrupt, winding-up, or voluntary or involuntary case under any Debtor Relief Laws, (iv) has admitted in writing its inability to, or is generally unable to, pay its debts as they become due, (v) become insolvent, or (vi) ceased operation of its business $_____

h. owed by an Account Debtor that is a Credit Party, an Affiliate of a Credit Party, or a director, officer, or employee of a Credit Party or of an Affiliate of Credit Party (other than with respect to a portfolio company of SCF and its related funds) $_____

i. not evidenced by an invoice $_____

or

evidenced by any chattel paper, promissory note or other instrument $_____

j. Receivables that, together with all other Receivables due from the same Account Debtor, comprise more than 25% of the aggregate Receivables of all Credit Parties with respect to all Account Debtors (provided, however, that the amount listed for this item (j) shall only be the excess of such amount) $_____

k. subject to a set-off, counterclaim, defense, allowance or adjustment $_____

or

Receivables for which there has been a dispute, objection or complaint by the Account Debtor concerning its liability for such Receivable or a claim for any such set-off, counterclaim, defense, allowance or adjustment by the Account Debtor thereof

provided, however, that the amount listed for this item (k) shall only be the amount of such set-off, counterclaim, allowance or adjustment or claimed set-off, counterclaim, allowance or adjustment $_____

l. owed in a currency other than Dollars $_____

or

due from an Account Debtor organized under applicable law of a jurisdiction other than the United States or any state of the United States $_____

m. due from the United States government, or any department, agency, public corporation, or instrumentality thereof and the Federal Assignment of Claims Act of 1940, as amended (31 U.S.C. § 3727 et seq. and 41 U.S.C. § 15 et seq.), and any other steps necessary to perfect the Lien of the Administrative Agent in such Receivable have not been complied with to the Administrative Agent' s satisfaction $_____

n. owed by an Account Debtor that is a Sanctioned Person or a Sanctioned Entity $_____

o. the result of (i) work-in-progress, (ii) finance or service charges (other than oil field services rendered by any Credit Party in the ordinary course of business), or (iii) payments of interest $_____

p. written off the books of any Credit Party or otherwise designated as uncollectible by any Credit Party $_____

q. subject to a reduction thereof, other than discounts and adjustments given in the ordinary course of business and deducted from such Receivable $_____

r. newly created Receivables resulting from the unpaid portion or credit balance of a partially paid Receivable $_____

s. subject to a third party' s rights which would be superior to the Lien of Administrative Agent created under the Credit Documents (including Permitted Liens other than Liens permitted under Section 6.2(d) of the Credit Agreement for taxes that are not yet due and payable) $_____

t. deemed ineligible by the Administrative Agent in its Permitted Discretion $_____

TOTAL: **$_____**

3. Eligible Receivables = (1) - (2) = **$_____**

C. ELIGIBLE INVENTORY[5]

1. Inventory[6] of the Credit Parties that is of a type customarily held as Inventory in the respective Credit Parties' business as being conducted on the Amendment No. 4 Effective Date on the month end immediately preceding the date hereof and, for the avoidance of doubt, owned by such Credit Parties on such date $_____

   minus

2. (without duplication) the sum of Inventory of the Credit Parties which is Inventory:

   a. in which the Administrative Agent does not have an Acceptable Security Interest $_____

   b. with respect to which a claim exists disputing applicable Credit Party' s title to or right to possession $_____

   c. that is obsolete or slow moving for which a reserve has been booked by the applicable Credit Party in accordance with GAAP $_____

   d. that is rejected, spoiled or damaged, or otherwise not readily saleable or usable in its present state for the use for which it was processed or purchased $_____

   e. that has been shipped or delivered to a customer on consignment, on a sale or return basis, or on the basis of any similar understanding $_____

   f. in transit (provided that, "in transit" shall be deemed not to include any situation or circumstance where each of the following conditions are met: (i) the Inventory is "in transit" between Credit Parties, and (ii) a Credit Party retains title to such Inventory) $_____

   g. held for lease $_____

   h. (i) located on premises owned or operated by the customer that is to purchase such Inventory $_____

      or

      (ii) located at any Third Party Location that is not subject to a Collateral Access Agreement other than those that are covered under the Rent Reserve Amount for such Borrowing Base in Administrative Agent' s Permitted Discretion $_____

   i. that does not comply with any Legal Requirement or the standards imposed by any Governmental Authority having authority over such Inventory or such applicable Credit Party with respect to its manufacture, use, or sale $_____

   j. that is bill and hold goods or deferred shipment $_____

5 Valued at the lower of cost or market value in accordance with GAAP.

6 "Inventory" of any Person means (a) all inventory (as defined in the UCC) owned by such Person, wherever located and whether or not in transit, which is held for sale and (b) other goods which are held for use in the ordinary course of business and which are considered "inventory" on such Person' s books for purposes of GAAP.

k. evidenced by any negotiable document of title unless such document of title has been delivered to the Administrative Agent, duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Administrative Agent $_____

l. produced in violation of the Fair Labor Standards Act or that is subject to the "hot goods" provisions contained in Title 29 U.S.C. §215

m. that is subject to any agreement which would, in any material respect, restrict Administrative Agent' s ability to sell or otherwise dispose of such Inventory $_____

n. that is located in a jurisdiction outside the United States (other than Canada and any province or territory of Canada), any state thereof or in any territory or possession of the United States that has not adopted Article 9 of the UCC $_____

o. that is subject to any third party' s Lien, including Permitted Liens which would be superior to the Lien of Administrative Agent created under the Credit Documents (other than Liens permitted under Section 6.2(b) which are covered under the Rent Reserve Amount for such Borrowing Base in Administrative Agent' s Permitted Discretion and Liens permitted under Section 6.2(d) for taxes that are not yet due and payable) $_____

p. that would constitute raw materials, work in process or supplies or materials consumed in the business of any Credit Party or Subsidiary thereof, other than coil tubing and backup Inventory $_____

q. that would constitute a custom made or specialized inventory for a specific customer which cannot be sold to any other customer without requiring additional processing in any material respect $_____

r. that is otherwise deemed ineligible by the Administrative Agent in its Permitted Discretion $_____

TOTAL: **$_____**

3. Eligible Inventory = (1) - (2) = **$_____**

D. ELIGIBLE REAL PROPERTY[7]

1. real property of the Credit Parties (other than leasehold interest held by such Person in leased premises, including leased buildings, building improvements, storage facilities and storage lots), in each case reflected on their books in accordance with GAAP as of the month end immediately preceding the date hereof and, for the avoidance of doubt, owned by such Credit Parties on such date and which conforms to the representations and warranties in Article IV of the Credit Agreement and in the Mortgages to the extent such provisions are applicable $_____

   minus

2. (without duplication) the sum of the real property of the Credit Parties which:

   a. is not subject to a Mortgage or is subject to Liens other than Permitted Liens permitted under Section 6.2(b), (d) or (g) of the Credit Agreement $_____

   b. is not covered under a title policy (or acceptable endorsement to the applicable existing mortgagee title policy) acceptable to the Administrative Agent and demonstrating that the Administrative Agent' s Lien and security interest on such property constitutes a valid lien covering real property and all improvements thereon having the priority required by the Administrative Agent and subject only to Permitted Liens permitted under Section 6.2(b), (d) or (g) of the Credit Agreement and other minor title defects which the Administrative Agent may approve in writing (such approval not to be unreasonably withheld or delayed) $_____

   c. is not covered by a survey which has been delivered to the Administrative Agent to the extent deemed reasonably necessary by the Administrative Agent $_____

   d. is not covered under environmental assessments as reasonably requested by the Administrative Agent and as to which all related environmental information reasonably requested by the Administrative Agent has been delivered to the Administrative Agent $_____

   e. is not covered by a third party independent appraisal reasonably requested by the Administrative Agent or not otherwise in compliance with the requirements of the Federal Institutions Reform, Recovery and Enforcement Act of 1989, or any successor thereto $_____

   f. is not covered under either (i) a flood determination certificate issued by the appropriate Governmental Authority or third party indicating that such property is not designated as a "special flood hazard area" or (ii) if such property is designated a "special flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), flood insurance as required under Section 5.3(d) of the Credit Agreement $_____

7 All amounts used for Eligible Real Property shall be the amounts set forth in the appraisals thereof most recently delivered to, and accepted by, the Administrative Agent.

g. to the extent required by the Administrative Agent with respect to owned real property leased to third parties, is not covered by one or more subordination agreements in form and substance reasonably acceptable to the Administrative Agent and executed and delivered by any tenants thereon (it being understood that such subordination terms, if reasonably acceptable to the Administrative Agent, may be set forth in the applicable tenant leases) $_____

h. to the extent required by the Administrative Agent with respect to real property ground leased from third parties, is not covered by one or more recognition agreements in form and substance reasonably acceptable to the Administrative Agent and executed and delivered by any ground lessors (it being understood that such mortgagee protection provisions found in recognition agreements, if reasonably acceptable to the Administrative Agent, may be set forth in the applicable ground leases) $_____

TOTAL: **$_____**

3. Eligible Real Property = (1) – (2) = **$_____**

E. BORROWING BASE EFFECTIVE AS OF THE DATE HEREOF:

1. A.4 (*Eligible Equipment – NOLV)* × 85% = $_____
2. A.5 (*Eligible Equipment – Net Invoice Cost*) × 80% = $_____
3. B.3 (*Eligible Receivables*) × 80% = $_____
4. C.3 (Eligible Inventory) × 50% = $_____
5. D.3 (Eligible Real Property) × 65% = $_____
6. RentReserve Amount[8] = $_____
7. **Borrowing Base = E.1 + E.2 + E.3 + E.4 + E.5 – E.6** = **$**_____

F. AVAILABILITY ON THE DATE HEREOF:

1. [Revolving Tranche A Outstandings][9] = $_____

   or

   [RevolvingOutstandings][10] = $_____

2. **Maximum Availability is equal to the least of the following:**
   [*check the box that applies]*

   ☐ the aggregate Commitments

   ☐ Borrowing Base (See E.7 above)

Availability on the date hereof is F.2 minus F.1 = $_____[11]

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8 "Rent Reserve Amount" is such amount determined by the Administrative Agent from time to time in its Permitted Discretion, provided that such amount shall not exceed the amount of rent, fees and other charges for a period of three months that a landlord, third party warehouse, trailer storage or other self-storage facility, bailee, or such third party, as applicable, would be legally entitled to recover from the personal property located at such Third Party Location and that is subject to a Lien in favor of such third parties, regardless of whether such Lien arises by operation of law, under contract or otherwise. The Rent Reserve Amount shall not include rent, fees and other charges for Third Party Locations consisting of office leases where no Eligible Equipment is located.

9 Only includes Revolving Tranche A Advances, Swingline Advances and Letter of Credit Exposure (but NOT Tranche B Term Advances).

10 Use only if "the aggregate Commitments" is selected under item (F.2). Revolving Outstandings include Revolving Tranche A Advances, Swingline Advances, Letter of Credit Exposure and Tranche B Term Advances.

11 A negative number would mean a deficiency exists.

SCHEDULE B

ACCOUNTS RECEIVABLE AGING REPORT FOR CREDIT PARTIES

[Please attach an accounts receivable aging report for each Credit Party, with grand totals.]

SCHEDULE C

ACCOUNTS PAYABLE AGING REPORT FOR CREDIT PARTIES

[Please attach an accounts payable aging report for each Credit Party with grand totals.]

SCHEDULE D
EQUIPMENT OF CREDIT PARTIES

[Please attach a chart detailing the Equipment of the Credit Parties and showing the BB Value, including notations of whether such Equipment is Certificated Equipment]

SCHEDULE E
INVENTORY SCHEDULE FOR CREDIT PARTIES

[Please attach a chart detailing the Inventory of the Credit Parties and showing (A) the location (or if in transit), (B) the product type, (C) volume on hand, (D) cost or market value and (E) reports of any variances or other results of Inventory counts performed by the Credit Parties since the last Inventory schedule, if applicable [12].]

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12 Include any information regarding sales or other reductions, additions, returns, credits issued by any such parties and all claims, counterclaims, deductions, defenses, setoffs or disputes against any such parties by the Account Debtor.

SCHEDULE I
Pricing Schedule

The Applicable Margin with respect to Commitment Fees and Advances (including, if applicable, Swingline Advances) shall be determined in accordance with the following Table based on the Borrower' s Leverage Ratio as reflected in the Compliance Certificate delivered in connection with the financial statements most recently delivered pursuant to Section 5.2, commencing with the fiscal quarter ending September 30, 2014. Adjustments, if any, to such Applicable Margin shall be effective on the date the Administrative Agent receives the applicable financial statements and corresponding Compliance Certificate as required by the terms of this Agreement. If the Borrower fails to deliver the financial statements and corresponding Compliance Certificate to the Administrative Agent at the time required pursuant to Section 5.2, then effective as of the date such financial statements and Compliance Certificate were required to be delivered pursuant to Section 5.2, the Applicable Margin with respect to Commitment Fees and Advances shall be determined at the highest level and shall remain at such level until the date such financial statements and corresponding Compliance Certificate are so delivered by the Borrower. Notwithstanding the foregoing but subject to the immediately preceding sentence, the Borrower shall be deemed to be at Level IV described below until delivery of its unaudited financial statements and corresponding Compliance Certificate for the fiscal quarter ending September 30, 2014. Notwithstanding anything to the contrary contained herein, the determination of the Applicable Margin for any period shall be subject to the provisions of Section 2.9(d). For the avoidance of doubt, the levels on the pricing grid set forth below are set forth from lowest (Level I) to the highest (Level VI).

	Leverage Ratio	LIBOR Margin	Base Rate Margin	Commitment Fee
Level I	≤1.00x	175.0 bps	75.0 bps	37.5 bps
Level II	≥1.00x; ≤1.50x	200.0 bps	100.0 bps	37.5 bps
Level III	≥1.50x; ≤2.00x	225.0 bps	125.0 bps	50.0 bps
Level IV	≥2.00x; ≤2.50x	250.0 bps	150.0 bps	50.0 bps
Level V	≥2.50x; ≤3.00x	275.0 bps	175.0 bps	50.0 bps
Level VI	≥3.00x	300.0 bps	200.0 bps	50.0 bps

SCHEDULE II
Commitments, Contact Information

ADMINISTRATIVE AGENT/ISSUING LENDER/SWINGLINE LENDER

Wells Fargo Bank, National Association

Address: 1000 Louisiana Street
9th Floor
Houston, Texas 77002
Attn: Philip C. Lauinger III
Telephone: (713) 319-1313
Facsimile: (713) 739-1087
E-mail: lauingpc@wellsfargo.com

CREDIT PARTIES

Borrower/Guarantors

Address: Beckman Production Services, Inc.
3786 Beebe Road, P.O. Box 670
Kalkaska, Michigan 49646
Attn: Ryan Liles
Fax: (231) 258-4581

Lender	Commitment
Wells Fargo Bank, National Association	$57,500,000.00
Amegy Bank National Association	$37,500,000.00
Comerica Bank	$25,000,000.00
Regions Bank	$25,000,000.00
HSBC Bank USA, National Association	$25,000,000.00
Total:	**$170,000,000.00**

Schedule 4.1

ORGANIZATIONAL INFORMATION

Credit Party	Type of Organization	State of Formation
Beckman Production Services, Inc.	Corporation	Delaware
Beckman Production Services, Inc.	Corporation	Michigan
RedZone Holdco, LLC	Limited Liability Company	Delaware
Northern Production Company, LLC	Limited Liability Company	Wyoming
RedZone Coil Tubing, LLC	Limited Liability Company	Texas
R & S Well Service, Inc.	Corporation	Wyoming
SJL Well Service, LLC	Limited Liability Company	Oklahoma
J & R Well Service, LLC	Limited Liability Company	Michigan
First Call Well Service, LLC	Limited Liability Company	Oklahoma

Schedule 4.5

OWNED AND LEASED REAL PROPERTY

Owned Real Property

Beckman Production Services, Inc. (MI)

1. 3786 Beebe Road, Kalkaska, Michigan
2. 5501 M-32, Gaylord, Michigan
3. 4380 N. Clare Avenue, Harrison, Michigan
4. 4400 N. Clare Avenue, Harrison, Michigan
5. 23862 and 23910 13 Mile Road, Mesick, Michigan

J & R Well Service, LLC

1. 717 Center Street, Edgerton, Wyoming
2. 222 S. Howard Avenue, Edgerton, Wyoming
3. 791 Lane 9, Powell, Wyoming
4. 200 Hastings Horseshoe, Powell, Wyoming

R & S Well Service, Inc.

1. 6385 W. Yellowstone, Casper, Wyoming
2. 1251 W. Richards Street, Douglas, Wyoming

SJL Well Service, LLC

1. Highway 81 South (2 separate parcels), Hennessey, Oklahoma

Leased Real Property

Northern Production Company, LLC

1. Property located at 701 Sinclair Street, Gillette, Wyoming 82718
2. Property located at 504 2nd Street East, Melstone, Montana 59059
3. Property located at 3704 Coulter Lane, Gillette, Wyoming 82716
4. Property located at 5635 Chapman Street, Casper, Wyoming 82602. The real property is owned by U-Know Service, LLC and consists of unimproved land in a truck yard which is utilized by Northern Production Company, LLC for purposes of parking its equipment on an overnight or longer basis

Beckman Production Services, Inc. (MI)

1. Office space on property located at 8559 Franklin Pike, Meadville, Pennsylvania
2. Facility located at 1057 Lafferty Lane in Bradford , Pennsylvania

J & R Well Service, LLC

1. Building and property located at 3510 Big Horn Ave, Cody, Wyoming which consists of an office area that is shared with an unrelated tenant and a shop area which is used exclusively by J & R Well Service, LLC
2. Pole barn located at 6546 Highway 40, Tioga, North Dakota

R & S Well Service, Inc.

1. An approximately 1.03 acre tract of land and the improvements thereon located at 917 Washington Street, Powell, Wyoming
2. An approximately 1.30 acre tract of land and the improvements thereon located at 818 South 7th Street, Thermopolis, Wyoming
3. An approximately 1.65 acre tract of land and the improvements thereon located at 918 15 Mile Road, Worland, Wyoming

Schedule 4.5 to Credit Agreement

RedZone Coil Tubing, LLC

1. Lease in Monahans, Texas at 1101 S. Loop Road 464 with RedZone Real Estate Investments, LLC as landlord relating to the Industrial Shop
2. Lease in Monahans, Texas at 1101 S. Loop Road 464 with RedZone Real Estate Investments, LLC as landlord relating to Crew Quarters
3. Lease in Monahans, Texas with RedZone Real Estate Investments, LLC as landlord for a certain 1.845 acre tract
4. Lease in Enid, Oklahoma with RedZone Real Estate Investments, LLC as landlord at 1201 Sooner Trend
5. Property at 675 South 6th Street in Pond Creek, Oklahoma
6. Property at 5245 Whitehurst Drive in Longview, Texas

Schedule 4.5 to Credit Agreement

Schedule 4.10

ENVIRONMENTAL CONDITIONS

1. **The Corlew Disposal Well, located in Clare County, MI.** At the time Beckman Production Services, Inc. acquired the Corlew et al #1 brine disposal facility in 1986, the Corlew site and surrounding property was under investigation by the Michigan Department of Environmental Quality ("DEQ") relating to contamination by Hazardous Materials (comprised mainly of brine) that were released in historical operations. On August 14, 1991, monitor well installation commenced at the Corlew site. The purpose of the well installation was to define the nature and extent of the contamination plume. The Michigan Department of Natural Resources and Environment‑ Office of Geological Survey ("MDNRE-OGS") completed and approved a Final Assessment Report/Corrective Action Plan with respect to this contamination on August 23, 2002. BPS entered into a Transfer Settlement Agreement with the Michigan DEQ on approximately February 6, 2003. Pursuant to this Transfer Settlement Agreement, BPS agreed to undertake and continue environmental remedial measures to address Hazardous Materials released at that location. According to a March 19, 2012 Environmental Consulting and Technology, Inc. ("ECT") Quarterly Report required pursuant to the August 23, 2002 Final Assessment/Corrective Action Plan, chloride concentrations remain above the target cleanup level of 125 mg/l at all but 5 of the 20 monitoring wells at the site. Groundwater quality sampling is proposed until site closure can be achieved. The situation continues to be monitored and remedial efforts continue.

Schedule 4.11

SUBSIDIARIES

Subsidiary	Type of Organization	State of Formation
Beckman Production Services, Inc.	Corporation	Michigan
RedZone Holdco, LLC	Limited Liability Company	Delaware
Northern Production Company, LLC	Limited Liability Company	Wyoming
RedZone Coil Tubing, LLC	Limited Liability Company	Texas
R & S Well Service, Inc.	Corporation	Wyoming
SJL Well Service, LLC	Limited Liability Company	Oklahoma
J & R Well Service, LLC	Limited Liability Company	Michigan
First Call Well Service, LLC	Limited Liability Company	Oklahoma

Schedule 5.7

Requirements for New Subsidiaries

Within 14 days (or within 30 days with respect to any Foreign Subsidiary) or, in any event, such longer time period as consented to by the Administrative Agent in its sole discretion of creating a new Subsidiary or acquiring a new Subsidiary, the Administrative Agent shall have received each of the following to the extent applicable:

(a) Guaranty. A joinder and supplement to the Guaranty executed by such Subsidiary;

(b) Security Agreement. Each of the following, to the extent required by the Administrative Agent in order to create and perfect an Acceptable Security Interest in the Collateral as required by Section 5.6: (i) a joinder and/or supplement to the Security Agreement executed by such new Subsidiary and any other Credit Party that owns Equity Interests in such new Subsidiary, (ii) in the case of any new Foreign Subsidiary, such other documents or instruments executed by such Foreign Subsidiary or any other Credit Party as may be prepared by foreign counsel, and (iii) if applicable, stock certificates and stock powers executed in blank, UCC-1 financing statements, and any other documents, agreements, or instruments required by Section 5.6;

(c) Real Estate. A Responsible Officer' s certificate from such new Subsidiary certifying a complete listing of all real Property owned or leased by such new Subsidiary and including a notation as to whether such owned real Property is Material Real Property.

(d) Corporate Documents. A secretary' s certificate from such new Subsidiary certifying such Subsidiary' s (i) officers' incumbency, (ii) authorizing resolutions, (iii) organizational documents, (iv) necessary governmental approvals, and (v) certificate of good standing from the state or other applicable jurisdiction in which each such Person is organized dated a date not earlier than 30 days prior to date of delivery or otherwise in effect on the date of delivery;

(e) Patriot Act. All documentation and other information that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act; and

(f) Opinion of Counsel. If reasonably requested by the Administrative Agent, an opinion of counsel (including foreign counsel, if applicable) in form and substance reasonably acceptable to Administrative Agent related to such new Subsidiary and substantially similar to the legal opinions delivered at the Closing Date with respect to the other Subsidiaries in existence on the Closing Date.

Notwithstanding the foregoing, the Borrower shall not be required to furnish any of the foregoing pledges, guaranties, security interests or related documents or instruments with respect to any newly created or acquired Foreign Subsidiary that is not required to become a Guarantor.

Schedule 6.1

PERMITTED DEBT

None.

Schedule 6.1 to Credit Agreement

Schedule 6.2

PERMITTED LIENS

None.

Schedule 6.2 to Credit Agreement

Schedule 6.3

PERMITTED INVESTMENTS

None.

Schedule 6.3 to Credit Agreement

Schedule 6.10

PERMITTED AFFILIATE TRANSACTIONS

1. Lease Agreement in Monahans, Texas at 1101 S. Loop Road 464 between RedZone Real Estate Investments, LLC, as landlord, and RedZone Coil Tubing, LLC relating to the Industrial Shop.

2. Lease Agreement in Monahans, Texas at 1101 S. Loop Road 464 between RedZone Real Estate Investments, LLC, as landlord, and RedZone Coil Tubing, LLC relating to Crew Quarters.

3. Lease Agreement in Monahans, Texas for a certain 1.845 acre tract between RedZone Real Estate Investments, LLC, as landlord, and RedZone Coil Tubing, LLC.

4. Lease Agreement in Enid, Oklahoma at 1201 Sooner Trend between RedZone Real Estate Investments, LLC, as landlord, and RedZone Coil Tubing, LLC.

5. Lease Agreement in Melstone, Montana at 504 2nd Street East between Shoe Properties LLC, as landlord, and Northern Production Company, LLC.

6. Lease Agreement in Gillette, Wyoming at 701 Sinclair Street between Shoe Properties LLC, as landlord, and Northern Production Company, LLC.

7. Shared Services Agreement by and between Winco Development, LLC and RedZone Coil Tubing, LLC (fka CT Long Reach, LLC) dated as of November 8, 2011, modified January 17, 2013.

8. RedZone Coil Tubing, LLC transacts the following business from time to time with entities owned by one of its officers, Dee Winston:

    a. Portable Lodging, Ltd. – transportation services

    b. PP100, LLC – flight services

9. Amended and Restated Stockholder' s Agreement, dated as of the date hereof, by and among the Borrower, SCF-VII, L.P. and each stockholder and warrant holder of the Borrower.

Exhibit 10.4

AGREEMENT AND AMENDMENT NO. 1 TO CREDIT AGREEMENT

This AGREEMENT AND AMENDMENT NO. 1 TO CREDIT AGREEMENT ("Agreement") dated as of August 26, 2014, ("Amendment No. 1 Effective Date") is by and among Beckman Production Services, Inc., a Delaware corporation (the "Borrower"), the subsidiaries of the Borrower party hereto (each a "Guarantor" and collectively, the "Guarantors"), the Lenders (as defined below), and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the "Administrative Agent") for the Lenders, as issuing lender (in such capacity, the "Issuing Lender") and as swingline lender (in such capacity, the "Swingline Lender").

RECITALS

A. The Borrower, the Administrative Agent, the Issuing Lender, the Swingline Lender and the financial institutions party thereto from time to time, as lenders (the "Lenders") are parties to that certain Credit Agreement dated as of May 2, 2014 (the "Credit Agreement").

B. The Borrower has requested that (i) the Lenders increase their respective Commitments (as defined in the Credit Agreement) pursuant to Section 2.16 of the Credit Agreement to provide the Borrower with additional liquidity in anticipation of its acquisition of all of the Equity Interests of BLSCO Newco, Inc. and Big Lake Services, LLC (collectively, the "Target Companies" and individually a "Target Company"; and such acquisition, the "Big Lake Acquisition"), and (ii) the Lenders amend the Credit Agreement, in each case, as provided herein and subject to the terms and conditions set forth herein.

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

Section 1. **Defined Terms**. As used in this Agreement, each of the terms defined in the opening paragraph and the Recitals above shall have the meanings assigned to such terms therein. Each term defined in the Credit Agreement and used herein without definition shall have the meaning assigned to such term in the Credit Agreement, unless expressly provided to the contrary.

Section 2. **Other Definitional Provisions**. Article, Section, Schedule, and Exhibit references are to Articles and Sections of and Schedules and Exhibits to this Agreement, unless otherwise specified. The words "hereof", "herein", and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The term "including" means "including, without limitation". Section headings have been inserted in this Agreement as a matter of convenience for reference only and it is agreed that such Section headings are not a part of this Agreement and shall not be used in the interpretation of any provision of this Agreement.

Section 3. **Increase in Commitments**. Each of the Lenders hereby agrees and acknowledges that its Commitment is hereby increased to the amount set forth next to its name under the caption "Commitments" on Schedule II attached hereto.

Section 4. **Amendment to Credit Agreement**.

(a) The cover page to the Credit Agreement is hereby amended by replacing the reference to *"$170,000,000*" contained therein with *"$190,000,000*".

(b) Section 1.1 (Certain Defined Terms) of the Credit Agreement is hereby amended by replacing the defined terms "*Commitment*" and "*Fee Letter*" in their entirety with the following:

"***Commitment***" *means, for each Lender, the obligation of each Lender to advance to the Borrower the amount set forth opposite such Lender's name on Schedule II as its Commitment, or if such Lender has entered into any Assignment and Assumption or is an Increasing Lender or an Additional Lender, set forth for such Lender as its Commitment in the Register, as such amount may be reduced pursuant to Section 2.1(b)(i); provided that, on the Maturity Date, the Commitment for each Lender shall be zero. The aggregate Commitments on the Amendment No. 1 Effective Date is $190,000,000.*

*"**Fee Letter**" means, collectively, (i) that certain engagement letter dated as of April 7, 2014, among the Borrower and the Joint Lead Arrangers, (ii) that certain fee letter dated as of April 7, 2014 between the Borrower and Wells Fargo and (iii) that certain fee letter dated as of August 14, 2014 between the Borrower and Wells Fargo Securities, LLC.*

(c) Section 1.1 (Certain Defined Terms) of the Credit Agreement is hereby further amended by adding the following new defined term to appear in alphabetical order therein:

"Amendment No. 1 Effective Date" means August 26, 2014.

(d) Section 2.16 (Increase in Commitments) of the Credit Agreement is hereby amended by replacing the lead in phrase "*At any time prior to the Business Day immediately preceding the Maturity Date...*" with the phrase "*At any time after the Amendment No. 1 Effective Date but prior to the Business Day immediately preceding the Maturity Date...*"

(e) Schedule II to the Credit Agreement is hereby deleted in its entirety and replaced with the Schedule II attached hereto.

Section 5. **Representations and Warranties**. Each Credit Party hereby represents and warrants that:

(a) after giving effect hereto, the representations and warranties of the Credit Parties contained in the Credit Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the Amendment No. 1 Effective Date, except that any representation and warranty which by its terms is made as of a specified date shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date;

(b) after giving effect hereto, no Default or Event of Default has occurred and is continuing;

(c) the execution, delivery and performance of this Agreement are within the corporate or limited liability company power and authority of such Credit Party and have been duly authorized by appropriate corporate or limited liability company action and proceedings;

(d) this Agreement constitutes the legal, valid, and binding obligation of such Credit Party enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the rights of creditors generally and general principles of equity;

(e) there are no governmental or other third party consents, licenses and approvals required in connection with the execution, delivery, performance, validity and enforceability of this Agreement; and

(f) Liens under the Credit Documents are valid and subsisting and secure the Credit Parties' obligations under such Credit Documents.

Section 6. **Conditions to Effectiveness**. This Agreement shall become effective on the Amendment No. 1 Effective Date and enforceable against the parties hereto upon the occurrence of the following conditions which may occur prior to or concurrently with the closing of this Agreement:

(a) The Administrative Agent shall have received:

(i) (A) this Agreement executed by duly authorized officers of the Borrower, the Guarantors, the Administrative Agent, and the Lenders and (B) if requested by a Lender, a new Revolving Note executed by a duly authorized officer of the Borrower reflecting the revised Commitment of such Lender set forth on Schedule II attached hereto;

(ii) a secretary' s certificate from the Borrower and each Guarantor certifying (A) updated incumbencies of authorized officers, (B) in the case of the Borrower, previously adopted resolutions authorizing this Agreement and the increase in the Commitments and (C) either updated organizational documents or a certification that the organizational documents delivered on the original closing date of the Credit Agreement, or prior to the date hereof in connection with previous supplements to the Security Agreement and the Guaranty, have not been amended and are in full force and effect;

(iii) a certificate of an authorized officer of the Borrower (A) certifying that, both before and after giving effect to the increase in the Commitments effected hereby, no Default has occurred and is continuing, (B) certifying that, after giving effect to this Agreement, all representations and warranties made by the Borrower in the Credit Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), unless such representation or warranty relates to an earlier date which remains true and correct in all material respects as of such earlier date (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) and (C) notwithstanding the provisions set forth in Section 2.16(b)(iii)(C) of the Credit Agreement to the contrary, calculating solely the pro forma compliance with the covenant in Section 6.16 of the Credit Agreement, using (1) EBITDA for the twelve month period ended June 30, 2014, and (2) Funded Debt as of the Amendment No. 1 Effective Date after giving effect to the increase in the Commitments effected hereby;

(iv) certificates of good standing and existence for each Credit Party, in each state in which each such Person is organized, which certificate shall be dated a date not sooner than 30 days prior to Amendment No. 1 Effective Date; and

(v) legal opinions of outside counsel to the Borrower in form and substance reasonably acceptable to the Administrative Agent.

(b) The Borrower shall have paid (i) all fees and expenses of the Administrative Agent' s outside legal counsel pursuant to all invoices presented for payment at least one Business Day prior to the Amendment No. 1 Effective Date, and (ii) the fees as agreed to between the Borrower and Wells Fargo Securities, LLC under that certain Fee Letter dated August 14, 2014.

(c) No action, suit, investigation or other proceeding by or before any arbitrator or any Governmental Authority shall be threatened or pending and no preliminary or permanent injunction or order by a state or federal court shall have been entered in connection with this Agreement, any other Credit Document, or the Big Lake Acquisition.

(d) The Administrative Agent shall have received or been given access to (i) audited financial statements of the Target Companies for the fiscal years ended December 31, 2012 and December 31, 2013, (ii) unaudited financial statements of the Target Companies for each month of 2014 through June 30, 2014, and (iii) projections prepared by management of balance sheets, income statements and cashflow statements of the Borrower and its Subsidiaries, after giving pro forma effect to the Acquisition, which shall be monthly for the first year after the Amendment No. 1 Effective Date and annually thereafter through December 31, 2018.

Section 7. **Acknowledgments and Agreements**.

(a) Each Credit Party acknowledges that on the date hereof all outstanding Obligations are payable in accordance with their terms and each Credit Party waives any defense, offset, counterclaim or recoupment with respect thereto.

(b) The Borrower, each Guarantor, the Administrative Agent, the Issuing Lender, the Swingline Lender and each Lender party hereto does hereby adopt, ratify, and confirm the Credit Agreement, as amended hereby, and acknowledges and agrees that the Credit Agreement, as amended hereby, is and remains in full force and effect, and the Borrower and Guarantors acknowledge and agree that their respective liabilities and obligations under the Credit Agreement, as amended hereby, the Guaranty, and the other Credit Documents, are not impaired in any respect by this Agreement.

(c) Nothing herein shall constitute a waiver or relinquishment of (i) any Default or Event of Default under any of the Credit Documents, (ii) any of the agreements, terms or conditions contained in any of the Credit Documents, (iii) any rights or remedies of the Administrative Agent or any Lender with respect to the Credit Documents, or (iv) the rights of the Administrative Agent, the Issuing Lender, the Swingline Lender or any Lender to collect the full amounts owing to them under the Credit Documents.

(d) From and after the Amendment No. 1 Effective Date, all references to the Credit Agreement and the Credit Documents shall mean the Credit Agreement and such Credit Documents, as amended by this Agreement.

(e) This Agreement is a Credit Document for the purposes of the provisions of the other Credit Documents.

Section 8. **Reaffirmation of the Guaranty**. Each Guarantor hereby ratifies, confirms, acknowledges and agrees that its obligations under the Guaranty are in full force and effect and that such Guarantor continues to unconditionally and irrevocably guarantee the full and punctual payment, when due, whether at stated maturity or earlier by acceleration or otherwise, all of the Guaranteed Obligations (as defined in the Guaranty), as such Guaranteed Obligations may have been amended by this Agreement, and its execution and delivery of this Agreement does not indicate or establish an approval or consent requirement by such Guarantor under the Guaranty, in connection with the execution and delivery of amendments, consents or waivers to the Credit Agreement or any of the other Credit Documents.

Section 9. **Counterparts**. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which, taken together, constitute a single instrument. This Agreement may be executed by facsimile signature or by electronic mail (including via any ".pdf" or other similar electronic means) and all such signatures shall be effective as originals.

Section 10. **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted pursuant to the Credit Agreement.

Section 11. **Invalidity**. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement.

Section 12. **Governing Law**. This Agreement shall be deemed a contract under, and shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to conflicts of laws principles (other than Sections 5-1401 and 5-1402 of the General Obligations Law of the State of New York).

Section 13. **Entire Agreement. THIS AGREEMENT, THE CREDIT AGREEMENT AS AMENDED BY THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND SUPERSEDE ALL PRIOR UNDERSTANDINGS AND AGREEMENTS, WHETHER WRITTEN OR ORAL, RELATING TO THE TRANSACTIONS PROVIDED FOR HEREIN AND THEREIN. ADDITIONALLY, THIS AGREEMENT, THE CREDIT AGREEMENT AS AMENDED BY THIS AGREEMENT, THE NOTES, AND THE OTHER CREDIT DOCUMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.**

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

BORROWER:

BECKMAN PRODUCTION SERVICES, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President, Chief Financial Officer,
Treasurer and Secretary

GUARANTORS:

REDZONE HOLDCO, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President, Chief Financial Officer,
Treasurer and Secretary

BECKMAN PRODUCTION SERVICES, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

NORTHERN PRODUCTION COMPANY, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

R&S WELL SERVICE, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

SJL WELL SERVICE, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

J & R WELL SERVICE, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

FIRST CALL WELL SERVICE, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

REDZONE COIL TUBING, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

ADMINISTRATIVE AGENT/LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Issuing Lender, Swingline Lender and a Lender

By: /s/ Philip C. Lauinger III
Name: Philip C. Lauinger
Title: Managing Director

AMEGY BANK NATIONAL ASSOCIATION,
as an Issuing Lender and a Lender

By: /s/ Blake Stoehr
Name: Blake Stoehr
Title: Senior Vice President

Signature Page to Agreement and Amendment No. 1 to Credit Agreement
(Beckman Production Services, Inc.)

COMERICA BANK, as a Lender

By: /s/ Evan Elsea
Name: Evan Elsea
Title: Relationship Manager

Signature Page to Agreement and Amendment No. 1 to Credit Agreement
(Beckman Production Services, Inc.)

HSBC BANK USA, NATIONAL ASSOCIATION
as a Lender

By: /s/ Wadie Habiby
Name: Wadie Habiby
Title: VP, Corporate Banking

Signature Page to Agreement and Amendment No. 1 to Credit Agreement
(Beckman Production Services, Inc.)

REGIONS BANK,
as a Lender

By: /s/ Stephen J. McGreedy
Name: Stephen J. McGreedy
Title: Managing Director

Signature Page to Agreement and Amendment No. 1 to Credit Agreement
(Beckman Production Services, Inc.)

SCHEDULE II
Commitments, Contact Information

ADMINISTRATIVE AGENT/ISSUING LENDER/SWINGLINE LENDER

Wells Fargo Bank, National Association

Address: 1000 Louisiana Street
9th Floor
Houston, Texas 77002
Attn: Philip C. Lauinger III
Telephone: (713) 319-1313
Facsimile: (713) 739-1087
E-mail: lauingpc@wellsfargo.com

CREDIT PARTIES

Borrower/Guarantors

Address: Beckman Production Services, Inc.
3786 Beebe Road, P.O. Box 670
Kalkaska, Michigan 49646
Attn: Ryan Liles
Fax: (231) 258-4581

Lender	Commitment
Wells Fargo Bank, National Association	$64,264,705.88
Amegy Bank National Association	$41,911,764.71
Comerica Bank	$27,941,176.47
Regions Bank	$27,941,176.47
HSBC Bank USA, National Association	$27,941,176.47
Total:	**$190,000,000.00**

Exhibit 10.5

MASTER ASSIGNMENT, AGREEMENT AND AMENDMENT NO. 2 TO CREDIT AGREEMENT

This MASTER ASSIGNMENT, AGREEMENT AND AMENDMENT NO. 2 TO CREDIT AGREEMENT ("Agreement") dated as of October 16, 2014, ("Amendment No. 2 Effective Date") is by and among Beckman Production Services, Inc., a Delaware corporation (the "Borrower"), the subsidiaries of the Borrower party hereto (each a "Guarantor" and collectively, the "Guarantors"), Amegy Bank National Association, Comerica Bank, HSBC Bank USA, National Association, Regions Bank, and Wells Fargo Bank, National Association (each in its individual capacity as a Lender (as defined below), an "Assignor" and collectively, the "Assignors"), IBERIABANK (the "Assignee"), and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the "Administrative Agent") for the Lenders, as issuing lender (in such capacity, the "Issuing Lender") and as swingline lender (in such capacity, the "Swingline Lender").

RECITALS

A. The Borrower, the Administrative Agent, the Issuing Lender, the Swingline Lender and the financial institutions party thereto from time to time, as lenders (the "Lenders") are parties to that certain Credit Agreement dated as of May 2, 2014 (the "Credit Agreement").

B. The Borrower has requested that (i) the Lenders increase their respective Commitments (as defined in the Credit Agreement) pursuant to Section 2.16 of the Credit Agreement to provide the Borrower with additional liquidity in anticipation of potential Permitted Acquisitions and for general corporate purposes of the Borrower, and (ii) the Lenders amend the Credit Agreement, in each case, as provided herein and subject to the terms and conditions set forth herein.

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

Section 1. **Defined Terms**. As used in this Agreement, each of the terms defined in the opening paragraph and the Recitals above shall have the meanings assigned to such terms therein. Each term defined in the Credit Agreement and used herein without definition shall have the meaning assigned to such term in the Credit Agreement, unless expressly provided to the contrary.

Section 2. **Other Definitional Provisions**. Article, Section, Schedule, and Exhibit references are to Articles and Sections of and Schedules and Exhibits to this Agreement, unless otherwise specified. The words "hereof", "herein", and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The term "including" means "including, without limitation". Section headings have been inserted in this Agreement as a matter of convenience for reference only and it is agreed that such Section headings are not a part of this Agreement and shall not be used in the interpretation of any provision of this Agreement.

Section 3. **Master Assignment**.

(a) Assignments. For an agreed consideration, each Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the respective Assignors, subject to and in accordance with the terms hereof and of the Credit Agreement, as of the Amendment No. 2 Effective Date, (i) such percentage of all of the respective Assignors' rights and obligations in their respective capacities as Lenders under the Credit Agreement and any other documents or instruments delivered pursuant thereto (including without limitation any letters of credit, swingline loans and guarantees included in therein) that would result in the Assignors and the Assignee having the respective Commitments set forth on Schedule II attached hereto (after giving effect to the increase in the Commitments contemplated herein) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the respective Assignors (in their respective capacities as Lenders) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by the Assignors to the Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Each such sale and assignment is without recourse to the Assignors and, except as expressly provided in this Agreement, without representation or warranty by the Assignors.

(b) Representations and Warranties of Assignors. Each Assignor (A) represents and warrants that (i) it is the legal and beneficial owner of the relevant Assigned Interest, (ii) such Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender; and (B) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any collateral thereunder, (iii) the financial condition of the Borrower, its Subsidiaries or Affiliates, or any other Person obligated in respect of any Credit Document or (iv) the performance or observance by the Borrower, its Subsidiaries or Affiliates or any other Person of any of its obligations under any Credit Document.

(c) Representations and Warranties of Assignee. The Assignee (A) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 9.7 of the Credit Agreement (subject to such consents, if any, as may be required under Section 9.7 of the Credit Agreement), (iii) from and after the Amendment No. 2 Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making

its decision to acquire such Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.2 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Agreement and to purchase the Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent, any Assignor or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and to purchase the Assigned Interest, and (vii) it is incorporated under the laws of the United States of America or a state thereof; and (B) agrees that (i) it will, independently and without reliance on the Administrative Agent, any Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as a Lender.

(d) Payments. From and after the Amendment No. 2 Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to, on or after the Amendment No. 2 Effective Date. The Assignors and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Amendment No. 2 Effective Date or with respect to the making of this assignment directly between themselves.

(e) Consents to Assignments. The Administrative Agent, the Issuing Lenders, the Swingline Lender and the Borrower each hereby consent to the assignment made under this Section 3 to the Assignee.

Section 4. **Increase in Commitments**. After giving effect to the assignments and assumptions made under Section 3 above, each of the Lenders and the Assignee hereby agree and acknowledge that their respective Commitments shall be the amount set forth next to their respective names under the caption "Commitments" on Schedule II attached hereto.

Section 5. **Amendment to Credit Agreement**.

(a) The cover page to the Credit Agreement is hereby amended by replacing the reference to *"$190,000,000*" contained therein with *"$205,000,000*".

(b) Section 1.1 (Certain Defined Terms) of the Credit Agreement is hereby amended by replacing the defined terms "*Commitment*" and "*Fee Letter*" in their entirety with the following:

"***Commitment***" *means, for each Lender, the obligation of each Lender to advance to the Borrower the amount set forth opposite such Lender's name on Schedule II as its Commitment, or if such Lender has entered into any Assignment and Assumption or is an Increasing Lender or an Additional Lender, set forth for such Lender as its Commitment in the Register, as such amount may be reduced pursuant to Section 2.1(b)(i); provided that, on the Maturity Date, the Commitment for each Lender shall be zero. The aggregate Commitments on the Amendment No. 2 Effective Date is $205,000,000.*

"***Fee Letter***" *means, collectively, (i) that certain engagement letter dated as of April 7, 2014, among the Borrower and the Joint Lead Arrangers, (ii) that certain fee letter dated as of April 7, 2014 between the Borrower and Wells Fargo, (iii) that certain fee letter dated as of August 14, 2014 between the Borrower and Wells Fargo Securities, LLC and (iv) that certain fee letter dated as of September 30, 2014 between the Borrower and Wells Fargo Securities, LLC.*

(c) Section 1.1 (Certain Defined Terms) of the Credit Agreement is hereby further amended by adding the following new defined term to appear in alphabetical order therein:

"Amendment No. 2 Effective Date" means October 16, 2014.

(d) Section 2.16 (Increase in Commitments) of the Credit Agreement is hereby amended by replacing the lead in phrase "*At any time after the Amendment No. 1 Effective Date but prior to the Business Day immediately preceding the Maturity Date...*" with the phrase "*At any time after the Amendment No. 2 Effective Date but prior to the Business Day immediately preceding the Maturity Date...*"

(e) Schedule II to the Credit Agreement is hereby deleted in its entirety and replaced with the Schedule II attached hereto.

Section 6. **Representations and Warranties.** Each Credit Party hereby represents and warrants that:

(a) after giving effect hereto, the representations and warranties of the Credit Parties contained in the Credit Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the Amendment No. 2 Effective Date, except that any representation and warranty which by its terms is made as of a specified date shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date;

(b) after giving effect hereto, no Default or Event of Default has occurred and is continuing;

(c) the execution, delivery and performance of this Agreement are within the corporate or limited liability company power and authority of such Credit Party and have been duly authorized by appropriate corporate or limited liability company action and proceedings;

(d) this Agreement constitutes the legal, valid, and binding obligation of such Credit Party enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the rights of creditors generally and general principles of equity;

(e) there are no governmental or other third party consents, licenses and approvals required in connection with the execution, delivery, performance, validity and enforceability of this Agreement; and

(f) Liens under the Credit Documents are valid and subsisting and secure the Credit Parties' obligations under such Credit Documents.

Section 7. **Conditions to Effectiveness.** This Agreement shall become effective on the Amendment No. 2 Effective Date and enforceable against the parties hereto upon the occurrence of the following conditions which may occur prior to or concurrently with the closing of this Agreement:

(a) The Administrative Agent shall have received:

(i) (A) this Agreement executed by duly authorized officers of the Borrower, the Guarantors, the Administrative Agent, and the Lenders and (B) if requested by the Assignee, a Revolving Note executed by a duly authorized officer of the Borrower reflecting the Commitment of the Assignee set forth on Schedule II attached hereto;

(ii) a secretary' s certificate from the Borrower and each Guarantor certifying (A) updated incumbencies of authorized officers, (B) in the case of the Borrower, previously adopted resolutions authorizing this Agreement and the increase in the Commitments and (C) either updated organizational documents or a certification that the organizational documents delivered on the original closing date of the Credit Agreement, or prior to the date hereof in connection with previous supplements to the Security Agreement and the Guaranty, have not been amended and are in full force and effect;

(iii) a certificate of an authorized officer of the Borrower (A) certifying that, both before and after giving effect to the increase in the Commitments effected hereby, no Default has occurred and is continuing, (B) certifying that, after giving effect to this Agreement, all representations and warranties made by the Borrower in the Credit Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), unless such representation or warranty relates to an earlier date which remains true and correct in all material respects as of such earlier date (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) and (C) notwithstanding the provisions set forth in Section 2.16(b)(iii)(C) of the Credit Agreement to the contrary, calculating solely the pro forma compliance with the covenant in Section 6.16 of the Credit Agreement, using (1) EBITDA for the twelve month period ended June 30, 2014, and (2) Funded Debt as of the Amendment No. 2 Effective Date after giving effect to the increase in the Commitments effected hereby;

(iv) certificates of good standing and existence for each Credit Party, in each state in which each such Person is organized, which certificate shall be dated a date not sooner than 30 days prior to Amendment No. 2 Effective Date; and

(v) legal opinions of outside counsel to the Borrower in form and substance reasonably acceptable to the Administrative Agent.

(b) The Borrower shall have paid (i) all fees and expenses of the Administrative Agent' s outside legal counsel pursuant to all invoices presented for payment at least one Business Day prior to the Amendment No. 2 Effective Date, and (ii) the fees as agreed to between the Borrower and Wells Fargo Securities, LLC under that certain Fee Letter dated September 30, 2014.

(c) No action, suit, investigation or other proceeding by or before any arbitrator or any Governmental Authority shall be threatened or pending and no preliminary or permanent injunction or order by a state or federal court shall have been entered in connection with this Agreement or any other Credit Document.

Section 8. **Acknowledgments and Agreements**.

(a) Each Credit Party acknowledges that on the date hereof all outstanding Obligations are payable in accordance with their terms and each Credit Party waives any defense, offset, counterclaim or recoupment with respect thereto.

(b) The Borrower, each Guarantor, the Administrative Agent, the Issuing Lender, the Swingline Lender and each Lender party hereto does hereby adopt, ratify, and confirm the Credit Agreement, as amended hereby, and acknowledges and agrees that the Credit Agreement, as amended hereby, is and remains in full force and effect, and the Borrower and Guarantors acknowledge and agree that their respective liabilities and obligations under the Credit Agreement, as amended hereby, the Guaranty, and the other Credit Documents, are not impaired in any respect by this Agreement.

(c) Nothing herein shall constitute a waiver or relinquishment of (i) any Default or Event of Default under any of the Credit Documents, (ii) any of the agreements, terms or conditions contained in any of the Credit Documents, (iii) any rights or remedies of the Administrative Agent or any Lender with respect to the Credit Documents, or (iv) the rights of the Administrative Agent, the Issuing Lender, the Swingline Lender or any Lender to collect the full amounts owing to them under the Credit Documents.

(d) From and after the Amendment No. 2 Effective Date, all references to the Credit Agreement and the Credit Documents shall mean the Credit Agreement and such Credit Documents, as amended by this Agreement.

(e) This Agreement is a Credit Document for the purposes of the provisions of the other Credit Documents.

Section 9. **Reaffirmation of the Guaranty**. Each Guarantor hereby ratifies, confirms, acknowledges and agrees that its obligations under the Guaranty are in full force and effect and that such Guarantor continues to unconditionally and irrevocably guarantee the full and punctual payment, when due, whether at stated maturity or earlier by acceleration or otherwise, all of the Guaranteed Obligations (as defined in the Guaranty), as such Guaranteed Obligations may have been amended by this Agreement, and its execution and delivery of this Agreement does not indicate or establish an approval or consent requirement by such Guarantor under the Guaranty, in connection with the execution and delivery of amendments, consents or waivers to the Credit Agreement or any of the other Credit Documents.

Section 10. **Counterparts.** This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which, taken together, constitute a single instrument. This Agreement may be executed by facsimile signature or by electronic mail (including via any ".pdf" or other similar electronic means) and all such signatures shall be effective as originals.

Section 11. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted pursuant to the Credit Agreement.

Section 12. **Invalidity.** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement.

Section 13. **Governing Law.** This Agreement shall be deemed a contract under, and shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to conflicts of laws principles (other than Sections 5-1401 and 5-1402 of the General Obligations Law of the State of New York).

Section 14. **Entire Agreement**. **THIS AGREEMENT, THE CREDIT AGREEMENT AS AMENDED BY THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND SUPERSEDE ALL PRIOR UNDERSTANDINGS AND AGREEMENTS, WHETHER WRITTEN OR ORAL, RELATING TO THE TRANSACTIONS PROVIDED FOR HEREIN AND THEREIN. ADDITIONALLY, THIS AGREEMENT, THE CREDIT AGREEMENT AS AMENDED BY THIS AGREEMENT, THE NOTES, AND THE OTHER CREDIT DOCUMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.**

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

BORROWER:

BECKMAN PRODUCTION SERVICES, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President, Chief Financial Officer,
Treasurer and Secretary

GUARANTORS:

REDZONE HOLDCO, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President, Chief Financial Officer, Treasurer and Secretary

BECKMAN PRODUCTION SERVICES, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

NORTHERN PRODUCTION COMPANY, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

R&S WELL SERVICE, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

SJL WELL SERVICE, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

J & R WELL SERVICE, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

FIRST CALL WELL SERVICE, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

REDZONE COIL TUBING, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

BIG LAKE SERVICES HOLDCO, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President, Chief Financial Officer,
Treasurer and Secretary

BIG LAKE SERVICES, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Manager

ADMINISTRATIVE AGENT/LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Issuing Lender, Swingline Lender and a Lender

By: /s/ Kevin M. Davidson
Name: Kevin M. Davidson
Title: Vice President

Signature Page to Master Assignment, Agreement and Amendment No. 2 to Credit Agreement
(Beckman Production Services, Inc.)

AMEGY BANK NATIONAL ASSOCIATION,
as an Issuing Lender and a Lender

By: /s/ Rachel Pletcher
Name: Rachel Pletcher
Title: Vice President

Signature Page to Master Assignment, Agreement and Amendment No. 2 to Credit Agreement
(Beckman Production Services, Inc.)

COMERICA BANK, as a Lender

By: /s/ Evan Elsea
Name: Evan Elsea
Title: Relationship Manager

Signature Page to Master Assignment, Agreement and Amendment No. 2 to Credit Agreement
(Beckman Production Services, Inc.)

HSBC BANK USA, NATIONAL ASSOCIATION
as a Lender

By: /s/ Wadie Habiby
Name: Wadie Habiby
Title: Vice President

Signature Page to Master Assignment, Agreement and Amendment No. 2 to Credit Agreement
(Beckman Production Services, Inc.)

REGIONS BANK,
as a Lender

By: /s/ Stephen J. McGreedy
Name: Stephen J. McGreedy
Title: Managing Director

Signature Page to Master Assignment, Agreement and Amendment No. 2 to Credit Agreement
(Beckman Production Services, Inc.)

SCHEDULE II
Commitments, Contact Information

ADMINISTRATIVE AGENT/ISSUING LENDER/SWINGLINE LENDER

Wells Fargo Bank, National Association

Address: 1000 Louisiana Street
9th Floor
Houston, Texas 77002
Attn: Philip C. Lauinger III
Telephone: (713) 319-1313
Facsimile: (713) 739-1087
E-mail: lauingpc@wellsfargo.com

CREDIT PARTIES

Borrower/Guarantors

Address: Beckman Production Services, Inc.
c/o SCF Partners, L.P.
600 Travis, Suite 6600
Houston, Texas 77002
Attn: Ryan S. Liles
Fax: 713-227-7850

Lender	Commitment
Wells Fargo Bank, National Association	$64,264,705.88
Amegy Bank National Association	$41,911,764.71
Comerica Bank	$27,941,176.47
Regions Bank	$27,941,176.47
HSBC Bank USA, National Association	$27,941,176.47
IBERIABANK	$15,000,000.00
Total:	**$205,000,000.00**

Exhibit 10.6

AGREEMENT AND AMENDMENT NO. 3 TO CREDIT AGREEMENT

This AGREEMENT AND AMENDMENT NO. 3 TO CREDIT AGREEMENT ("Agreement") dated as of November 21, 2014, ("Amendment No. 3 Effective Date") is by and among Beckman Production Services, Inc., a Delaware corporation (the "Borrower"), the subsidiaries of the Borrower party hereto (each a "Guarantor" and collectively, the "Guarantors"), the Lenders (as defined below), and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the "Administrative Agent") for the Lenders, as issuing lender (in such capacity, the "Issuing Lender") and as swingline lender (in such capacity, the "Swingline Lender").

RECITALS

A. The Borrower, the Administrative Agent, the Issuing Lender, the Swingline Lender and the financial institutions party thereto from time to time, as lenders (the "Lenders") are parties to that certain Credit Agreement dated as of May 2, 2014 (as amended by Agreement and Amendment No. 1 to Credit Agreement, dated as of August 26, 2014, as further amended by the Master Assignment, Agreement and Amendment No. 2 to Credit Agreement, dated as of October 16, 2014, and as further amended, restated, supplemented or otherwise modified, the "Credit Agreement").

B. The Borrower has requested that (i) the Lenders increase their respective Commitments (as defined in the Credit Agreement) pursuant to Section 2.16 of the Credit Agreement to provide the Borrower with additional liquidity in anticipation of potential Permitted Acquisitions and for general corporate purposes of the Borrower, and (ii) the Lenders amend the Credit Agreement, in each case, as provided herein and subject to the terms and conditions set forth herein.

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

Section 1. **Defined Terms**. As used in this Agreement, each of the terms defined in the opening paragraph and the Recitals above shall have the meanings assigned to such terms therein. Each term defined in the Credit Agreement and used herein without definition shall have the meaning assigned to such term in the Credit Agreement, unless expressly provided to the contrary.

Section 2. **Other Definitional Provisions**. Article, Section, Schedule, and Exhibit references are to Articles and Sections of and Schedules and Exhibits to this Agreement, unless otherwise specified. The words "hereof", "herein", and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The term "including" means "including, without limitation". Section headings have been inserted in this Agreement as a matter of convenience for reference only and it is agreed that such Section headings are not a part of this Agreement and shall not be used in the interpretation of any provision of this Agreement.

Section 3. **Increase in Commitments**. Each of the Lenders hereby agrees and acknowledges that their respective Commitments shall be the amount set forth next to their respective names under the caption "Commitments" on Schedule II attached hereto.

Section 4. **Amendment to Credit Agreement**.

(a) The cover page to the Credit Agreement is hereby amended by replacing the reference to *"$205,000,000*" contained therein with *"$235,000,000*".

(b) The cover page to the Credit Agreement is hereby further amended by inserting a reference to *"HSBC Bank USA, National Association, as Documentation Agent".*

(c) Section 1.1 (Certain Defined Terms) of the Credit Agreement is hereby amended by replacing the defined terms "*Commitment*" and "*Fee Letter*" in their entirety with the following:

*"**Commitment**" means, for each Lender, the obligation of each Lender to advance to the Borrower the amount set forth opposite such Lender's name on Schedule II as its Commitment, or if such Lender has entered into any Assignment and Assumption or is an Increasing Lender or an Additional Lender, set forth for such Lender as its Commitment in the Register, as such amount may be reduced pursuant to Section 2.1(b)(i); provided that, on the Maturity Date, the Commitment for each Lender shall be zero. The aggregate Commitments on the Amendment No. 3 Effective Date is $235,000,000.*

*"**Fee Letter**" means, collectively, (i) that certain engagement letter dated as of April 7, 2014, among the Borrower and the Joint Lead Arrangers, (ii) that certain fee letter dated as of April 7, 2014 between the Borrower and Wells Fargo, (iii) that certain fee letter dated as of August 14, 2014 between the Borrower and Wells Fargo Securities, LLC, (iv) that certain fee letter dated as of September 30, 2014 between the Borrower and Wells Fargo Securities, LLC and (v) that certain fee letter dated as of November 6, 2014 between the Borrower and Wells Fargo Securities, LLC.*

(d) Section 1.1 (Certain Defined Terms) of the Credit Agreement is hereby further amended by adding the following new defined term to appear in alphabetical order therein:

"*Amendment No. 3 Effective Date*" means November 21, 2014.

(e) Section 2.16 (Increase in Commitments) of the Credit Agreement is hereby amended by replacing the lead in phrase "*At any time after the Amendment No. 2 Effective Date but prior to the Business Day immediately preceding the Maturity Date*..." with the phrase "*At any time after the Amendment No. 3 Effective Date but prior to the Business Day immediately preceding the Maturity Date*..."

(f) Section 2.16 (Increase in Commitments) of the Credit Agreement is hereby further amended by replacing the reference in subsection (a)(i) to "*$5,000,000*" with a reference to "*$20,000,000*."

(g) Section 2.16 (Increase in Commitments) of the Credit Agreement is hereby further amended by replacing the phrase in subsection (b)(iii)(C) that states "*covenants in Section 6.16 and Section 6.17*" with the phrase "*covenant in Section 6.16*."

(h) Section 6.16 (Leverage Ratio) of the Credit Agreement is hereby amended by replacing each reference to "*March 31, 2015*" with a reference to "*September 30, 2015*."

(i) Schedule II to the Credit Agreement is hereby deleted in its entirety and replaced with the Schedule II attached hereto.

Section 5. **Representations and Warranties.** Each Credit Party hereby represents and warrants that:

(a) after giving effect hereto, the representations and warranties of the Credit Parties contained in the Credit Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the Amendment No. 3 Effective Date, except that any representation and warranty which by its terms is made as of a specified date shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date;

(b) after giving effect hereto, no Default or Event of Default has occurred and is continuing;

(c) the execution, delivery and performance of this Agreement are within the corporate or limited liability company power and authority of such Credit Party and have been duly authorized by appropriate corporate or limited liability company action and proceedings;

(d) this Agreement constitutes the legal, valid, and binding obligation of such Credit Party enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the rights of creditors generally and general principles of equity;

(e) there are no governmental or other third party consents, licenses and approvals required in connection with the execution, delivery, performance, validity and enforceability of this Agreement; and

(f) Liens under the Credit Documents are valid and subsisting and secure the Credit Parties' obligations under such Credit Documents.

Section 6. **Conditions to Effectiveness.** This Agreement shall become effective on the Amendment No. 3 Effective Date and enforceable against the parties hereto upon the occurrence of the following conditions which may occur prior to or concurrently with the closing of this Agreement:

(a) The Administrative Agent shall have received:

(i) (A) this Agreement executed by duly authorized officers of the Borrower, the Guarantors, the Administrative Agent, and the Lenders and (B) if requested by a Lender, a new Revolving Note executed by a duly authorized officer of the Borrower reflecting the revised Commitment of such Lender set forth on Schedule II attached hereto;

(ii) a secretary' s certificate from the Borrower and each Guarantor certifying (A) updated incumbencies of authorized officers, (B) in the case of the Borrower, previously adopted resolutions authorizing this Agreement and the increase in the Commitments and (C) either updated organizational documents or a certification that the organizational documents delivered on the original closing date of the Credit Agreement, or prior to the date hereof in connection with previous supplements to the Security Agreement and the Guaranty, have not been amended and are in full force and effect;

(iii) a certificate of an authorized officer of the Borrower (A) certifying that, both before and after giving effect to the increase in the Commitments effected hereby, no Default has occurred and is continuing, (B) certifying that, after giving effect to this Agreement, all representations and warranties made by the Borrower in the Credit Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), unless such representation or warranty relates to an earlier date which remains true and correct in all material respects as of such earlier date (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) and (C) notwithstanding the provisions set forth in Section 2.16(b)(iii)(C) of the Credit Agreement to the contrary, calculating solely the pro forma compliance with the covenant in Section 6.16 of the Credit Agreement, using (1) EBITDA for the twelve month period ended September 30, 2014, and (2) Funded Debt as of the Amendment No. 3 Effective Date after giving effect to the increase in the Commitments effected hereby;

(iv) certificates of good standing and existence for each Credit Party, in each state in which each such Person is organized, which certificate shall be dated a date not sooner than 30 days prior to Amendment No. 3 Effective Date; and

(v) legal opinions of outside counsel to the Borrower in form and substance reasonably acceptable to the Administrative Agent.

(b) The Borrower shall have paid (i) all fees and expenses of the Administrative Agent' s outside legal counsel pursuant to all invoices presented for payment at least one Business Day prior to the Amendment No. 3 Effective Date, and (ii) the fees as agreed to between the Borrower and Wells Fargo Securities, LLC under that certain Fee Letter dated November 6, 2014.

(c) No action, suit, investigation or other proceeding by or before any arbitrator or any Governmental Authority shall be threatened or pending and no preliminary or permanent injunction or order by a state or federal court shall have been entered in connection with this Agreement or any other Credit Document.

Section 7. **Acknowledgments and Agreements**.

(a) Each Credit Party acknowledges that on the date hereof all outstanding Obligations are payable in accordance with their terms and each Credit Party waives any defense, offset, counterclaim or recoupment with respect thereto.

(b) The Borrower, each Guarantor, the Administrative Agent, the Issuing Lender, the Swingline Lender and each Lender party hereto does hereby adopt, ratify, and confirm the Credit Agreement, as amended hereby, and acknowledges and agrees that the Credit Agreement, as amended hereby, is and remains in full force and effect, and the Borrower and Guarantors acknowledge and agree that their respective liabilities and obligations under the Credit Agreement, as amended hereby, the Guaranty, and the other Credit Documents, are not impaired in any respect by this Agreement.

(c) Nothing herein shall constitute a waiver or relinquishment of (i) any Default or Event of Default under any of the Credit Documents, (ii) any of the agreements, terms or conditions contained in any of the Credit Documents, (iii) any rights or remedies of the Administrative Agent or any Lender with respect to the Credit Documents, or (iv) the rights of the Administrative Agent, the Issuing Lender, the Swingline Lender or any Lender to collect the full amounts owing to them under the Credit Documents.

(d) From and after the Amendment No. 3 Effective Date, all references to the Credit Agreement and the Credit Documents shall mean the Credit Agreement and such Credit Documents, as amended by this Agreement.

(e) This Agreement is a Credit Document for the purposes of the provisions of the other Credit Documents.

Section 8. **Reaffirmation of Security Documents.** Each Credit Party (a) represents and warrants that, as of the Amendment No. 3 Effective Date, it has no defenses to the enforceability of any Security Document to which it is a party, (b) reaffirms the terms of and its obligations (and the security interests granted by it) under each Security Document to which it is a party, and agrees that each such Security Document will continue in full force and effect to secure the Secured Obligations as the same may be amended, supplemented, or otherwise modified from time to time, and (c) acknowledges, represents, warrants and agrees that the liens and security interests granted by it pursuant to the Security Documents are valid and subsisting and create a security interest to secure the Secured Obligations.

Section 9. **Reaffirmation of the Guaranty**. Each Guarantor hereby ratifies, confirms, acknowledges and agrees that its obligations under the Guaranty are in full force and effect and that such Guarantor continues to unconditionally and irrevocably guarantee the full and punctual payment, when due, whether at stated maturity or earlier by acceleration or otherwise, all of the Guaranteed Obligations (as defined in the Guaranty), as such Guaranteed

Obligations may have been amended by this Agreement, and its execution and delivery of this Agreement does not indicate or establish an approval or consent requirement by such Guarantor under the Guaranty, in connection with the execution and delivery of amendments, consents or waivers to the Credit Agreement or any of the other Credit Documents.

Section 10. **Counterparts.** This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which, taken together, constitute a single instrument. This Agreement may be executed by facsimile signature or by electronic mail (including via any ".pdf" or other similar electronic means) and all such signatures shall be effective as originals.

Section 11. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted pursuant to the Credit Agreement.

Section 12. **Invalidity.** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement.

Section 13. **Governing Law.** This Agreement shall be deemed a contract under, and shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to conflicts of laws principles (other than Sections 5-1401 and 5-1402 of the General Obligations Law of the State of New York).

Section 14. **Entire Agreement**. **THIS AGREEMENT, THE CREDIT AGREEMENT AS AMENDED BY THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND SUPERSEDE ALL PRIOR UNDERSTANDINGS AND AGREEMENTS, WHETHER WRITTEN OR ORAL, RELATING TO THE TRANSACTIONS PROVIDED FOR HEREIN AND THEREIN. ADDITIONALLY, THIS AGREEMENT, THE CREDIT AGREEMENT AS AMENDED BY THIS AGREEMENT, THE NOTES, AND THE OTHER CREDIT DOCUMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES**.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

BORROWER:

BECKMAN PRODUCTION SERVICES, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President, Chief Financial Officer,
Treasurer and Secretary

GUARANTORS:

REDZONE HOLDCO, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President, Chief Financial Officer, Treasurer and Secretary

BECKMAN PRODUCTION SERVICES, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

NORTHERN PRODUCTION COMPANY, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

R&S WELL SERVICE, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

SJL WELL SERVICE, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

J & R WELL SERVICE, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

FIRST CALL WELL SERVICE, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

REDZONE COIL TUBING, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

BIG LAKE SERVICES HOLDCO, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President, Chief Financial Officer, Treasurer and Secretary

BIG LAKE SERVICES, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Manager

ADMINISTRATIVE AGENT/LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Issuing Lender, Swingline Lender and a Lender

By: /s/ Kevin M. Davidson
Name: Kevin M. Davidson
Title: Vice President

AMEGY BANK NATIONAL ASSOCIATION,
as an Issuing Lender and a Lender

By: /s/ Rachel Pletcher
Name: Rachel Pletcher
Title: Vice President

Signature Page to Agreement and Amendment No. 3 to Credit Agreement
(Beckman Production Services, Inc.)

COMERICA BANK, as a Lender

By: /s/ Evan Elsea
Name: Evan Elsea
Title: Relationship Manager

Signature Page to Agreement and Amendment No. 3 to Credit Agreement
(Beckman Production Services, Inc.)

HSBC BANK USA, NATIONAL ASSOCIATION
as a Lender

By: /s/ Wadie Habiby
Name: Wadie Habiby
Title: VP, Corporate Banking

REGIONS BANK,
as a Lender

By: /s/ Stephen J. McGreedy
Name: Stephen J. McGreedy
Title: Managing Director

SCHEDULE II
Commitments, Contact Information

ADMINISTRATIVE AGENT/ISSUING LENDER/SWINGLINE LENDER

Wells Fargo Bank, National Association

Address: 1000 Louisiana Street
9th Floor
Houston, Texas 77002
Attn: Philip C. Lauinger III
Telephone: (713) 319-1313
Facsimile: (713) 739-1087
E-mail: lauingpc@wellsfargo.com

CREDIT PARTIES

Borrower/Guarantors

Address: Beckman Production Services, Inc.
c/o SCF Partners, L.P.
600 Travis, Suite 6600
Houston, Texas 77002
Attn: Ryan S. Liles
Fax: 713-227-7850

Lender	Commitment
Wells Fargo Bank, National Association	$70,000,000.00
Amegy Bank National Association	$45,000,000.00
HSBC Bank USA, National Association	$37,000,000.00
Comerica Bank	$32,000,000.00
Regions Bank	$32,000,000.00
IBERIABANK	$19,000,000.00
Total:	**$235,000,000.00**

Exhibit 10.7

AGREEMENT AND AMENDMENT NO. 4 TO CREDIT AGREEMENT

This AGREEMENT AND AMENDMENT NO. 4 TO CREDIT AGREEMENT ("Agreement") dated as of January 12, 2016, ("Amendment No. 4 Effective Date") is by and among Beckman Production Services, Inc., a Delaware corporation (the "Borrower"), the subsidiaries of the Borrower party hereto (each a "Guarantor" and collectively, the "Guarantors"), the Lenders (as defined below), and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the "Administrative Agent") for the Lenders, as issuing lender (in such capacity, the "Issuing Lender") and as swingline lender (in such capacity, the "Swingline Lender").

RECITALS

A. The Borrower, the Administrative Agent, the Issuing Lender, the Swingline Lender and the financial institutions party thereto from time to time, as lenders (the "Lenders") are parties to that certain Credit Agreement dated as of May 2, 2014 (as amended by Agreement and Amendment No. 1 to Credit Agreement, dated as of August 26, 2014, as further amended by the Master Assignment, Agreement and Amendment No. 2 to Credit Agreement, dated as of October 16, 2014, as further amended by the Agreement and Amendment No. 3 to Credit Agreement, dated as of November 21, 2014, and as further amended, restated, supplemented or otherwise modified, the "Credit Agreement").

B. The Borrower has requested that the Lenders amend the Credit Agreement, in each case, as provided herein and subject to the terms and conditions set forth herein.

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

Section 1. **Defined Terms**. As used in this Agreement, each of the terms defined in the opening paragraph and the Recitals above shall have the meanings assigned to such terms therein. Each term defined in the Credit Agreement and used herein without definition shall have the meaning assigned to such term in the Credit Agreement, unless expressly provided to the contrary.

Section 2. **Other Definitional Provisions**. Article, Section, Schedule, and Exhibit references are to Articles and Sections of and Schedules and Exhibits to this Agreement, unless otherwise specified. The words "hereof", "herein", and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The term "including" means "including, without limitation". Section headings have been inserted in this Agreement as a matter of convenience for reference only and it is agreed that such Section headings are not a part of this Agreement and shall not be used in the interpretation of any provision of this Agreement.

Section 3. **Amendment to Credit Agreement**.

(a) Exhibit D to the Credit Agreement (Compliance Certificate) is hereby deleted in its entirety and replaced with Exhibit D attached hereto.

(b) Exhibit E to the Credit Agreement (Notice of Revolving Borrowing) is hereby deleted in its entirety and replaced with Exhibit E attached hereto.

(c) Exhibit H-1 to the Credit Agreement (Notice of Mandatory Prepayment) is hereby deleted in its entirety and replaced with Exhibit H-1 attached hereto.

(d) Exhibit J attached hereto is hereby added to the Credit Agreement as Exhibit J (Form of Borrowing Base Certificate).

(e) The Credit Agreement and Schedules I (Pricing Schedule), II (Commitments, Notice Information), 4.1 (Organizational Information), 4.5 (Owned and Leased Real Property) and 4.11 (Subsidiaries) thereto are hereby amended as reflected in Annex A attached hereto.

Section 4. **Reduction of Commitments**. This Agreement shall be deemed written notice by the Borrower of a ratable reduction in part of the unused portion of Commitments pursuant to Section 2.1(b)(i) of the Credit Agreement. On the Amendment No. 4 Effective Date, after giving effect to the contemplated reduction herein, (a) the Commitments shall be as set forth on the revised Schedule II attached to Annex I, and (b) each Lender' s Commitment shall be automatically decreased to the amount set forth adjacent to such Lender' s name on such replacement Schedule II.

Section 5. **Representations and Warranties.** Each Credit Party hereby represents and warrants that:

(a) after giving effect hereto, the representations and warranties of the Credit Parties contained in the Credit Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the Amendment No. 4 Effective Date, except that any representation and warranty which by its terms is made as of a specified date shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date;

(b) after giving effect hereto, no Default or Event of Default has occurred and is continuing;

(c) the execution, delivery and performance of this Agreement are within the corporate or limited liability company power and authority of such Credit Party and have been duly authorized by appropriate corporate or limited liability company action and proceedings;

(d) this Agreement constitutes the legal, valid, and binding obligation of such Credit Party enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the rights of creditors generally and general principles of equity;

(e) there are no governmental or other third party consents, licenses and approvals required in connection with the execution, delivery, performance, validity and enforceability of this Agreement; and

(f) Liens under the Credit Documents are valid and subsisting and secure the Credit Parties' obligations under such Credit Documents.

Section 6. **Conditions to Effectiveness.** This Agreement shall become effective on the Amendment No. 4 Effective Date and enforceable against the parties hereto upon the occurrence of the following conditions which may occur prior to or concurrently with the closing of this Agreement:

(a) Agreement. The Administrative Agent shall have received this Agreement executed by duly authorized officers of the Borrower, the Guarantors, the Administrative Agent, and the Majority Lenders;

(b) Certificates of Title. With respect to each item of Certificated Equipment owned by a Credit Party on the Amendment No. 4 Effective Date (other than as to Excepted Certificated Equipment), the Administrative Agent shall have received counterparts of a collateral agency agreement and any other documentation or agreements required by Corporation Service Company, a Delaware corporation ("**CSC**"), or any other designated agent of the Administrative Agent in connection with the naming of the Administrative Agent as the holder of the first priority lien on the original certificate of title for such Certificated Equipment or the holding of the copies of such certificates of title, in form and substance reasonably satisfactory to the Administrative Agent, duly executed by the applicable Credit Parties, the Administrative Agent, and CSC or such other designated agent, in each instance, as applicable.

(c) Perfection Certificate. The Borrower shall have delivered a completed and executed perfection certificate in form and substance acceptable to the Administrative Agent.

(d) Borrowing Base Certificate. The Borrower shall have delivered a completed and executed Borrowing Base Certificate in form and substance acceptable to the Administrative Agent calculating the Borrowing Base (as defined in Annex I) to be in effect on the Amendment No. 4 Effective Date and calculated for the month ending November 30, 2015.

(e) Payment of Fees. The Borrower shall have paid the fees and expenses required to be paid as of or on the Amendment No. 4 Effective Date by Section 9.1 of the Credit Agreement or any other provision of a Credit Document to the extent invoiced prior to the Amendment No. 4 Effective Date, including the Fee Letter (as such term is amended hereby).

Section 7. **Acknowledgments and Agreements**.

(a) Each Credit Party acknowledges that on the date hereof all outstanding Obligations are payable in accordance with their terms and each Credit Party waives any defense, offset, counterclaim or recoupment with respect thereto.

(b) The Borrower, each Guarantor, the Administrative Agent, the Issuing Lender, the Swingline Lender and each Lender party hereto does hereby adopt, ratify, and confirm the Credit Agreement, as amended hereby, and acknowledges and agrees that the Credit Agreement, as amended hereby, is and remains in full force and effect, and the Borrower and Guarantors acknowledge and agree that their respective liabilities and obligations under the Credit Agreement, as amended hereby, the Guaranty, and the other Credit Documents, are not impaired in any respect by this Agreement.

(c) Nothing herein shall constitute a waiver or relinquishment of (i) any Default or Event of Default under any of the Credit Documents, (ii) any of the agreements, terms or conditions contained in any of the Credit Documents, (iii) any rights or remedies of the Administrative Agent or any Lender with respect to the Credit Documents, or (iv) the rights of the Administrative Agent, the Issuing Lender, the Swingline Lender or any Lender to collect the full amounts owing to them under the Credit Documents.

(d) From and after the Amendment No. 4 Effective Date, all references to the Credit Agreement and the Credit Documents shall mean the Credit Agreement and such Credit Documents, as amended by this Agreement.

(e) This Agreement is a Credit Document for the purposes of the provisions of the other Credit Documents.

Section 8. **Reaffirmation of Security Documents**. Each Credit Party (a) represents and warrants that, as of the Amendment No. 4 Effective Date, it has no defenses to the enforceability of any Security Document to which it is a party, (b) reaffirms the terms of and its obligations (and the security interests granted by it) under each Security Document to which it is a party, and agrees that each such Security Document will continue in full force and effect to secure the Secured Obligations as the same may be amended, supplemented, or otherwise modified from time to time, and (c) acknowledges, represents, warrants and agrees that the liens and security interests granted by it pursuant to the Security Documents are valid and subsisting and create a security interest to secure the Secured Obligations.

Section 9. **Reaffirmation of the Guaranty**. Each Guarantor hereby ratifies, confirms, acknowledges and agrees that its obligations under the Guaranty are in full force and effect and that such Guarantor continues to unconditionally and irrevocably guarantee the full and punctual payment, when due, whether at stated maturity or earlier by acceleration or otherwise, all of the Guaranteed Obligations (as defined in the Guaranty), as such Guaranteed Obligations may have been amended by this Agreement, and its execution and delivery of this Agreement does not indicate or establish an approval or consent requirement by such Guarantor under the Guaranty, in connection with the execution and delivery of amendments, consents or waivers to the Credit Agreement or any of the other Credit Documents.

Section 10. **RELEASE**. **For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Credit Party hereby, for itself and its successors and assigns, fully and without reserve, releases and forever discharges each Secured Party, its respective successors and assigns, officers, directors, employees, representatives, trustees, attorneys, agents and affiliates (collectively the "Released Parties" and individually a "Released Party") from any and all actions, claims, demands, causes of action, judgments, executions, suits, debts, liabilities, costs, damages, expenses or other obligations of any kind and nature whatsoever, direct and/or indirect, at law or in equity, whether now existing or hereafter asserted (INCLUDING, WITHOUT LIMITATION, ANY OFFSETS, REDUCTIONS, REBATEMENT, CLAIMS OF USURY OR CLAIMS WITH RESPECT TO THE NEGLIGENCE OF ANY RELEASED PARTY), for or because of any matters or things occurring, existing or actions done, omitted to be done, or suffered to be done by any of the Released Parties, in each case, on or prior to the date hereof and are in any way directly or indirectly arising out of or in any way connected to any of this Agreement, the Credit Agreement, any other Credit Document, or any of the transactions contemplated hereby or thereby (collectively, the "Released Matters"); provided, that the Released Matters shall not include any of the Lenders' obligations to fund under their Commitments to the Credit Agreement after the date hereof in accordance therewith. Each Credit Party, by execution hereof, hereby acknowledges and agrees that the agreements in this Section 10 are intended to cover and be in full satisfaction for all or any alleged injuries or damages arising in connection with the Released Matters herein compromised and settled.**

Section 11. **Lender Hold Harmless and Release**. Each Lender hereby acknowledges and agrees that (a) as part of the Credit Agreement, as amended hereby, Wells Fargo Bank, National Association ("WFB") may forward to such Lender, from time to time, copies of certain appraisals, field exam reports, collateral audits and other collateral reports (collectively, "Reports"), (b) such Reports were prepared, or will be prepared, for WFB for its own internal purposes and if provided, are being, or will be, provided to such Lender on a confidential basis and such Reports shall not be reproduced, disseminated or discussed by such Lender except to its director, officer, employee and agents in connection with the Credit Agreement or as required under applicable Legal Requirement without WFB' s express written consent, (c) if provided, such Reports are being, or will be, provided without any representation or warranty, expressed or implied, by WFB as to its accuracy or completeness, (d) WFB is making no representation or warranty of any kind related to or in connection with such Reports and WFB assumes no responsibility to make any such representation or warranty, (e) if provided, such Reports are being, or will be, provided solely for such Lender' s convenience, and (f) WFB does not have any responsibility for the creditworthiness or financial conditions of the Borrower or any Affiliate thereof. Furthermore, each Lender hereby acknowledges and agrees that in making decisions under this Agreement and in the other Credit Documents, including the Credit Agreement, as amended hereby, such Lender is making its own credit analysis and decisions independently and without reliance on any Report or on WFB. Without limiting the generality of Section 8.4 of the Credit Agreement, each Lender hereby agrees to, and hereby does, indemnity and hold harmless Wells Fargo & Company, WFB and each of the foregoing' s affiliates and each of the foregoing' s respective Related Parties (each of the foregoing being an "WFB Indemnitee"), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever (including but not limited to

attorneys' fees) which may be imposed on or incurred by any WFB Indemnitee or asserted against any WFB Indemnitee by any third party, any Lender, the Borrower or any Affiliate thereof or any other Person, and in any way relating to or arising out of any Report (including as a result of such WFB Indemnitee' s own negligence regardless of whether such negligence is sole or contributory, active or passive, imputed, joint or technical) but not including to the extent found in a final, non-appealable judgment by a court of competent jurisdiction to have result from such WFB Indemnitee' s gross negligence or willful misconduct. The terms of this Section 11 are solely for the benefit of the WFB Indemnitees and their respective successors and assigns and no other Person shall have or be entitled to assert rights or benefits under this Section 11.

Section 12. **Counterparts.** This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which, taken together, constitute a single instrument. This Agreement may be executed by facsimile signature or by electronic mail (including via any ".pdf" or other similar electronic means) and all such signatures shall be effective as originals.

Section 13. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted pursuant to the Credit Agreement.

Section 14. **Invalidity.** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement.

Section 15. **Governing Law.** This Agreement shall be deemed a contract under, and shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to conflicts of laws principles (other than Sections 5-1401 and 5-1402 of the General Obligations Law of the State of New York).

Section 16. **Entire Agreement. THIS AGREEMENT, THE CREDIT AGREEMENT AS AMENDED BY THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND SUPERSEDE ALL PRIOR UNDERSTANDINGS AND AGREEMENTS, WHETHER WRITTEN OR ORAL, RELATING TO THE TRANSACTIONS PROVIDED FOR HEREIN AND THEREIN. ADDITIONALLY, THIS AGREEMENT, THE CREDIT AGREEMENT AS AMENDED BY THIS AGREEMENT, THE NOTES, AND THE OTHER CREDIT DOCUMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.**

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

BORROWER:

BECKMAN PRODUCTION SERVICES, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President, Chief Financial Officer,
Treasurer and Secretary

GUARANTORS:

REDZONE HOLDCO, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President, Chief Financial Officer, Treasurer and Secretary

BECKMAN PRODUCTION SERVICES, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

NORTHERN PRODUCTION COMPANY, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

R&S WELL SERVICE, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

SJL WELL SERVICE, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

J & R WELL SERVICE, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

FIRST CALL WELL SERVICE, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

REDZONE COIL TUBING, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

BIG LAKE SERVICES HOLDCO, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President, Chief Financial Officer,
Treasurer and Secretary

BIG LAKE SERVICES, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Manager

ADMINISTRATIVE AGENT/LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Issuing Lender, Swingline Lender and a Lender

By: /s/ Philip C. Lauinger III
Name: Philip C. Lauinger III
Title: Managing Director

Signature Page to Agreement and Amendment No. 4 to Credit Agreement
(Beckman Production Services, Inc.)

ZB, N.A. dba AMEGY BANK, as an Issuing Lender
and a Lender

By: /s/ Rachel Pletcher
Name: Rachel Pletcher
Title: Vice President

Signature Page to Agreement and Amendment No. 4 to Credit Agreement
(Beckman Production Services, Inc.)

COMERICA BANK, as a Lender

By: /s/ David Balderach
Name: David Balderach
Title: Senior Vice President

Signature Page to Agreement and Amendment No. 4 to Credit Agreement
(Beckman Production Services, Inc.)

HSBC BANK USA, NATIONAL ASSOCIATION
as a Lender

By: /s/ John P. Northington
Name: John P Northington
Title: Senior Vice President

Signature Page to Agreement and Amendment No. 4 to Credit Agreement
(Beckman Production Services, Inc.)

REGIONS BANK,
as a Lender

By: /s/ Stephen J. McGreedy
Name: Stephen J. McGreedy
Title: Managing Director

Signature Page to Agreement and Amendment No. 4 to Credit Agreement
(Beckman Production Services, Inc.)

ANNEX A
TO
AMENDMENT NO. 4 TO CREDIT AGREEMENT

CREDIT AGREEMENT

dated as of May 2, 2014

among

BECKMAN PRODUCTION SERVICES, INC.,
as Borrower,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent, Issuing Lender and Swingline Lender,

and

THE LENDERS PARTY HERETO FROM TIME TO TIME
as Lenders

$145,000,000

WELLS FARGO SECURITIES, LLC,
as Joint Lead Arranger and Sole Bookrunner

and

ZB, N.A. dba AMEGY BANK,
as Joint Lead Arranger and Syndication Agent

and

HSBC BANK USA, NATIONAL ASSOCIATION,
as Documentation Agent

TABLE OF CONTENTS
(continued)

SCHEDULES:

CREDIT AGREEMENT

This Credit Agreement dated as of May 2, 2014 (this "***Agreement***") is among **Beckman Production Services, Inc.**, a Delaware corporation (the "***Borrower***"), the Lenders (as defined below), and **Wells Fargo Bank, National Association**, as Administrative Agent (as defined below) for the Lenders, as Issuing Lender (as defined below) and as Swingline Lender (as defined below).

In consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

Section 1.1 Certain Defined Terms. As used in this Agreement, the defined terms set forth in the recitals above shall have the meanings set forth above and the following terms shall have the following meanings (unless otherwise indicated, such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"***Acceptable Security Interest***" means a security interest which (a) exists in favor of the Administrative Agent for its benefit and the ratable benefit of the Secured Parties, (b) is superior to all other security interests (other than the Permitted Liens and other than as to Excluded Perfection Collateral; provided that, no intention to subordinate the Lien of the Administrative Agent and the Secured Parties pursuant to the Security Documents is to be hereby implied or expressed by the permitted existence of such Permitted Liens), (c) secures the Secured Obligations, (d) is enforceable against the Credit Party which created such security interest and (e) except as to Excluded Perfection Collateral, is perfected.

"***Account Control Agreement***" means, as to any deposit account of any Credit Party held with a bank, an agreement or agreements in form and substance reasonably acceptable to the Administrative Agent, among the Credit Party owning such deposit account, the Administrative Agent and such other bank providing the Administrative Agent with control over such deposit account for purposes of the UCC.

"***Account Debtor***" means an account debtor as defined in the UCC.

"***Acquisition***" means the purchase by any Credit Party of any business, division or enterprise, including (i) the purchase of associated assets or operations of, or (ii) the purchase of Equity Interests, or merger or consolidation with, any Person.

"***Additional Lender***" shall have the meaning assigned to such term in Section 2.16(a).

"***Adjusted Base Rate***" means, for any day, the fluctuating rate per annum of interest equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Rate in effect on such day plus ½ of 1.00% and (iii) a rate determined by the Administrative Agent equal to the Daily One-Month LIBOR plus 1.00%. Any change in the Adjusted Base Rate due to a change in the Prime Rate, Daily One-Month LIBOR or the Federal Funds Rate shall be effective on the effective date of such change in the Prime Rate, Daily One-Month LIBOR or the Federal Funds Rate.

"***Adjusted EBITDA***" means (a) for the calculations to be made for the fiscal quarter ending June 30, 2017, EBITDA for such fiscal quarter multiplied by four; (b) for the calculations to be made for the fiscal quarter ending September 30, 2017, EBITDA for the two-fiscal quarter period then ended

multiplied by two; (c) for the calculations to be made for the fiscal quarter ending December 31, 2017, EBITDA for the three-fiscal quarter period then ended multiplied by 4/3; and (d) for the calculations to be made for each fiscal quarter ending on or after March 31, 2018, EBITDA for the four-fiscal quarter period then ended.

"***Administrative Agent***" means Wells Fargo in its capacity as agent for the Lenders pursuant to Section 8.1, and any successor agent pursuant to Section 8.6.

"***Administrative Agent's Office***" means the Administrative Agent' s address as set forth on Schedule II, or such other address as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

"***Administrative Questionnaire***" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"***Advance***" means any advance by a Lender or the Swingline Lender to the Borrower as a part of a Borrowing.

"***Affiliate***" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"***Amendment No. 1 Effective Date***" means August 26, 2014.

"***Amendment No. 2 Effective Date***" means October 16, 2014.

"***Amendment No. 3 Effective Date***" means November 21, 2014.

"***Amendment No. 4 Effective Date***" means January 12, 2016.

"***Anti-Corruption Laws***" means all laws, rules, and regulations of any jurisdiction applicable to each Credit Party from to time concerning or relating to bribery or corruption.

"***Applicable Margin***" means, at any time with respect to each Type of Advance, the Letters of Credit and the Commitment Fees, the percentage rate per annum which is applicable at such time with respect to such Advance, Letter of Credit or Commitment Fee as set forth in Schedule I and subject to further adjustments as set forth in Section 2.9(d).

"***Applicable Period***" has the meaning set forth in Section 2.9(d).

"***Assignment and Assumption***" means an Assignment and Assumption executed by a Lender and an Eligible Assignee and accepted by the Administrative Agent, in substantially the form set forth in Exhibit A.

"***AutoBorrow Agreement***" means any agreement providing for automatic borrowing services between the Borrower and the Swingline Lender.

"***Available Cash***" means the aggregate of all funds held in deposit accounts owned by, or held for the benefit of, the Borrower or any Subsidiary of the Borrower (other than (i) the Cash Collateral Account, and (ii) escrow accounts and third party cash pledges or deposits made in the ordinary course of business).

"***Banking Services***" means each and any of the following bank services provided to any Credit Party by any Banking Services Provider: (a) commercial credit cards, (b) stored value cards and (c) any other Treasury Management Arrangements.

"***Banking Services Obligations***" means any and all obligations of any Credit Party owing to the Banking Services Providers, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"***Banking Services Provider***" means any Lender (other than a Defaulting Lender) or Affiliate of a Lender (other than a Defaulting Lender) that provides Banking Services to any Credit Party.

"***Base Rate Advance***" means an Advance which bears interest based upon the Adjusted Base Rate.

"***BB Value***" means as to any Equipment (a) if such Equipment is covered under a written appraisal delivered and accepted by the Administrative Agent and prepared by an industry recognized third party appraiser acceptable to the Administrative Agent, the NOLV of such equipment as set forth in such appraisal, and (b) as to any other Equipment, the Net Invoice Cost thereof.

"***Borrower***" has the meaning set forth in the preamble to this Agreement.

"***Borrowing***" means a Revolving Borrowing or a Swingline Borrowing.

"***Borrowing Base***" means, without duplication, an amount determined as of a month end and calculated as follows, and determined and adjusted as provided in Section 2.18:

(a) 80% of the Eligible Receivables as of such month end, plus

(b) 50% of the value of Eligible Inventory as of such month end, valued at the lower of cost or market value in accordance with GAAP, plus

(c) 85% of the NOLV of the Eligible Equipment as of such month end (or in the case of Eligible Equipment acquired after November 5, 2015 until the NOLV of such Eligible Equipment is provided for under a written appraisal conducted by an industry recognized third party appraiser acceptable to the Administrative Agent, 80% of the Net Invoice Cost thereof); plus

(d) 65% of the value of Eligible Real Property valued as set forth in the appraisals thereof most recently delivered to, and accepted by, the Administrative Agent, minus

(e) the Rent Reserve Amount in effect at such time as determined by the Administrative Agent in its Permitted Discretion.

Notwithstanding the foregoing, the Administrative Agent may (but is not obligated to) from time to time modify the advance rate set forth in this definition if it determines, in its Permitted Discretion, that such advance rate should be reduced based upon any field exam or appraisal received pursuant to Section 5.12.

"***Borrowing Base Certificate***" means a certificate executed by any Responsible Officer of the Borrower on behalf of the Borrower in the form of the attached Exhibit J which calculates the Borrowing Base and includes the information detailed in Section 5.2(f).

"***Borrowing Base Deficiency***" means the excess, if any, of (a) the Revolving Tranche A Outstandings over (b) the lesser of (i) the aggregate amount of the Commitments minus the outstanding Tranche B Term Advances, and (ii) the Borrowing Base then in effect.

"***Business Day***" means a day (a) other than a Saturday, Sunday, or other day on which the Administrative Agent is authorized to close under the laws of, or is in fact closed in, New York or Texas, and (b) if the applicable Business Day relates to any Eurodollar Advances, on which dealings are carried on by commercial banks in the London interbank market.

"***Capital Expenditures***" means, for any Person and period of its determination, without duplication, the aggregate of all expenditures and costs (whether paid in cash or accrued as liabilities during that period and including that portion of payments under Capital Leases that are capitalized on the balance sheet of such Person) of such Person during such period that, in conformity with GAAP, are required to be included in or reflected as property, plant, equipment or other similar fixed asset accounts on the balance sheet of such Person, but excluding any such expenditure made to restore, replace or rebuild Property to the condition of such Property immediately prior to any damage, loss, destruction or condemnation of such Property, to the extent such expenditure is made with insurance proceeds, condemnation awards or damage recovery proceeds relating to any such damage, loss, destruction or condemnation.

"***Capital Leases***" means, for any Person, any lease of any Property by such Person as lessee which would, in accordance with GAAP, be required to be classified and accounted for as a capital lease on the balance sheet of such Person.

"***Cash Collateral Account***" means a special cash collateral account pledged to the Administrative Agent containing cash deposited pursuant to the terms hereof to be maintained with the Administrative Agent in accordance with the terms hereof.

"***Cash Collateralize***" means, to deposit in a Cash Collateral Account or pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the Issuing Lender, Swingline Lender or Lenders, as collateral for Letter of Credit Obligations or obligations of Lenders to fund participations in respect of Letter of Credit Obligations or Swingline Advances, cash or deposit account balances or, if the Administrative Agent, the Swingline Lender and the Issuing Lender shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent, the Issuing Lender and the Swingline Lender. "***Cash Collateral***" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"***Casualty Event***" means the damage, destruction or condemnation, as the case may be, of property of any Person or any of its Subsidiaries, including by process of eminent domain or any Disposition of property in lieu of condemnation.

"***CERCLA***" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.), as amended, analogous state and local laws, and all rules and regulations and legally enforceable requirements promulgated thereunder, in each case as now or hereafter in effect.

"***Certificated Equipment***" means any equipment the ownership of which is evidenced by, or under applicable Legal Requirement, is required to be evidenced by, a certificate of title.

"***Change in Control***" means the occurrence of any of the following events: (a) prior to the closing of the Offering, (i) SCF ceases to own, directly or indirectly, more than forty percent (40%) of the Voting Securities of the Borrower or (ii) SCF and Prior Owners jointly cease to own more than fifty percent (50%) of the Voting Securities of the Borrower, and (b) after the closing of the Offering (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than SCF becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 33% or more of the equity securities of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right), or (ii) during any period of 12 consecutive months that occurs after the closing of an Offering, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (A) who were members of that board or equivalent governing body on the first day of such period, (B) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (A) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (C) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (A) and (B) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

"***Change in Law***" means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any Legal Requirements, (b) any change in any Legal Requirement or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"***Class***" has the meaning set forth in Section 1.4.

"***Closing Date***" means the date of this Agreement.

"***Closing Date Acquisition Agreement***" means the Membership Interest Purchase Agreement dated May 2, 2014 by and among RedZone Holdco, LLC, the sellers named therein and the Borrower.

"***Closing Date Acquisition***" means the acquisition by the Borrower on the Closing Date, either directly or indirectly, of 100% of the Equity Interests in RedZone.

"***Closing Date EBITDA***" means EBITDA for the twelve month period ended February 28, 2014 after giving pro forma effect to the Closing Date Acquisition.

"***Closing Date Leverage Ratio***" means, the ratio of (a) Funded Debt as of the Closing Date after giving pro forma effect to the Transactions, to (b) Closing Date EBITDA.

"***Code***" means the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereof.

"***Collateral***" means all property of the Credit Parties which is "***Collateral***" or "***Mortgaged Property***" or similar terms used in the Security Documents.

"***Collateral Access Agreement***" means a landlord lien waiver or subordination agreement, bailee letter or any other agreement, in any case, in form and substance reasonably acceptable to the Administrative Agent and executed by the parties thereto.

"***Commitment***" means, for each Lender, the obligation of each Lender to advance to the Borrower the amount set forth opposite such Lender' s name on Schedule II as its Commitment, or if such Lender has entered into any Assignment and Assumption or is an Increasing Lender or an Additional Lender, set forth for such Lender as its Commitment in the Register, as such amount may be reduced pursuant to Section 2.1(b)(i); provided that, after the Maturity Date, the Commitment for each Lender shall be zero. The aggregate Commitments on the Amendment No. 4 Effective Date is $145,000,000.

"***Commitment Fees***" means the fees required under Section 2.8(a).

"***Commitment Increase***" has the meaning set forth in Section 2.16(a).

"***Commodity Exchange Act***" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"***Communications***" shall have the meaning set forth in Section 9.9(b)(i).

"***Compliance Certificate***" means a compliance certificate executed by a Responsible Officer of the Borrower or such other Person as required by this Agreement in substantially the same form as Exhibit D.

"***Connection Income Taxes***" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"***Control***" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise, and the terms "Controlled by" or "under common Control with" shall have the correlative meanings.

"***Controlled Group***" means all members of a controlled group of corporations and all businesses (whether or not incorporated) under common control which, together with the Borrower or any Subsidiary (as applicable), are treated as a single employer under Section 414 of the Code.

"***Convert***", "***Conversion***" and "***Converted***" each refers to a conversion of Advances of one Type into Advances of another Type pursuant to Section 2.5(b) and Section 2.5(c).

"***Credit Documents***" means this Agreement, the Notes, the Letter of Credit Documents, the Guaranty, the Notices of Borrowing, the Notices of Continuation or Conversion, the Security Documents, any AutoBorrow Agreement, the Fee Letter, and each other agreement, instrument, or document executed at any time in connection with this Agreement.

"***Credit Extension***" means an Advance or a Letter of Credit Extension.

"***Credit Parties***" means the Borrower and the Guarantors.

"***Daily One-Month LIBOR***" means, for any day, the rate of interest equal to the Eurodollar Rate then in effect for delivery for a one (1) month period.

"***Debt***" means, for any Person, without duplication: (a) indebtedness of such Person for borrowed money; (b) to the extent not covered under clause (a) above, obligations under letters of credit and agreements relating to the issuance of letters of credit, bankers' acceptances, bank guaranties, surety bonds and similar instruments; (c) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (d) obligations of such Person under conditional sale or other title retention agreements relating to any Properties purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business); (e) obligations of such Person to pay the deferred purchase price of property or services (such obligations including, without limitation, any earn-out obligations, contingent obligations, or other similar obligations associated with such purchase but excluding any such obligations to make payments in the form of Equity Interests of the Borrower that does not otherwise constitute Debt) but excluding trade accounts payable in the ordinary course of business and, in each case, either not past due for more than 90 days after the date on which such trade account payable was created or being contested in good faith and for which adequate reserves have been made in accordance with GAAP; (f) obligations of such Person as lessee under Capital Leases and obligations of such Person in respect of synthetic leases; (g) obligations of such Person under any Hedging Arrangement; (h) all obligations of such Person to mandatorily purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person on a date certain or upon the occurrence of certain events or conditions, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends (which obligations do not include, for the avoidance of doubt, any obligations to issue Equity Interests in respect of warrants), excluding the obligation to buyback common Equity Interests held by any present or former employee in connection with any severance agreement with such Person; (i) the Debt of any partnership or unincorporated joint venture in which such Person is a general partner or a joint venturer, but only to the extent to which there is recourse to such Person for the payment of such Debt; (j) obligations of such Person under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) of such Person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (a) through (i) above; and (k) indebtedness or obligations of others of the kinds referred to in clauses (a) through (j) secured by any Lien on or in respect of any Property of such Person, but if recourse is only to such Property, then only to the extent of the lesser of the amount of the Debt secured thereby and the fair market value of the Property subject to such Lien.

"***Debt Incurrence***" means any issuance or sale by the Borrower or any of its Subsidiaries of any Debt after the Closing Date other than Permitted Debt.

"***Debt Incurrence Proceeds***" means, with respect to any Debt Incurrence, all cash and cash equivalent investments received by the Borrower or any of its Subsidiaries from such Debt Incurrence after payment of, or provision for, all underwriter fees and expenses, original issue discount, SEC and blue sky fees, printing costs, fees and expenses of accountants, lawyers and other professional advisors, brokerage commissions and other out-of-pocket fees and expenses actually incurred in connection with such Debt Incurrence; provided that, an original issue discount shall not reduce the amount of such Debt Incurrence Proceeds unless such discount is due and payable at or immediately following the closing of such Debt Incurrence and such discount has not already been taken into account to reduce the amount of proceeds received by the Borrower or such Subsidiary from such Debt Incurrence.

"***Debtor Relief Laws***" means (a) the Bankruptcy Code of the United States, and (b) all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"***Default***" means (a) an Event of Default or (b) any event or condition which with notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"***Default Rate***" means a per annum rate equal to (a) in the case of principal of any Advance, 2.00% plus the rate otherwise applicable to such Advance as provided in Section 2.9(a), Section 2.9(b), or Section 2.9(c), and (b) in the case of any other Obligation other than letter of credit fees, 2.00% plus the non-default rate applicable to Tranche B Term Advances that are Base Rate Advances as provided in Section 2.9(a), and (c) when used with respect to letter of credit fees, a rate equal to the Applicable Margin for Revolving Tranche A Advances that are Eurodollar Advances plus 2.00% per annum.

"***Defaulting Lender***" means, subject to Section 2.17, any Lender that (a) (except, with regards to the funding of Swingline Advances, the Swingline Lender) has failed to (i) fund all or any portion of its Advances within two Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender' s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied or waived, or (ii) pay to the Administrative Agent, the Issuing Lender, the Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Advances) within two Business Days of the date when due, (b) (except, with regards to the funding of Swingline Advances, the Swingline Lender) has notified the Borrower, the Administrative Agent or the Issuing Lender or the Swingline Lender in writing, or has made a public statement to the effect, that it does not intend to comply with its funding obligations hereunder (unless such writing or public statement relates to such Lender' s obligation to fund an Advance hereunder and states that such position is based on such Lender' s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower in form and substance satisfactory to the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.17) upon delivery of written notice of such determination to the Borrower, the Issuing Lender, the Swingline Lender and each Lender.

"***Disposition***" means any sale, lease, transfer, assignment, conveyance, or other disposition of any Property; "***Dispose***" or similar terms shall have correlative meanings.

"***Dollars***" and "***$***" means lawful money of the United States.

"***Domestic Subsidiary***" means any Subsidiary that is not a Foreign Subsidiary.

"***EBITDA***" means, for any period, without duplication, (a) the Borrower' s consolidated Net Income for such period plus (b) to the extent deducted in determining such consolidated Net Income for such period, Interest Expense, Federal, state, local and foreign income taxes (including Texas franchise taxes), depreciation, amortization and other non-cash charges for such period (including any provision for the reduction in the carrying value of assets recorded in accordance with GAAP and including non-cash charges resulting from the requirements of ASC 410, 718 and 815) for such period plus (c) to the extent deducted in determining such consolidated Net Income for such period, any cash charges or other expenses incurred in connection with the Transactions during such period, plus (d) to the extent deducted in determining such consolidated Net Income for such period, any cash charges or other expenses incurred in connection with the Amendment No. 4 during such period, plus (e) to the extent deducted in determining such consolidated Net Income for such period, reasonable non-recurring cash charges and expenses incurred in connection with Permitted Acquisitions during such period; plus (f) to the extent deducted in determining such consolidated Net Income for such period, non-cash equity-based compensation paid for such period; plus (g) to the extent deducted in determining such consolidated Net Income for such period, restructuring and other non-recurring expenses incurred during such period, including severance costs, costs associated with office or plant openings or closings and consolidation or relocation fees for such period; minus (h) all non-cash items of income which were included in determining such consolidated Net Income (including non-cash income resulting from the requirements of ASC 410, 718 and 815); provided that such EBITDA shall be subject to pro forma adjustments for Acquisitions (including the Closing Date Acquisition) and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be made in a manner reasonably acceptable to the Administrative Agent and with supporting documentation reasonably acceptable to the Administrative Agent;

provided further, that, for purposes of calculating "EBITDA" the aggregate amounts added back pursuant to clauses (e) and (g) above (excluding any such amounts added back to EBITDA prior to January 1, 2016) shall not exceed an amount equal to the greater of (x) $1,000,000 for any four fiscal quarter period beginning with the fiscal quarter ending on March 31, 2016 and (y) five percent (5%) of EBITDA (without giving effect to clauses (e) and (g) above) for any four fiscal quarter period unless otherwise agreed to by the Administrative Agent. For the avoidance of doubt, such amounts added back pursuant to such clauses (e) and (g) above may occur in any incremental amount for any fiscal quarter so long as the aggregate amounts added back during any four-fiscal quarter period which includes such fiscal quarter do not exceed the cap set forth in the immediately preceding proviso.

"***Eligible Assignee***" means any Person that meets the requirements to be an assignee under Section 9.7(a)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 9.7(a)(iii)).

"***Eligible Equipment***" means with respect to any Credit Party, without duplication, all Equipment of such Credit Party in each case reflected on its books in accordance with GAAP which conforms to the representations and warranties in Article IV hereof and in the Security Documents to the extent such provisions are applicable and:

(a) in which there is an Acceptable Security Interest in favor of the Administrative Agent;

(b) which does not constitute immovable leasehold improvements or fixtures located on leased Property;

(c) which is not subject to any third party' s Lien, including Permitted Liens, which would be superior to the Lien of the Administrative Agent created under the Security Documents (other than landlord, bailee, mechanic or other similar Liens permitted under Section 6.2(b) which are addressed in clause (e) below and Liens permitted under Section 6.2(d) for taxes that are not yet due and payable);

(d) which has not become obsolete, has not been materially damaged and is operational and is saleable or leasable in its present state for the use for which it was manufactured or purchased; provided that, damaged Equipment that is not obsolete but is repairable and held by a third party for such repair shall be deemed to qualify under this clause (d) only to the extent that (i) such Equipment is not held by such third party for more than 45 days and (ii) the aggregate BB Value of such Equipment held by a third party does not exceed $2,500,000);

(e) which is stored when not in use only on premises that are owned by a Credit Party, or at a Third Party Location that is subject to a Collateral Access Agreement in favor of the Administrative Agent or which Third Party Location is covered under the Rent Reserve Amount for such Borrowing Base in the Administrative Agent' s Permitted Discretion (in each case, other than Equipment stored in the ordinary course of business on any customer site for less than thirty days); and

(f) which either (i) Administrative Agent (or its designated agent) has received the original certificate of title to such Equipment and such other documents, agreements or instruments as the Administrative Agent may request which are required in order to register the Administrative Agent' s first priority Lien on the certificate of title for such Certificated Equipment, or (ii) such Equipment is not a Certificated Equipment.

"***Eligible Inventory***" means with respect to any Credit Party, Inventory that is of a type customarily held as Inventory in the respective Credit Parties' business as being conducted on the Amendment No. 4 Effective Date, but specifically excluding Inventory which meets any of the following conditions or descriptions:

(a) Inventory in which the Administrative Agent does not have an Acceptable Security Interest;

(b) Inventory with respect to which a claim exists disputing applicable Credit Party' s title to or right to possession;

(c) obsolete or slow moving Inventory for which a reserve has been booked by the applicable Credit Party in accordance with GAAP;

(d) rejected, spoiled or damaged Inventory, or otherwise not readily saleable or usable in its present state for the use for which it was processed or purchased;

(e) Inventory that has been shipped or delivered to a customer on consignment, on a sale or return basis, or on the basis of any similar understanding;

(f) Inventory which is in transit (provided that, "in transit" shall be deemed not to include any situation or circumstance where each of the following conditions are met: (i) the Inventory is "in transit" between Credit Parties, and (ii) a Credit Party retains title to such Inventory);

(g) Inventory held for lease;

(h) Inventory (i) which is located on premises owned or operated by the customer that is to purchase such Inventory or (ii) which is located at any Third Party Location that is not subject to a Collateral Access Agreement other than, as to any determination of the Borrowing Base, such premises described in this clause (h)(ii) which are covered under the Rent Reserve Amount for such Borrowing Base in Administrative Agent' s Permitted Discretion;

(i) Inventory that does not comply with any Legal Requirement or the standards imposed by any Governmental Authority having authority over such Inventory or such applicable Credit Party with respect to its manufacture, use, or sale;

(j) Inventory that is bill and hold goods or deferred shipment;

(k) Inventory evidenced by any negotiable document of title unless such document of title has been delivered to the Administrative Agent, duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Administrative Agent;

(l) Inventory produced in violation of the Fair Labor Standards Act or that is subject to the "hot goods" provisions contained in Title 29 U.S.C. §215;

(m) Inventory that is subject to any agreement which would, in any material respect, restrict Administrative Agent' s ability to sell or otherwise dispose of such Inventory;

(n) Inventory that is located in a jurisdiction outside the United States (other than Canada and any province or territory of Canada), any state thereof or in any territory or possession of the United States that has not adopted Article 9 of the UCC;

(o) Inventory that is subject to any third party' s Lien (including Permitted Liens) which would be superior to the Lien of Administrative Agent created under the Credit Documents (other than Liens permitted under Section 6.2(b) which are covered under the Rent Reserve Amount for such Borrowing Base in Administrative Agent' s Permitted Discretion and Liens permitted under Section 6.2(d) for taxes that are not yet due and payable);

(p) Inventory that would constitute raw materials, work in process or supplies or materials consumed in the business of any Credit Party or Subsidiary thereof, other than coil tubing and backup Inventory;

(q) Inventory that would constitute a custom made or specialized inventory for a specific customer which cannot be sold to any other customer without requiring additional processing in any material respect; or

(r) Inventory that is otherwise deemed ineligible by the Administrative Agent in its Permitted Discretion.

Inventory which is at any time Eligible Inventory but which subsequently fails to meet any of the foregoing requirements shall forthwith cease to be Eligible Inventory at the time of submission of the next Borrowing Base Certificate (other than in the event the Borrowing Base is redetermined under the proviso in Section 2.18(a)) until such time as the foregoing requirements are met with respect to such Inventory. Notwithstanding the foregoing, Administrative Agent may, from time to time, change the criteria for Eligible Inventory based on either: (i) an event, condition or other circumstance arising after the

Amendment No. 4 Effective Date, or (ii) an event, condition or other circumstance existing on the Amendment No. 4 Effective Date to the extent the Administrative Agent has no written notice thereof from any Credit Party prior to the Amendment No. 4 Effective Date or is not otherwise reflected in any appraisals, reports or other similar written information received by the Administrative Agent in connection with this Agreement prior to the Amendment No. 4 Effective Date, in either case under clause (i) or (ii) which adversely affects (other than in a *de minimis* manner) or, could reasonably be expected to adversely affect (other than in a *de minimis* manner), the Inventory, as determined by the Administrative Agent in its Permitted Discretion. If any Inventory is deemed ineligible solely as a result of clause (r) above or as a result of a change in criteria permitted in the previous sentence, then the Administrative Agent shall notify the Borrower of such ineligibility or such change in criteria.

"***Eligible Real Property***" means with respect to any Credit Party, without duplication, all real property of such Credit Party (other than leasehold interest held by such Person in leased premises, including leased buildings, building improvements, storage facilities and storage lots), in each case reflected on its books in accordance with GAAP which conforms to the representations and warranties in Article IV hereof and in the Mortgages to the extent such provisions are applicable and which:

(a) is subject to a Mortgage and is subject to no Liens other than Permitted Liens permitted under Section 6.2(b), (d) or (g);

(b) is covered under a title policy (or acceptable endorsement to the applicable existing mortgagee title policy) acceptable to the Administrative Agent and demonstrating that the Administrative Agent' s Lien and security interest on such property constitutes a valid lien covering real property and all improvements thereon having the priority required by the Administrative Agent and subject only to Permitted Liens permitted under Section 6.2(b), (d) or (g) and other minor title defects which the Administrative Agent may approve in writing (such approval not to be unreasonably withheld or delayed);

(c) is covered by a survey which has been delivered to the Administrative Agent to the extent deemed reasonably necessary by the Administrative Agent;

(d) is covered under environmental assessments as reasonably requested by the Administrative Agent and as to which all related environmental information reasonably requested by the Administrative Agent has been delivered to the Administrative Agent;

(e) is covered by a third party independent appraisal reasonably requested by the Administrative Agent and otherwise in compliance with the requirements of the Federal Institutions Reform, Recovery and Enforcement Act of 1989, or any successor thereto;

(f) is covered under either (i) a flood determination certificate issued by the appropriate Governmental Authority or third party indicating that such property is not designated as a "special flood hazard area" or (ii) if such property is designated a "special flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), flood insurance as required under Section 5.3(d); and

(g) to the extent required by the Administrative Agent with respect to owned real property leased to third parties, is covered by one or more subordination agreements in form and substance reasonably acceptable to the Administrative Agent and executed and delivered by any tenants thereon (it being understood that such subordination terms, if reasonably acceptable to the Administrative Agent, may be set forth in the applicable tenant leases); and

(h) to the extent required by the Administrative Agent with respect to real property ground leased from third parties, is covered by one or more recognition agreements in form and substance reasonably acceptable to the Administrative Agent and executed and delivered by any ground lessors (it being understood that such mortgagee protection provisions found in recognition agreements, if reasonably acceptable to the Administrative Agent, may be set forth in the applicable ground leases).

"***Eligible Receivables***" means on a consolidated basis and without duplication, all Receivables of such Persons, in each case reflected on its books in accordance with GAAP which conform to the representations and warranties in Article IV hereof and in the Security Documents to the extent such provisions are applicable to the Receivables, and each of which meets all of the following criteria on the date of any determination:

(a) such Receivable is subject to an Acceptable Security Interest in favor of the Administrative Agent;

(b) such Credit Party has good and marketable title to such Receivable,

(c) such Receivable has been billed substantially in accordance with billing practices of such Credit Party in effect on the Amendment No. 4 Effective Date and such Receivable is not unpaid for more than 90 days from the date of the invoice (or such longer period for certain specific Receivables or specific Account Debtors as may otherwise be permitted by the Administrative Agent in its sole discretion);

(d) such Receivable was created in the ordinary course of business of any Credit Party (x) from the performance by such Credit Party of services which have been fully and satisfactorily performed (and not a progress billing or contingent upon any further performance), (y) from the absolute sale on open account (and not on consignment, on approval or on a "sale or return" basis) by such Credit Party of goods (i) in which such Credit Party had sole and complete ownership and (ii) which have been shipped or delivered to the Account Debtor, evidencing which such Credit Party has possession of shipping or delivery receipts, or (z) from the rental by any Credit Party as the lessor of goods owned by such Credit Party;

(e) such Receivable represents a legal, valid and binding payment obligation of the Account Debtor thereof enforceable in accordance with its terms and arises from an enforceable contract;

(f) such Receivable is not due from an Account Debtor that has more than 20% of its aggregate Receivables owed to any Credit Party more than 90 days past the invoice date;

(g) such Receivable is owed by an Account Debtor that any Credit Party deems to be creditworthy and is not owed by an Account Debtor which has (i) applied for, suffered, or consented to the appointment of any receiver, custodian, trustee, or liquidator of its assets, (ii) has had possession of all or a material part of its property taken by any receiver, custodian, trustee or liquidator, (iii) filed, or had filed against it, any request or petition for liquidation, reorganization, arrangement, adjustment of debts, adjudication as bankrupt, winding-up, or voluntary or involuntary case under any Debtor Relief Laws, (iv) has admitted in writing its inability to, or is generally unable to, pay its debts as they become due, (v) become insolvent, or (vi) ceased operation of its business;

(h) the Account Debtor on such Receivable is not a Credit Party, an Affiliate of a Credit Party, nor a director, officer or employee of a Credit Party or of an Affiliate of Credit Party (other than with respect to a portfolio company of SCF and its related funds);

(i) such Receivable is evidenced by an invoice and not evidenced by any chattel paper, promissory note or other instrument;

(j) such Receivable, together with all other Receivables due from the same Account Debtor does not comprise more than 25% of the aggregate Receivables of all Credit Parties with respect to all Account Debtors (provided, however, that the amount of any such Receivable excluded pursuant to this clause (j) shall only be the excess of such amount);

(k) such Receivable is not subject to any set-off, counterclaim, defense, allowance or adjustment and there has been no dispute, objection or complaint by the Account Debtor concerning its liability for such Receivable or a claim for any such set-off, counterclaim, defense, allowance or adjustment by the Account Debtor thereof (provided, however, that the amount of any such Receivable excluded pursuant to this clause (k) shall only be the amount of such set-off, counterclaim, allowance or adjustment or claimed set-off, counterclaim, allowance or adjustment);

(l) such Receivable is owed in Dollars and is due from an Account Debtor organized under applicable law of the United States or any state of the United States;

(m) such Receivable is not due from the United States government, or any department, agency, public corporation, or instrumentality thereof, unless the Federal Assignment of Claims Act of 1940, as amended (31 U.S.C. § 3727 et seq. and 41 U.S.C. § 15 et seq.), and any other steps necessary to perfect the Lien of the Administrative Agent in such Receivable has been complied with to the Administrative Agent' s satisfaction;

(n) such Receivable is not owed by an Account Debtor that is a Sanctioned Person or a Sanctioned Entity;

(o) such Receivable is not the result of (i) work-in-progress, (ii) finance or service charges (other than, for the avoidance of doubt, oil field services rendered by any Credit Party in the ordinary course of business), or (iii) payments of interest;

(p) such Receivable has not been written off the books of any Credit Party or otherwise designated as uncollectible by any Credit Party;

(q) such Receivable is not subject to any reduction thereof, other than discounts and adjustments given in the ordinary course of business and deducted from such Receivable;

(r) such Receivable is not a newly created Receivable resulting from the unpaid portion or credit balance of a partially paid Receivable;

(s) such Receivable is not subject to any third party' s rights (including Permitted Liens other Liens permitted under Section 6.2(d) for taxes that are not yet due and payable) which would be superior to the Lien of the Administrative Agent created under the Credit Documents; and

(t) such Receivable is not otherwise deemed ineligible by the Administrative Agent in its Permitted Discretion.

In the event that a Receivable which was previously an Eligible Receivable ceases to be an Eligible Receivable hereunder, the Borrower shall notify the Administrative Agent thereof on and at the time of submission to the Administrative Agent of the next Borrowing Base Certificate. In determining the amount of an Eligible Receivable, the face amount of such Receivable shall be reduced by, without

duplication, to the extent not reflected in such face amount, (i) the amount of all accrued and actual discounts, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges or other allowances, payables or obligations to the Account Debtor (including any amount that any Credit Party may be obligated to rebate to an Account Debtor pursuant to the terms of any agreement or understanding (written or oral)), (ii) all taxes, duties or other governmental charges included in such Receivable, and (iii) the aggregate amount of all cash received in respect of such Receivable but not yet applied by any Credit Party to reduce the amount of such Receivable.

Notwithstanding the foregoing, the Administrative Agent may, from time to time, in the exercise of its Permitted Discretion, change the criteria for Eligible Receivables based on either: (A) an event, condition or other circumstance arising after the Amendment No. 4 Effective Date or (B) an event, condition or other circumstance existing on the Amendment No. 4 Effective Date to the extent the Administrative Agent has no written notice thereof from any Credit Party prior to the Amendment No. 4 Effective Date or is not otherwise reflected in any appraisals, field exams, reports or other similar written information received by the Administrative Agent in connection with this Agreement prior to the Amendment No. 4 Effective Date, in either case under clause (A) or (B) which adversely affects (other than in a de minimis manner) or could reasonably be expected to adversely affect (other than in a de minimis manner), the Receivables as determined by the Administrative Agent in its Permitted Discretion. If any Receivable is deemed ineligible solely as a result of clause (t) above or as a result of a change in criteria permitted in the previous sentence, then the Administrative Agent shall notify the Borrower of such ineligibility or such change in criteria.

"***Environment***" or "***Environmental***" shall have the meanings set forth in 42 U.S.C. 9601(8).

"***Environmental Claim***" means any third party (including any Governmental Authority) action, lawsuit, claim, demand, regulatory action or proceeding, order, decree, consent agreement or written notice of potential or actual responsibility or violation which seeks to impose liability under any Environmental Law.

"***Environmental Law***" means all federal, state, and local laws, rules, regulations, ordinances, orders, decisions, enforceable agreements, and other Legal Requirements, including duties imposed under common law, now or hereafter in effect and relating to, or in connection with the Environment, including without limitation CERCLA, relating to (a) pollution, contamination, injury, destruction, loss, protection, cleanup, reclamation or restoration of the air, surface water, groundwater, land surface or subsurface strata, or other natural resources; (b) solid, gaseous or liquid waste generation, treatment, processing, recycling, reclamation, cleanup, storage, disposal or transportation; (c) exposure to pollutants, contaminants, hazardous, or toxic substances, materials or wastes; or (d) the manufacture, processing, handling, transportation, distribution in commerce, use, storage or disposal of hazardous, or toxic substances, materials or wastes.

"***Environmental Permit***" means any permit, license, order, approval, registration or other authorization required or issued under Environmental Law.

"***Equipment***" of any Person means (a) all equipment (as defined in the UCC) owned by such Person, wherever located, and (b) all rental tools and other goods (other than consumer goods) customarily held for rent in the oilfield service industry consistent with the past practices and which are considered "equipment" on such Person' s books for purposes of GAAP.

"***Equity Funded Acquisition***" means any Acquisition that is fully funded solely with Equity Issuance Proceeds and were not applied in increasing EBITDA for purposes of Section 7.7.

"***Equity Funded Capital Expenditure***" means Capital Expenditures that are fully funded solely with Equity Issuance Proceeds and were not applied in increasing EBITDA for purposes of Section 7.7.

"***Equity Interest***" means with respect to any Person, any shares, interests, participation, or other equivalents (however designated) of corporate stock, membership interests or partnership interests (or any other ownership interests) of such Person.

"***Equity Issuance***" means any issuance of equity securities or any other Equity Interests (including any preferred equity securities) by the Borrower, including any such issuance upon the exercise of warrants to purchase equity by the holders thereof.

"***Equity Issuance Proceeds***" means (a) with respect to any Equity Issuance, all cash proceeds and Liquid Investments received by the Borrower from such Equity Issuance (other than from any other Credit Party) after payment of, or provision for, all underwriter fees and expenses, SEC and blue sky fees, printing costs, fees and expenses of accountants, lawyers and other professional advisors, brokerage commissions and other out-of-pocket fees and expenses actually incurred in connection with such Equity Issuance, and (b) with respect to existing Equity Interests, cash contributions made to the Borrower from the holders of its Equity Interests on account of common equity.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"***Eurocurrency Liabilities***" has the meaning assigned to that term in Regulation D of the Federal Reserve Board as in effect from time to time.

"***Eurodollar Advance***" means an Advance that bears interest based upon the Eurodollar Rate (other than Advances that bear interest based upon the Daily One-Month LIBOR).

"***Eurodollar Base Rate***" means (a) in determining Eurodollar Rate for purposes of the "Daily One-Month LIBOR", the rate per annum for Dollar deposits quoted by the Administrative Agent for the purpose of calculating effective rates of interest for loans making reference to the "Daily One-Month LIBOR" or the "LIBOR Market Index Rate" or other words of similar import, as the inter-bank offered rate in effect from time to time for delivery of funds for one (1) month in amounts approximately equal to the principal amount of the applicable Advances; provided that, the Administrative Agent may base its quotation of the inter-bank offered rate upon such offers or other market indicators of the inter-bank market as the Administrative Agent in its reasonable discretion deems appropriate including, but not limited to, the rate determined under the following clause (b), and (b) in determining Eurodollar Rate for all other purposes, the rate per annum (rounded upward to the nearest whole multiple of 1/100 of 1%) equal to the interest rate per annum set forth on the Reuters Reference LIBOR01 page (or on any successor or substitute page of such service, or any successor to or substitute for such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) as the London Interbank Offered Rate, for deposits in Dollars at 11:00 a.m. (London, England time) two Business Days prior to the first day of such Interest Period and for a period equal to such Interest Period; provided that, if such quotation is not available for any reason, then for purposes of this clause (b), Eurodollar Base Rate shall then be the rate determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in immediately available funds in the approximate amount of the Advances being made, continued or Converted by the Lenders and with a term equivalent to such Interest Period would be offered by the Administrative Agent' s London Branch (or other branch or Affiliate of the Administrative Agent, or in the event that the Administrative Agent does not have a London branch, the London branch of a Lender chosen by the Administrative Agent) to major banks in the London or other offshore inter-bank market for Dollars at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period;

provided further that, in any event, if the applicable interest rate as determined under any of the preceding provisions of this definition is less than 0%, then "Eurodollar Base Rate" shall be deemed to be equal to 0%.

"***Eurodollar Rate***" means a rate per annum determined by the Administrative Agent pursuant to the following formula:

$$\text{Eurodollar Rate} = \frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

Where,

"***Eurodollar Reserve Percentage***" means, as of any day, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to liabilities or assets consisting of or including Eurocurrency Liabilities. The Eurodollar Rate for each outstanding Advance shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

"***Event of Default***" has the meaning specified in Section 7.1.

"***Excepted Certificated Equipment***" means (a) all Certificated Equipment owned by a Credit Party (that is not subject to a Permitted Lien securing purchase money Debt or Capital Leases which are permitted hereunder) with an individual BB Value of less than $35,000 but only to the extent that the aggregate value of Certificated Equipment constituting Excepted Certificated Equipment under this clause (a) does not exceed $2,000,000 (it being understood that all such Certificated Equipment equal to or in excess of $2,000,000 shall not be Excepted Certificated Equipment regardless of its individual BB Value) and (b) all Certificated Equipment to the extent such equipment is subject to a Permitted Lien securing purchase money Debt or Capital Leases which are permitted hereunder.

"***Excluded Perfection Collateral***" means, unless otherwise elected by the Administrative Agent during the continuance of an Event of Default, collectively (a) Excepted Certificated Equipment, (b) deposit accounts, commodities accounts and securities accounts to the extent an Account Control Agreement is not required under this Agreement, and (c) any other Property with respect to which the Administrative Agent has determined, in its reasonable discretion that the cost of perfecting a security interest in such Property is excessive in relation to the value of the Lien to be afforded thereby.

"***Excluded Properties***" means all (a) Excluded Real Property, (b) commercial tort claims, (c) letter of credit rights, (d) "Excluded Collateral" as defined in the Security Agreement, and (e) all property of any Foreign Subsidiary that is not a Guarantor.

"***Excluded Real Property***" means (a) all leasehold interests held by any Credit Party in leased premises, including leased buildings, building improvements, storage facilities and storage lots, and (b) all other real property owned by a Credit Party with an individual net book value of less than $250,000 but only to the extent that the aggregate net book value of real property constituting Excluded Real Property under this clause (b) does not exceed $2,000,000 (it being understood that all such real property equal to or in excess of $2,000,000 shall not be Excluded Real Property regardless of its individual net book value).

"***Excluded Swap Obligation***" means, with respect to any Guarantor, any Hedge Obligation if, and to the extent that, all or a portion of the guaranty of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Hedge Obligation (or any guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor' s failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guaranty of such Guarantor or the grant of such security interest becomes effective with respect to such Hedge Obligation. If a Hedge Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Hedge Obligation that is attributable to swaps for which such guaranty or security interest is or becomes illegal.

"***Excluded Taxes***" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Advance or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.15) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.14, additional amounts with respect to such Taxes were payable either to such Lender' s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient' s failure to comply with Section 2.14(g), and (d) any U.S. federal withholding Taxes imposed under FATCA.

"***Executive Officer***" means any Responsible Officer of a Subsidiary who is, as part of his/her employment with such Subsidiary, in contact with any Responsible Officer of the Borrower regarding the business and operations of such Subsidiary on a regular basis.

"***Existing Beckman Credit Agreement***" means that certain Credit Agreement, dated as of July 31, 2012, by and among the Borrower, the financial institutions from time to time party thereto as lenders, and ZB, N.A. dba Amegy Bank (fka Amegy Bank National Association), as agent for such lenders, as amended from time to time prior to the Closing Date.

"***Existing Credit Agreements***" means, collectively, the Existing Beckman Credit Agreement and the Existing RedZone Credit Agreement.

"***Existing Letter of Credit***" means that certain standby letter of credit no. SC 8357 in the stated amount of $450,000 issued on July 25, 2013 by ZB, N.A. dba Amegy Bank (fka Amegy Bank National Association), in favor of Zurich American Insurance Company for the account of the Borrower.

"Existing RedZone Credit Agreement" means that certain Credit Agreement, dated as of June 5, 2013, by and among RedZone, the financial institutions from time to time party thereto as lenders, and Wells Fargo Bank, National Association, as agent for such lenders, as amended from time to time prior to the Closing Date.

"***Extraordinary Receipts***" means any proceeds resulting from a Casualty Event, including any insurance proceeds.

"***Facility***" means, collectively, (a) the revolving credit facility described in Section 2.1(a), (b) the Swingline subfacility provided by the Swingline Lender described in Section 2.4 and (c) the letter of credit subfacility provided by the Issuing Lender described in Section 2.3.

"***FATCA***" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to such intergovernmental agreement.

"***FCPA***" means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.

"***Federal Funds Rate***" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to the Administrative Agent (in its individual capacity) on such day on such transactions as determined by the Administrative Agent.

"***Federal Reserve Board***" means the Board of Governors of the Federal Reserve System or any of its successors.

"***Fee Letter***" means, collectively, (i) that certain engagement letter dated as of April 7, 2014, among the Borrower and the Joint Lead Arrangers, (ii) that certain fee letter dated as of April 7, 2014 between the Borrower and Wells Fargo, (iii) that certain fee letter dated as of August 14, 2014 between the Borrower and Wells Fargo Securities, LLC, (iv) that certain fee letter dated as of September 30, 2014 between the Borrower and Wells Fargo Securities, LLC, (v) that certain fee letter dated as of November 6, 2014 between the Borrower and Wells Fargo Securities, LLC and (vi) that certain amendment engagement letter dated as of November 23, 2015 between the Borrower and Wells Fargo Securities, LLC.

"***First Tier Foreign Subsidiary***" means any Foreign Subsidiary the Equity Interests of which are held directly by the Borrower or a Domestic Subsidiary.

"***Fixed Charge Coverage Ratio***" means, as of the last day of any fiscal quarter, the ratio of (a) an amount equal to EBITDA for such fiscal quarter to (b) Fixed Charges.

"***Fixed Charges***" means, with respect to the calculations to be made as of the last day of any fiscal quarter, without duplication, the sum of (a) cash Interest Expense required to be paid during such fiscal quarter plus (b) the originally scheduled amount of principal payments of Funded Debt required to be paid during such fiscal quarter (after giving effect to any amendments to such principal amounts as agreed in writing by the applicable parties but not giving effect to any actual payments thereof regardless of when such payments are made).

"***Flood Laws***" shall have the meaning set forth in Section 9.21.

"***Foreign Lender***" means, with respect to the Borrower, any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"***Foreign Subsidiary***" means any Subsidiary of a Borrower that is not a United States person within the meaning of Section 7701(a)(30) of the Code, provided, however that any Subsidiary that is disregarded for U.S. Federal income tax purposes and the Equity Interests of which are held directly by the Borrower or a Domestic Subsidiary shall be deemed not to be a "Foreign Subsidiary".

"***Fronting Exposure***" means, at any time there is a Defaulting Lender, (a) with respect to the Issuing Lender, such Defaulting Lender' s Pro Rata Share of the outstanding Letter of Credit Exposure other than Letter of Credit Exposure as to which such Defaulting Lender' s participation obligation has been funded by it, reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swingline Lender, such Defaulting Lender' s Pro Rata Share of outstanding Swingline Advances other than Swingline Advances as to which such Defaulting Lender' s participation obligation has been funded by it or reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"***Funded Debt***" means, as to the Borrower and its consolidated Subsidiaries, without duplication:

(a) all Debt of such Person of the type described in clauses (a), (b), (c), (d) and (f) of the definition of "Debt" but excluding any Debt permitted under Section 6.1(j);

(b) all Debt of such Person of the type described in clause (e) of the definition of "Debt" other than (i) trade accounts payable incurred in the ordinary course of business, and (ii) contingent obligations of such Person to pay the deferred purchase price of property to the extent, and only to the extent, (A) such obligations are contingent and (B) with respect to earn-out obligations, the amount of such earn-out obligations is not known and payable;

(c) all Debt of such Person of the type described in clause (h) of the definition of "Debt";

(d) all Debt of such Person of the type described in clause (i) of the definition of "Debt", but only to the extent such Debt is of the type included in clause (a)–(c) above;

(e) all Debt of such Person of the type described in clause (j) of the definition of "Debt" but only in respect of Debt of any other Person (other than the Borrower or a Subsidiary) of the type included in clauses (a)–(d) above; and

(f) all Debt of others of the type included in clauses (a)–(e) above secured by any Lien on or in respect of any Property of such Person, but if recourse is only to such Property, then only to the extent of the lesser of the amount of the Debt secured thereby and the fair market value of the Property subject to such Lien.

"***GAAP***" means United States generally accepted accounting principles as in effect from time to time, applied on a basis consistent with the requirements of Section 1.3.

"***G&A Payments***" means cash payments to SCF for payment of (a) any Credit Party' s contractually allocable share of the accounting, legal and other general and administrative expenses incurred in the ordinary course of business by SCF as a result of the general and administrative functions performed on behalf of any Credit Party, (b) management fees, and (c) reimbursement for third-party cash charges or other third-party expenses incurred on behalf of the Borrower or any Guarantor in connection with the Transactions or any Acquisition.

"***Governmental Authority***" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"***Guarantors***" means any Person that now or hereafter executes the Guaranty or a joinder or supplement to the Guaranty, including each of the Subsidiaries of the Borrower as of the Closing Date; provided, that a Foreign Subsidiary will only become a Guarantor if such guarantee would not have an adverse federal income tax consequence for the Borrower.

"***Guaranty***" means the Guaranty Agreement, substantially in the form of Exhibit C, among the Guarantors and the Administrative Agent for the benefit of the Secured Parties.

"***Hazardous Substance***" means any substance or material identified as hazardous or extremely hazardous pursuant to CERCLA and those regulated as hazardous or toxic under any other Environmental Law, including without limitation pollutants, contaminants, petroleum, petroleum products, radionuclides, and radioactive materials.

"***Hazardous Waste***" means any substance or material regulated or designated as a hazardous waste pursuant to any Environmental Law.

"***Hedge Obligation***" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"***Hedging Arrangement***" means a hedge, call, swap, collar, floor, cap, option, forward sale or purchase or other contract or similar arrangement (including any obligations to purchase or sell any commodity or security at a future date for a specific price) which is entered into to reduce or eliminate or otherwise protect against the risk of fluctuations in prices or rates, including interest rates, foreign exchange rates, commodity prices and securities prices, including any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"***Increase Date***" shall have the meaning assigned to such term in Section 2.16(b).

"***Increasing Lender***" shall have the meaning assigned to such term in Section 2.16(a).

"***Indemnified Taxes***" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Credit Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"***Indemnitees***" has the meaning specified in Section 9.1(b).

"***Interest Expense***" means, for any period, total cash interest expense net of gross interest income of the Borrower and its Subsidiaries for such period, letter of credit fees and other fees and expenses incurred by such Person in connection with any Debt for such period whether paid or accrued (including that attributable to obligations which have been or should be, in accordance with GAAP, recorded as Capital Leases; provided that, notwithstanding any changes in GAAP resulting from the implementation of lease accounting rules after the Closing Date, no lease payments shall be treated as "Interest Expense" to the extent that such lease payments would not have been treated as "Interest Expense" prior to such change in GAAP), including, without limitation, all commissions, discounts, and other fees and charges owed with respect to letters of credit and bankers' acceptance financing, fees owed with respect to the Secured Obligations, and net costs under Hedging Arrangements entered into addressing interest rates, all as determined in conformity with GAAP. For the avoidance of doubt, Interest Expense shall exclude amortization of financing fees, the accretion or accrual of discounted liabilities, and other non-cash interest.

"***Interest Period***" means for each Eurodollar Advance comprising part of the same Borrowing, the period commencing on the date such Eurodollar Advance is made or deemed made and ending on the last day of the period selected by the Borrower pursuant to the provisions below and Section 2.5, and thereafter, each subsequent period commencing on the day following the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below and Section 2.5. The duration of each such Interest Period shall be one, three, or six months, in each case as the Borrower may select, provided that:

(a) the Borrower shall select Interest Periods so that it is not necessary to repay any portion of any Tranche B Term Advance prior to the last day of the applicable Interest Period in order to make a mandatory scheduled repayment required pursuant to Section 2.7(a);

(b) Interest Periods commencing on the same date for Advances comprising part of the same Borrowing shall be of the same duration;

(c) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day;

(d) any Interest Period which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month in which it would have ended if there were a numerically corresponding day in such calendar month; and

(e) the Borrower may not select any Interest Period for any Advance which ends after the Maturity Date.

"***Inventory***" of any Person means (a) all inventory (as defined in the UCC) owned by such Person, wherever located and whether or not in transit, which is held for sale and (b) other goods which are held for use in the ordinary course of business and which are considered "inventory" on such Person' s books for purposes of GAAP.

"***Investment***" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, or purchase or other acquisition of any Debt

or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"***IP Rights***" has the meaning set forth in Section 4.21.

"***IRS***" means the United States Internal Revenue Service.

"***ISP***" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

"***Issuing Lender***" means, as the case may be, (i) Wells Fargo in its capacity as a Lender that issues Letters of Credit for the account of any Credit Party pursuant to the terms of this Agreement and (ii) solely with respect to the Existing Letter of Credit, ZB, N.A. dba Amegy Bank.

"***Joint Lead Arrangers***" means Wells Fargo Securities, LLC and ZB, N.A. dba Amegy Bank, in their respective capacities as Joint Lead Arrangers.

"***Joint Venture***" means, with respect to any Person (the "***holder***") at any date, any incorporated, formed or organized corporation, limited liability company, partnership, association or other entity, a less than a majority of whose outstanding Voting Securities shall at any time be owned by the holder or one more Subsidiaries of the holder. Unless expressly provided otherwise, all references herein to any "Joint Venture" or "Joint Ventures" means a Joint Venture or Joint Ventures of the Borrower.

"***Legal Requirement***" means any law, statute, treaty ordinance, decree, requirement, order, judgment, rule, regulation (or official interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority, including, but not limited to, Regulations T, U, and X.

"***Lender Parties***" means Lenders, the Issuing Lender, the Swingline Lender and the Administrative Agent.

"***Lenders***" means the Persons listed on the signature pages hereto as Lenders, any other Person that shall have become a Lender hereto pursuant to Section 2.15 or Section 2.16, and any other Person that shall have become a Lender hereto pursuant to an Assignment and Assumption, but in any event, excluding any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" references the Revolving Lenders and the Swingline Lender.

"***Lending Office***" means, as to any Lender, the office or offices of such Lender described as such in such Lender' s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

"***Letter of Credit***" means any standby or commercial letter of credit issued by the Issuing Lender for the account of the Borrower or any Guarantor pursuant to the terms of this Agreement, in such form as may be agreed by the Borrower and the Issuing Lender.

"***Letter of Credit Application***" the Issuing Lender' s standard form letter of credit application for standby or commercial letters of credit which has been executed by the Borrower and any applicable Subsidiary and accepted by the Issuing Lender in connection with the issuance of a Letter of Credit.

"***Letter of Credit Documents***" means all Letters of Credit, Letter of Credit Applications, the Letter of Credit Reimbursement Agreements, and amendments thereof, and agreements, documents, and instruments entered into in connection therewith or relating thereto.

"***Letter of Credit Exposure***" means, at the date of its determination by the Administrative Agent, the aggregate outstanding undrawn amount of Letters of Credit plus the aggregate unpaid amount of all of the Borrower' s payment obligations under drawn Letters of Credit.

"***Letter of Credit Extension***" means, with respect to any Letter of Credit, the issuance thereof, extension of the expiry date thereof, or the increase of the amount thereof.

"***Letter of Credit Maximum Amount***" means $5,000,000; provided that, on and after the Maturity Date, the Letter of Credit Maximum Amount shall be zero.

"***Letter of Credit Obligations***" means any obligations of the Borrower under this Agreement in connection with the Letters of Credit.

"***Letter of Credit Reimbursement Agreement***" means the Issuing Lender' s standard form letter of credit reimbursement agreement for standby or commercial letters of credit which has been executed by the Borrower and accepted by such Issuing Lender in connection with the issuance of a Letter of Credit.

"***Letter of Credit Termination Date***" means the 5th Business Day prior to the Maturity Date.

"***Leverage Ratio***" means, as of each fiscal quarter end, the ratio of (a) the Funded Debt as of the last day of such fiscal quarter to (b) Adjusted EBITDA.

"***Lien***" means any mortgage, lien, pledge, charge, deed of trust, security interest, or encumbrance to secure or provide for the payment of any obligation of any Person, whether arising by contract, operation of law, or otherwise (including the interest of a vendor or lessor under any conditional sale agreement, Capital Lease, or other title retention agreement).

"***Liquid Investments***" means (a) readily marketable direct full faith and credit obligations of the United States of America or obligations unconditionally guaranteed by the full faith and credit of the United States of America; (b) commercial paper issued by (i) any Lender or any Affiliate of any Lender or (ii) any commercial banking institutions or corporations rated at least P-1 by Moody' s or A-1 by S&P; (c) certificates of deposit, time deposits, and bankers' acceptances issued by (i) any of the Lenders or (ii) any other commercial banking institution which is a member of the Federal Reserve System and has a combined capital and surplus and undivided profits of not less than $250,000,000.00 and rated Aa by Moody' s or AA by S&P; (d) repurchase agreements which are entered into with any of the Lenders or any major money center banks included in the commercial banking institutions described in clause (c) and which are secured by readily marketable direct full faith and credit obligations of the government of the United States of America or any agency thereof; (e) investments in any money market fund which holds investments substantially of the type described in the foregoing clauses (a) through (d); and (f) other investments made through the Administrative Agent or its Affiliates. All the Liquid Investments described in clauses (a) through (d) above shall have maturities of not more than 365 days from the date of issue.

"***Liquidity***" means, as of a date of determination, the sum of (a) an amount equal to (i) the aggregate Commitments in effect on such date, minus (ii) the Revolving Outstandings on such date, plus (b) readily and immediately available cash held in deposit accounts of any Credit Party in the United States (other than the Cash Collateral Account) on such date; provided that, such deposit accounts and the funds therein shall be unencumbered and free and clear of all Liens and other third party rights other than a Lien in favor of the Administrative Agent pursuant to Security Documents and the Liens described in Section 6.2(h).

"***Majority Lenders***" means (a) other than as provided in clause (b) or (c) below, three or more Revolving Lenders holding greater than 50% of the sum of (i) the aggregate unfunded Commitments at such time plus (ii) the aggregate unpaid principal amount of the Revolving Advances (with the aggregate amount of each Lender' s risk participation and funded participation in the Letter of Credit Exposure (including any such Letter of Credit Exposure that has been reallocated pursuant to Section 2.17) and Swingline Advances being deemed "held" by such Lender for purposes of this definition); (b) at any time where there are only two Revolving Lenders, both Revolving Lenders; and (c) at any time when there is only one Revolving Lender, such Revolving Lender; provided that, in any event, if there are two or more Revolving Lenders, the Commitment of, and the portion of the Advances and Letter of Credit Exposure held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Majority Lenders unless all Revolving Lenders are Defaulting Lenders.

"***Material Adverse Change***" means any event, development or circumstance that has had or would reasonably be expected to have a material adverse effect on (a) the business, operations, property or financial condition of the Borrower and its Subsidiaries, taken as a whole, or (b) on the validity or enforceability of any Credit Document or any right or remedy of any Secured Party under any Credit Document.

"***Maturity Date***" means the earlier of (a) June 30, 2018, and (b) the earlier termination in whole of the Commitments pursuant to Section 2.1(b)(i) or Article VII.

"***Maximum Exposure Amount***" means, at any time for each Lender, the sum of (a) the unfunded Commitment held by such Lender at such time; plus (b) the Revolving Outstandings held by such Lender at such time (with the aggregate amount of such Lender' s risk participation and funded participation in the Letter of Credit Exposure (including any such Letter of Credit Exposure that has been reallocated pursuant to Section 2.17) and Swingline Advances being deemed "held" by such Lender for purposes of this definition).

"***Maximum Rate***" means the maximum nonusurious interest rate under applicable Legal Requirements.

"***Minimum Collateral Amount***" means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to the sum of (i) 105% of the Fronting Exposure of the Issuing Lender with respect to Letters of Credit issued and outstanding at such time and (ii) 100% of the Fronting Exposure of the Swingline Lender with respect to Swingline Sublimit Amount, and (b) otherwise, an amount determined by the Administrative Agent and the Issuing Lender in their reasonable discretion.

"***Moody's***" means Moody' s Investors Service, Inc. and any successor thereto which is a nationally recognized statistical rating organization.

"***Mortgage***" means each mortgage or deed of trust in form reasonably acceptable to the Administrative Agent executed by any Credit Party to secure all or a portion of the Secured Obligations.

"***Multiemployer Plan***" means a "***multiemployer plan***" as defined in Section 4001(a)(3) of ERISA to which the Borrower or any member of the Controlled Group is making or accruing an obligation to make contributions.

"***Net Capital Expenditures***" means, for any Person and period of its determination, without duplication, (a) the amount of Capital Expenditures of such Person (other than Equity Funded Capital Expenditures and Capital Expenditures that constitute a Permitted Acquisition) minus (b) the aggregate Net Cash Proceeds resulting from sales, conveyances and other dispositions of Property (other than Nonordinary Course Asset Sales) and received by such Person during such period; provided that, the aggregate amount of Net Cash Proceeds under this clause (b) may not exceed $5,000,000 in any fiscal year.

"***Net Cash Proceeds***" means, with respect to any Disposition, all cash and Liquid Investments received from such Disposition after (a) payment of, or provision for, all brokerage commissions and other reasonable out of pocket fees and expenses actually incurred in connection with such Disposition; (b) payment of any outstanding obligations relating to the Property that is being Disposed of pursuant to such Disposition; (c) all Taxes paid or payable by such Person in connection with such Disposition; and (d) the amount of reserves recorded in accordance with GAAP for indemnity or similar obligations of the Person making such Disposition and its Affiliates directly related to such Disposition.

"***Net Income***" means, for any period and with respect to any Person, the net income for such period for such Person after taxes as determined in accordance with GAAP, excluding, however, (a) extraordinary items, including (i) any net non-cash gain or loss during such period arising from the sale, exchange, retirement or other Disposition of capital assets (such term to include all fixed assets and all securities), and (ii) any write-up or write-down of assets and (b) the cumulative effect of any change in GAAP. For the avoidance of doubt, in determining net income, gross interest income shall be applied to increase income or decrease interest expense but not both.

"***Net Invoice Cost***" as to any Eligible Equipment, an amount equal to (a) the original purchase price of such Eligible Equipment as evidenced by an invoice provided by the seller of such Eligible Equipment to the applicable Credit Party a copy of which is delivered to the Administrative Agent prior to or concurrently with the most recently delivered Borrowing Base Certificate minus (b) all soft costs associated with such purchase, including but not limited to, interest charges, finance fees, taxes, installation fees, delivery fees and professional fees.

"***NOLV***" means with respect to any fixed assets of any Credit Party permanently located in the United States and any machinery, parts, equipment and other fixed assets acquired by a Credit Party the net orderly liquidation value thereof (taking into account any loss, destruction, damage, condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, confiscation, or the requisition, of such Property and after taking into account all soft costs associated with the liquidation thereof, including but not limited to, delivery fees, interest charges, finance fees, taxes, installation fees and professional fees) as established by (a) the written appraisal received as a condition to the closing of the Amendment No. 4, (b) a written appraisal initiated by the Administrative Agent under Section 5.11 and conducted by an industry recognized third party appraiser acceptable to the Administrative Agent, and (c) a written appraisal initiated by the Borrower pursuant to Section 5.11(a)(ii) and conducted, at the sole cost of the Borrower, by an industry recognized third party appraiser acceptable to the Administrative Agent.

"***Non-Consenting Lender***" means any Lender who does not agree to a consent, waiver or amendment which (a) requires the agreement of all Lenders or all affected Lenders in accordance with the terms of Section 9.2 and (b) has been approved by the Majority Lenders.

"***Non-Defaulting Lender***" means any Lender that is not a Defaulting Lender at such time.

"***Nonordinary Course Asset Sale***" means any Disposition made by the Borrower or any Subsidiary (a) of any division of the Borrower or any Subsidiary, (b) of an Equity Interest in any Subsidiary by the Borrower or any Subsidiary or (c) outside the ordinary course of business of any assets of the Borrower or any Subsidiary, whether in a single transaction or related series of transactions.

"***Notes***" means the Revolving Notes and the Swingline Note.

"***Notice***" shall have the meaning set forth in Section 9.9(b)(ii).

"***Notice of Borrowing***" means a Notice of Borrowing signed by the Borrower in substantially the same form as Exhibit E.

"***Notice of Continuation or Conversion***" means a notice of continuation or conversion signed by the Borrower in substantially the same form as Exhibit F.

"***Notice of Mandatory Payment***" means a notice of payment signed by a Responsible Officer of the Borrower in substantially the same form as Exhibit H-1.

"***Notice of Optional Payment***" means a notice of payment signed by a Responsible Officer of the Borrower in substantially the same form as Exhibit H-2.

"***Obligations***" means all principal, interest (including post-petition interest), fees, reimbursements, indemnifications, and other amounts now or hereafter owed by any of the Credit Parties to the Lenders, the Swingline Lender, the Issuing Lender, or the Administrative Agent under this Agreement and the Credit Documents, including the Letter of Credit Obligations and any increases, extensions, and rearrangements of those obligations under any amendments, supplements, and other modifications of the documents and agreements creating those obligations.

"***OFAC***" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"***Offering***" means a public offering and sale of Equity Interests in the Borrower.

"***Other Connection Taxes***" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Advance or Credit Document).

"***Other Taxes***" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.15).

"***Participant***" has the meaning assigned to such term in Section 9.7(c).

"***Participant Register***" has the meaning assigned to such term in Section 9.7(c).

"***Patriot Act***" means the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"***PBGC***" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"***Permitted Acquisition***" means an Acquisition that is permitted under Section 6.4.

"***Permitted Debt***" has the meaning set forth in Section 6.1.

"***Permitted Discretion***" means, with respect to the Administrative Agent, a determination or judgment made in good faith by such Person exercising reasonable credit or business judgment (from the perspective of a secured asset-based lender).

"***Permitted Disposition***" means any Disposition that is permitted under Section 6.8.

"***Permitted Investments***" has the meaning set forth in Section 6.3.

"***Permitted Liens***" has the meaning set forth in Section 6.2; provided that, no intention to subordinate the priority of the Lien granted in favor of the Administrative Agent and the Secured Parties is to be hereby implied or expressed by the permitted existence of any Permitted Liens.

"***Person***" means any natural person, partnership, corporation (including a business trust), joint stock company, trust, limited liability company, unlimited liability company, limited liability partnership, unincorporated association, joint venture, or other entity, or Governmental Authority, or any trustee, receiver, custodian, or similar official.

"***Plan***" means an employee benefit plan (other than a Multiemployer Plan) maintained for employees of the Borrower or any member of the Controlled Group and covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code.

"***Platform***" shall have the meaning set forth in Section 9.9(b)(i).

"***Prime Rate***" means the per annum rate of interest established from time to time by the Administrative Agent at its principal office in Houston, Texas as its prime rate, which rate may not be the lowest rate of interest charged by such Lender to its customers.

"***Prior Owners***" means Winston/Bradford, LLC, Donald F. Schuh, Justin J. Schuh and Andrea D. Schuh.

"***Property***" of any Person means any property or assets (whether real, personal, or mixed, tangible or intangible) of such Person.

"***Pro Rata Share***" means, at any time with respect to any Revolving Lender, (i) the ratio (expressed as a percentage) of such Lender' s Commitment at such time to the aggregate Commitments at such time, or (ii) if all of the Commitments have been terminated, the ratio (expressed as a percentage) of such Lender' s aggregate outstanding Revolving Advances at such time to the total aggregate outstanding Revolving Advances at such time.

"***Qualified ECP Guarantor***" means, in respect of any Swap Obligation, each Guarantor that has total assets exceeding $10,000,000 at the time the relevant guaranty or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"***Receivables***" of any Person means, at any date of determination thereof, the unpaid portion of the obligation, as stated on the respective invoice or other writing, of a customer of such Person in respect of goods sold or services rendered by such Person, including the unpaid portion of an "account" or "account receivable" as defined in the UCC, if applicable.

"***Recipient***" means (a) the Administrative Agent, (b) any Lender and (c) the Issuing Lender, as applicable.

"***RedZone***" means RedZone Coil Tubing, LLC, a Texas limited liability company.

"***Register***" has the meaning set forth in Section 9.7(b).

"***Regulations T, U, and X***" means Regulations T, U, and X of the Federal Reserve Board, as each is from time to time in effect, and all official rulings and interpretations thereunder or thereof. Each of Regulations T, U, or X may be referred to individually as Regulation T, Regulation U, or Regulation X herein.

"***Related Parties***" means, with respect to any Person, such Person' s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, and advisors of such Person and of such Person' s Affiliates.

"***Release***" shall have the meaning set forth in CERCLA or under any other applicable Environmental Law.

"***Removal Effective Date***" has the meaning set forth in Section 8.6(b).

"***Rent Reserve Amount***" means as to any Third Party Location located in the United States, the maximum amount of rent, fees and other charges for a period of three months that a landlord, third party warehouse, trailer storage or other self-storage facility, bailee, or such third party, as applicable, would be legally entitled to recover from the personal property located at such Third Party Location and that is subject to a Lien in favor of such third parties, regardless of whether such Lien arises by operation of law, under contract or otherwise. The Rent Reserve Amount shall not include rent, fees and other charges for Third Party Locations consisting of office leases where no Eligible Equipment is located.

"***Reportable Event***" means any of the events set forth in Section 4043(c) of ERISA (other than any such event not subject to the provision for 30-day notice to the PBGC under the regulations issued under such section).

"***Resignation Effective Date***" has the meaning set forth in Section 8.6(a).

"***Response***" shall have the meaning set forth in CERCLA or under any other applicable Environmental Law.

"***Responsible Officer***" means (a) with respect to any Person that is a corporation, such Person' s chief executive officer, president, chief financial officer, chief operating officer, general counsel, director of finance, controller, or vice president, (b) with respect to any Person that is a limited liability company,

if such Person has officers, then such Person' s chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president, and if such Person is managed by members, then a chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president of such Person' s managing member, and if such Person is managed by managers, then a manager (if such manager is an individual) or a chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president of such manager (if such manager is an entity), and (c) with respect to any Person that is a general partnership, limited partnership or a limited liability partnership, the chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president of such Person' s general partner or partners.

"***Restricted Payment***" means, with respect to any Person, any direct or indirect dividend or distribution (whether in cash, securities or other Property) or any direct or indirect payment of any kind or character (whether in cash, securities or other Property) in consideration for or otherwise in connection with any retirement, purchase, redemption or other acquisition of any Equity Interest of such Person, or any options, warrants or rights to purchase or acquire any such Equity Interest of such Person; provided that the term "Restricted Payment" shall not include any dividend or distribution payable solely in Equity Interests of such Person or warrants, options or other rights to purchase such Equity Interests.

"***Revolving Advance***" means any advance by a Lender to the Borrower as part of a Revolving Borrowing. For the avoidance of doubt, the Revolving Tranche A Advances and the Tranche B Term Advances are "Revolving Advances" for all purposes hereunder.

"***Revolving Borrowing***" means a Borrowing consisting of simultaneous Revolving Advances of the same Type made by the Revolving Lenders pursuant to Section 2.1(a) or Converted by each Revolving Lender to Revolving Advances of a different Type pursuant to Section 2.5(b).

"***Revolving Lenders***" means Lenders having a Commitment or if such Commitments have been terminated, Lenders that are owed Revolving Advances.

"***Revolving Note***" means a promissory note of the Borrower payable to a Lender and its registered assigns in the amount of such Lender' s Commitment, in substantially the same form as Exhibit G-1, evidencing indebtedness of the Borrower to such Lender resulting from Revolving Advances owing to such Lender.

"***Revolving Outstandings***" means, as of any date of determination, the sum of (a) the aggregate outstanding amount of all Revolving Advances plus (b) the Letter of Credit Exposure plus (c) the aggregate outstanding amount of all Swingline Advances.

"***Revolving Tranche A Advances***" means all Revolving Advances other than the Tranche B Term Advances.

"***Revolving Tranche A Outstandings***" means Revolving Outstandings minus outstanding Tranche B Term Advances.

"***Sanctioned Entity***" (a) a Sanctioned Person, other than an individual, or (b)(i) a country or a government of a country, (ii) an agency of the government of a country or (iii) an organization directly or indirectly controlled by a country or its government, in each case, that is the subject of Sanctions,

"***Sanctioned Person***" means a Person that is, or is owned or controlled by Persons (individually or in the aggregate) that are (a) the subject of Sanctions or (b) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions.

"***Sanctions***" has the meaning set forth in Section 4.19(b).

"***S&P***" means Standard & Poor' s Rating Agency Group, a division of McGraw-Hill Companies, Inc., or any successor thereof which is a national credit rating organization.

"***SCF***" means SCF-VII, L.P., a Delaware limited partnership.

"***SEC***" means, the United States Securities and Exchange Commission, or any Governmental Authority succeeding to the functions of such Commission.

"***Secured Obligations***" means (a) the Obligations, (b) the Banking Services Obligations and (c) the Swap Obligations (other than Excluded Swap Obligations).

"***Secured Parties***" means the Administrative Agent, the Issuing Lender, the Lenders, the Swap Counterparties and Banking Services Providers.

"***Security Agreement***" means the Pledge and Security Agreement among the Credit Parties and the Administrative Agent in substantially the same form as Exhibit B.

"***Security Documents***" means the Security Agreement, any Mortgages, Account Control Agreements and any and all other instruments, documents or agreements, now or hereafter executed by any Credit Party or any other Person to secure the Secured Obligations.

"***Security Termination***" has the meaning set forth in Section 8.7(b).

"***Solvent***" means, as to any Person, on the date of any determination (a) the fair value of the Property of such Person is greater than the total amount of debts and other liabilities (including without limitation, contingent liabilities) of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts and other liabilities (including, without limitation, contingent liabilities) as they become absolute and matured, (c) such Person is able to realize upon its assets and pay its debts and other liabilities (including, without limitation, contingent liabilities) as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities (including, without limitation, contingent liabilities) beyond such Person' s ability to pay as such debts and liabilities mature, (e) such Person is not engaged in, and is not about to engage in, business or a transaction for which such Person' s Property would constitute unreasonably small capital, and (f) such Person has not transferred, concealed or removed any Property with intent to hinder, delay or defraud any creditor of such Person.

"***Subject Lender***" has the meaning set forth in Section 2.15(b).

"***Subsidiary***" means, with respect to any Person (the "***holder***") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the holder in the holder' s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity, a majority of whose outstanding Voting Securities shall at any time be owned by the holder or one more Subsidiaries of the holder. Unless expressly provided otherwise, all references herein and in any other Credit Document to any "Subsidiary" or "Subsidiaries" means a Subsidiary or Subsidiaries of the Borrower.

"***Swap Counterparty***" means any counterparty to a Hedging Arrangement with any Credit Party; provided that (a) such counterparty is a Lender or an Affiliate of a Lender at the time such Hedging Arrangement is entered into or (b) such Hedging Arrangement was entered into prior to the Closing Date and such counterparty was a Lender or an Affiliate of a Lender on the Closing Date.

"***Swap Obligations***" means the obligations of any Credit Party owing to any Swap Counterparty under any Hedging Arrangement; provided that (a) when any Swap Counterparty assigns or otherwise transfers any interest held by it under any Hedging Arrangement to any other Person pursuant to the terms of such agreement, the obligations thereunder shall constitute Swap Obligations only if such assignee or transferee is also then a Lender or an Affiliate of a Lender and (b) if a Swap Counterparty ceases to be a Lender or an Affiliate of a Lender hereunder, obligations owing to such Swap Counterparty shall be included as Swap Obligations only to the extent such obligations arise from transactions under such individual Hedging Arrangements (and not the Master Agreement between such parties) entered into prior to the time such Swap Counterparty ceases to be a Lender or an Affiliate of a Lender hereunder, without giving effect to any extension, increases, or modifications thereof which are made after such Swap Counterparty ceases to be a Lender or an Affiliate of a Lender hereunder.

"***Swap Termination Value***" means, in respect of any one or more Hedging Arrangements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedging Arrangements, (a) for any date on or after the date such Hedging Arrangements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Hedging Arrangements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Hedging Arrangements (which may include a Lender or any Affiliate of a Lender).

"***Swingline Advance***" means an advance by the Swingline Lender to the Borrower as part of a Swingline Borrowing.

"***Swingline Borrowing***" means the Borrowing consisting of a Swingline Advance made by the Swingline Lender pursuant to Section 2.4 or, if an AutoBorrow Agreement is in effect, any transfer of funds pursuant to such AutoBorrow Agreement.

"***Swingline Lender***" means Wells Fargo or any other Lender that agrees to act as a "Swingline Lender" hereunder at the request of the Borrower so long as either (a) such Lender is also then the Administrative Agent or (b) such new Swingline Lender is appointed pursuant to Section 8.6(d).

"***Swingline Note***" means the promissory note made by the Borrower payable to the Swingline Lender, in substantially the same form as Exhibit G-3, evidencing the indebtedness of the Borrower to the Swingline Lender resulting from Swingline Advances made by the Swingline Lender.

"***Swingline Payment Date***" means (a) if an AutoBorrow Agreement is in effect, the earliest to occur of (i) the date required by such AutoBorrow Agreement, (ii) demand is made by the Swingline Lender in accordance with such Autoborrow Agreement and (iii) the Maturity Date, or (b) if an AutoBorrow Agreement is not in effect, the earlier to occur of (i) three (3) Business Days after demand is made by the Swingline Lender if no Default exists, and otherwise upon demand by the Swingline Lender and (ii) the Maturity Date.

"***Swingline Sublimit Amount***" means $5,000,000; provided that, on and after the Maturity Date, the Swingline Sublimit Amount for all purposes shall be zero.

"***Tangible Net Assets***" means (a) the consolidated net book value of all assets of the Borrower and its consolidated Subsidiaries minus (b) the consolidated net book value of all intangible assets of the Borrower and its consolidated Subsidiaries.

"***Tax Group***" has the meaning set forth in Section 4.13.

"***Taxes***" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"***Termination Event***" means (a) a Reportable Event with respect to a Plan, (b) the withdrawal of the Borrower or any member of the Controlled Group from a Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA, (c) the filing of a notice of intent to terminate a Plan or the treatment of a Plan amendment as a termination under Section 4041(c) of ERISA, (d) the institution of proceedings to terminate a Plan by the PBGC, or (e) any other event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan.

"***Third Party Locations***" means any location which holds, stores or otherwise maintains Collateral, including such locations that are leased locations, trailer storage or self-storage facilities, distribution centers or warehouses, and such locations that are the subject of any bailee arrangement.

"***Tranche B Term Advances***" means the Revolving Advances which are designated as Tranche B Term Advances on the Amendment No. 4 Effective Date as provided under Section 2.1(a).

"***Transactions***" means, collectively, (a) the initial borrowings and other extensions of credit under this Agreement, (b) the consummation of the Closing Date Acquisition, (c) the payment in full of all outstanding obligations under the Existing Credit Agreements and (d) the payment of fees, commissions and expenses in connection with any of the foregoing.

"***Treasury Management Arrangement***" means any agreement or other arrangement governing the provision of treasury or cash management services, including deposit accounts, overdraft, credit or debit card, purchase card, funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, return items, controlled disbursement, lockbox, interstate depository network, account reconciliation and reporting and trade finance services and other cash management services.

"***Type***" has the meaning set forth in Section 1.4.

"***UCC***" means the Uniform Commercial Code as in effect in the State of New York from time to time.

"***United States***" means the United States of America.

"***U.S. Person***" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"***U.S. Tax Compliance Certificate***" has the meaning assigned to such term in paragraph (g) of Section 2.14.

"***Voting Securities***" means (a) with respect to any corporation, capital stock of such corporation having general voting power under ordinary circumstances to elect directors of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have special voting power or rights by reason of the happening of any contingency), (b) with respect to any partnership, any partnership interest or other ownership interest having general voting power to elect the general partner or other management of the partnership or other Person, and (c) with respect to any limited liability company, membership certificates or interests having general voting power under ordinary circumstances to elect managers of such limited liability company.

"***Wells Fargo***" means Wells Fargo Bank, National Association.

"***Withholding Agent***" means any Credit Party and the Administrative Agent.

Section 1.2 Computation of Time Periods. In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

Section 1.3 Accounting Terms; Changes in GAAP.

(a) All accounting terms not specifically defined in this Agreement shall be construed in accordance with GAAP applied on a consistent basis with those applied in the preparation of the audited financial statements delivered to the Administrative Agent for the fiscal year ended December 31, 2013 pursuant to Section 3.1(j)(iii), except as provided in Section 6.7.

(b) Unless otherwise indicated, all financial statements of the Borrower, all calculations for compliance with covenants in this Agreement, all determinations of the Applicable Margin, and all calculations of any amounts to be calculated under the definitions in Section 1.1 shall be based upon the consolidated accounts of the Borrower and its Subsidiaries in accordance with GAAP and consistent with the principles of consolidation applied in preparing the financial statements referred to in Section 4.4. For the avoidance of doubt, references in this Agreement or in any other Credit Document to a Person' s consolidated financial statements, financial position, financial condition, liabilities, etc. refer to the consolidated financial statements, financial position, financial condition, liabilities, etc. of such Person and its properly consolidated Subsidiaries (or subset thereof if expressly provided herein) which eliminate offsetting intercompany transactions.

(c) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Credit Document, and either the Borrower or the Majority Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Borrower and the Majority Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

Section 1.4 Classes and Types of Advances. Advances are distinguished by "Class" and "Type". The "Class" of an Advance refers to the determination of whether such Advance is a Revolving Advance or a Swingline Advance. The "Type" of an Advance refers to the determination of whether such Advance is a Base Rate Advance or a Eurodollar Advance.

Section 1.5 Other Interpretive Provisions. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person' s successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

ARTICLE II
CREDIT FACILITIES

Section 2.1 Commitments.

(a) Commitment. Each Revolving Lender severally agrees, on the terms and conditions set forth in this Agreement, to make Revolving Advances to the Borrower from time to time on any Business Day during the period from the Closing Date until the Business Day immediately preceding the Maturity Date; provided that after giving effect to such Revolving Advances, (x) the Revolving Outstandings shall not exceed the aggregate Commitments in effect at such time, and (y) the Revolving Tranche A Outstandings shall not exceed the Borrowing Base in effect at such time. Each Revolving Borrowing shall (A) if comprised of Base Rate Advances be in an aggregate amount not less than $500,000 and in integral multiples of $100,000 in excess thereof, (B) if comprised of Eurodollar Advances be in an aggregate amount not less than $1,000,000 and in integral multiples of $500,000 in excess thereof, and (C) consist of Revolving Advances of the same Type made on the same day by the Revolving Lenders ratably according to their respective Commitments. Within the limits of each Revolving Lender' s Commitment, the Borrower may from time to time borrow, prepay pursuant to Section 2.6, and reborrow under this Section 2.1(a); provided that, once prepaid or repaid, the Borrower may not reborrow any Tranche B Term Advances. As of the Amendment No. 4 Effective Date, $12,500,000 of the outstanding Revolving Advances are hereby designated as and deemed to constitute Tranche B Term Advances and each Revolving Lender' s pro rata share of such Tranche B Term Advances is as set forth on Schedule II hereof.

(b) Reduction of the Commitments.

(i) Commitments. The Borrower shall have the right, upon at least three Business Days' irrevocable (subject to clause (y) below) notice to the Administrative Agent, to terminate in whole or reduce ratably in part the unused portion of the Commitments; provided that (x) each partial reduction shall be in the aggregate amount of $1,000,000 and in integral multiples of $1,000,000 in excess thereof and (y) a notice of complete termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such

notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. The Commitments shall automatically and permanently reduce by the amount of any principal prepayment or repayment of the Tranche B Term Advances on the date of such prepayment or repayment. Any reduction or termination of the Commitments pursuant to this Section shall be permanent, with no obligation of the Revolving Lenders to reinstate such Commitments, and the Commitment Fees shall thereafter be computed on the basis of the Commitments, as so reduced.

(ii) Defaulting Lender. At any time when a Lender is then a Defaulting Lender, the Borrower, at the Borrower' s election, may elect to terminate such Defaulting Lender' s Commitment hereunder; provided that (A) such termination must be of the Defaulting Lender' s entire Commitment, (B) the Non-Defaulting Lenders shall each have the option to accept an assignment of the Defaulting Lender' s Commitment pursuant to Section 2.15 in lieu of a termination of Commitments pursuant to this Section 2.1(b)(ii), (C) to the extent that the Non-Defaulting Lenders do not take an assignment as provided in the immediately preceding clause (B), the Borrower shall pay all amounts owed by the Borrower to such Defaulting Lender in such Defaulting Lender' s capacity as a Revolving Lender under this Agreement and under the other Credit Documents (including principal of and interest on the Revolving Advances owed to such Defaulting Lender, accrued Commitment Fees (subject to Section 2.17(a)(iii)), and letter of credit fees (subject to Section 2.17(a)(iii)) but specifically excluding any amounts owing under Section 2.11 as result of such payment of such Advances) and shall deposit with the Administrative Agent into the Cash Collateral Account cash collateral in the amount equal to such Defaulting Lender' s ratable share of the Letter of Credit Exposure (including any such Letter of Credit Exposure that has been reallocated pursuant to Section 2.17), (D) a Defaulting Lender' s Commitment may be terminated by the Borrower under this Section 2.1(b)(ii) if and only if at such time, the Borrower has elected, or is then electing, to terminate the Commitments of all then existing Defaulting Lenders, and (E) such termination shall not be permitted if a Default has occurred and is continuing at the time of such election and termination. Upon written notice to the Defaulting Lender and the Administrative Agent of the Borrower' s election to terminate a Defaulting Lender' s Commitment pursuant to this clause (ii) and the payment and deposit of amounts required to be made by the Borrower under clause (B) and (C) above, (1) such Defaulting Lender shall cease to be a "Revolving Lender" hereunder for all purposes except that such Lender' s rights and obligations as a Revolving Lender under Sections 2.12, 2.14, 8.4 and 9.1 shall continue with respect to events and occurrences occurring before or concurrently with its ceasing to be a "Revolving Lender" hereunder, (2) such Defaulting Lender' s Commitment shall be deemed terminated, and (3) such Defaulting Lender shall be relieved of its obligations hereunder as a "Revolving Lender" except as to its obligations under Section 8.4(b) and Section 9.1 shall continue with respect to events and occurrences occurring before or concurrently with its ceasing to be a "Revolving Lender" hereunder, provided that, any such termination will not be deemed to be a waiver or release of any claim that the Borrower, the Administrative Agent, the Swingline Lender, the Issuing Lender or any Lender may have against such Defaulting Lender. Notwithstanding anything herein to the contrary, the Non-Defaulting Lenders' option to take an assignment as provided in Section 2.1(b)(ii)(B) may be exercised by a Non-Defaulting Lender in its sole and absolute discretion and nothing contained herein shall obligate any Non-Defaulting Lender to take any such assignment.

(iii) All notices for a complete termination under clause (i) above delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by such Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

Section 2.2 Evidence of Indebtedness. The Advances made by each Lender, and the Swingline Advances made by the Swingline Lender, shall be evidenced by one or more accounts or records maintained by such Lender or the Swingline Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent, the Swingline Lender and the Lenders shall be conclusive absent manifest error of the amount of the Advances made by such Lenders and Swingline Lender to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender to the Borrower made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) the applicable Notes which shall evidence such Lender' s Advances to the Borrower in addition to such accounts or records. Upon the request of the Swingline Lender to the Borrower, the Borrower shall execute and deliver to the Swingline Lender a Swingline Note which shall evidence the Swingline Advances to the Borrower in addition to such accounts or records. Each Lender and the Swingline Lender may attach schedules to such Notes and note thereon the date, Type (if applicable), amount, and maturity of its Advances and payments with respect thereto. In addition to the accounts and records referred to in the immediately preceding sentences, each Lender, the Issuing Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender (other than the Issuing Lender) in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. In the event of any conflict among the accounts and records maintained by the Administrative Agent, the accounts and records maintained by an Issuing Lender as to Letters of Credit issued by it, and the accounts and records of any other Lender in respect of such matters, the accounts and records of such Issuing Lender shall control in the absence of manifest error.

Section 2.3 Letters of Credit.

(a) Commitment for Letters of Credit. The Issuing Lender, the Lenders and the Borrower agree that effective as of the Closing Date, the Existing Letter of Credit shall be deemed to have been issued and maintained under, and to be governed by the terms and conditions of, this Agreement as a Letter of Credit. Subject to the terms and conditions set forth in this Agreement and in reliance upon the agreements of the other Lenders set forth in this Section, the Issuing Lender agrees to, from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Termination Date, issue, increase or extend the expiration date of Letters of Credit for the account of any Credit Party or Subsidiary thereof; provided that, in any event, no Letter of Credit will be issued, increased, or extended:

(i) if (x) such issuance, increase, or extension would cause the Letter of Credit Exposure to exceed the Letter of Credit Maximum Amount or (y) such issuance, increase, or extension would cause (1) the Revolving Outstandings to exceed the aggregate Commitments in effect at such time or (2) the Revolving Tranche A Outstandings to exceed the Borrowing Base in effect at such time;

(ii) unless such Letter of Credit has an expiration date not later than the earlier of (A) one year after its issuance or extension and (B) the Letter of Credit Termination Date; provided that, (1) if the Commitments are terminated in whole pursuant to Section 2.1(b), the Borrower shall either (A) deposit into the Cash Collateral Account cash in an amount equal to 105% of the Letter of Credit Exposure for the Letters of Credit which have an expiry date beyond such termination date or (B) provide a replacement letter of credit (or other security) reasonably acceptable to the Administrative Agent and the Issuing Lender in an amount equal to 105% of the Letter of Credit Exposure and (2) any such Letter of Credit with a one-year tenor (or shorter tenor) may expressly provide for an automatic extension of additional periods up to one additional year so long as such Letter of Credit expressly allows the Issuing Lender, at its sole discretion, to elect not to provide such extension; provided that, in any event, such automatic extension may not result in an expiration date that occurs after the Letter of Credit Termination Date;

(iii) unless such Letter of Credit is (A) a standby letter of credit, or (B) with the consent of the Issuing Lender, a commercial letter of credit;

(iv) unless such Letter of Credit is in form and substance acceptable to the Issuing Lender in its sole discretion;

(v) unless the Borrower has delivered to the Issuing Lender a completed and executed Letter of Credit Application and a Letter of Credit Reimbursement Agreement; provided that, if the terms of any Letter of Credit Application or Letter of Credit Reimbursement Agreement conflict with the terms of this Agreement, the terms of this Agreement shall control;

(vi) unless such Letter of Credit is governed by (A) the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600, or (B) the ISP, in either case, including any subsequent revisions thereof approved by a Congress of the International Chamber of Commerce;

(vii) if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Lender from issuing, increasing or extending such Letter of Credit, or any Legal Requirement applicable to the Issuing Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Lender shall prohibit, or request that the Issuing Lender refrain from, the issuance, increase or extension of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Lender with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Lender is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Lender any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Lender in good faith deems material to it;

(viii) if the issuance, increase or extension of such Letter of Credit would violate one or more policies of the Issuing Lender that are generally applicable to letters of credit;

(ix) if such Letter of Credit is to be denominated in a currency other than Dollars;

(x) if such Letter of Credit supports the obligations of any Person in respect of (A) a lease of real property, or (B) an employment contract if the Issuing Lender reasonably determines that the Borrower' s obligation to reimburse any draws under such Letter of Credit may be limited; or

(xi) any Lender is at such time a Defaulting Lender hereunder, unless the Issuing Lender has entered into satisfactory arrangements with the Borrower or such Lender to eliminate the Issuing Lender' s Fronting Exposure with respect to such Lender.

(b) Requesting Letters of Credit. Each Letter of Credit Extension (other than the issuance of the Existing Letter of Credit which is deemed issued hereunder) shall be made pursuant to a Letter of Credit Application, or if applicable, amendments to such Letter of Credit Applications, given by the Borrower to the Administrative Agent and the Issuing Lender by facsimile or other writing not later than 11:00 a.m. (Houston, Texas time) on the third Business Day before the proposed date of the Letter of Credit Extension. Each Letter of Credit Application, or if applicable, amendments to the Letter of Credit Applications, shall be fully completed and shall specify the information required therein. Each Letter of Credit Application, or if applicable, amendments to the Letter of Credit Applications, shall be irrevocable and binding on the Borrower.

(c) Reimbursements for Letters of Credit; Funding of Participations.

(i) In accordance with the related Letter of Credit Application, the Borrower, with respect to each Letter of Credit, agrees to pay on demand to the Administrative Agent on behalf of the Issuing Lender an amount equal to any amount paid by the Issuing Lender under such Letter of Credit. Upon the Issuing Lender' s demand for payment under the terms of a Letter of Credit Application, the Borrower may, with a written notice, request that the Borrower' s obligations to the Issuing Lender thereunder be satisfied with the proceeds of a Revolving Tranche A Advance in the same amount (notwithstanding any minimum size or increment limitations on individual Revolving Tranche A Advances). If the Borrower does not make such request and does not otherwise make the payments demanded by the Issuing Lender as required under this Agreement or the applicable Letter of Credit Application, then the Borrower shall be deemed for all purposes of this Agreement to have requested such a Revolving Tranche A Advance in the same amount and the transfer of the proceeds thereof to satisfy the Borrower' s obligations to the Issuing Lender, and the Borrower hereby unconditionally and irrevocably authorizes, empowers, and directs the Lenders to make such Revolving Tranche A Advance, to transfer the proceeds thereof to the Issuing Lender in satisfaction of such obligations, and to record and otherwise treat such payments as a Revolving Tranche A Advance to the Borrower. The Administrative Agent and each Lender may record and otherwise treat the making of such Revolving Borrowings as the making of a Revolving Borrowing to the Borrower under this Agreement as if requested by the Borrower. Nothing herein is intended to release any of the Borrower' s obligations under any Letter of Credit Application, but only to provide an additional method of payment therefor. The making of any Revolving Borrowing under this Section 2.3(c) shall not constitute a cure or waiver of any Default or Event of Default, other than the payment Default or Event of Default which is satisfied by the application of the amounts deemed advanced hereunder, caused by the Borrower' s failure to comply with the provisions of this Agreement or the applicable Letter of Credit Application.

(ii) Each Lender (including the Lender acting as Issuing Lender) shall, upon notice from the Administrative Agent that the Borrower has requested or is deemed to have requested a Revolving Tranche A Advance pursuant to Section 2.5 and regardless of whether (A) the conditions in Section 3.2 have been met, (B) such notice complies with Section 2.5, or (C) a Default exists, make funds available to the Administrative Agent for the account of the Issuing Lender in an amount equal to such Lender' s Pro Rata Share of the amount of such Revolving Tranche A Advance not later than 1:00 p.m. (Houston, Texas time) on the Business Day specified in such notice by the Administrative Agent, whereupon each Lender that so makes funds available shall be deemed to have made a Revolving Tranche A Advance to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Issuing Lender.

(iii) If any such Lender shall not have so made its Revolving Advance available to the Administrative Agent pursuant to this Section 2.3, then such Lender agrees to pay interest thereon for each day from such date until the date such amount is paid at the lesser of (A) the Federal Funds Rate for such day for the first three days and thereafter the interest rate applicable to Revolving Tranche A Advances that are Base Rate Advances and (B) the Maximum Rate. Whenever, at any time after the Administrative Agent has received from any Lender such Lender' s Revolving Tranche A Advance, the Administrative Agent receives any payment on account thereof, the Administrative Agent will pay to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender' s Revolving Tranche A Advance was outstanding and funded), which payment shall be subject to repayment by such Lender if such payment received by the Administrative Agent is required to be returned. Each Lender' s obligation to make the Revolving Tranche A Advance pursuant to this Section 2.3 shall be absolute and unconditional and shall not be affected by any circumstance, including (1) any set-off, counterclaim, recoupment, defense or other right which such Lender or any other Person may have against the Issuing Lender, the Administrative Agent or any other Person for any reason whatsoever; (2) the occurrence or continuance of a Default or the termination of the Commitments; (3) any breach of this Agreement by any Credit Party or any other Lender; or (4) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(iv) If at any time, the Commitments shall have expired or been terminated while any Letter of Credit Exposure is outstanding, then each Revolving Lender, at the sole option of the Issuing Lender, shall fund its participation in such Letters of Credit in an amount equal to such Lender' s Pro Rata Share of the unpaid amount of the Borrower' s payment obligations under drawn Letters of Credit. The Issuing Lender shall notify the Administrative Agent, and in turn, the Administrative Agent shall notify each such applicable Lender of the amount of such participation, and such Lender will transfer to the Administrative Agent for the account of the Issuing Lender on the next Business Day following such notice, in immediately available funds, the amount of such participation. At any time after the Issuing Lender has made a payment under any Letter of Credit and has received from any Lender funding of its participation in respect of such payment in accordance with this clause (iv), if the Administrative Agent receives for the account of the Issuing Lender any payment in respect of the related Letter of Credit Exposure or interest thereon (whether directly from the Borrower or otherwise, including proceeds of cash collateral applied thereto by the Administrative Agent), the Administrative Agent shall distribute to such Lender its Pro Rata Share thereof in the same funds as those received by the Administrative Agent.

(v) If any payment received by the Administrative Agent for the account of the Issuing Lender pursuant to this Section 2.3(c) is required to be returned under any of the circumstances described in Section 9.12 (including pursuant to any settlement entered into by such Issuing Lender in its discretion), each Revolving Lender shall pay to the Administrative Agent for the account of the Issuing Lender its Pro Rata Share thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Revolving Lender, at a rate per annum equal to the Federal Funds Rate in effect from time to time. The obligations of the Revolving Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(d) Participations. Upon the date of the issuance or increase of a Letter of Credit (including in the case of the Existing Letter of Credit, the deemed issuance with respect thereto on the Closing Date), the Issuing Lender shall be deemed to have sold to each other Lender and each other Lender shall have been deemed to have purchased from the Issuing Lender a participation in the related Letter of Credit Obligations equal to such Lender' s Pro Rata Share at such date and such sale and purchase shall otherwise be in accordance with the terms of this Agreement. The Issuing Lender shall promptly notify each such participant Lender by facsimile, telephone, or electronic mail (PDF) of each Letter of Credit issued or increased and the actual dollar amount of such Lender' s participation in such Letter of Credit.

(e) Obligations Unconditional. The obligations of the Borrower under this Agreement in respect of each Letter of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, notwithstanding the following circumstances:

(i) any lack of validity or enforceability of any Letter of Credit Documents;

(ii) any amendment or waiver of or any consent to departure from any Letter of Credit Documents;

(iii) the existence of any claim, set-off, defense or other right which any Credit Party may have at any time against any beneficiary or transferee of such Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), the Issuing Lender, any Lender or any other person or entity, whether in connection with this Agreement, the transactions contemplated in this Agreement or in any Letter of Credit Documents or any unrelated transaction;

(iv) any statement or any other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect to the extent the Issuing Lender would not be liable therefor pursuant to the following paragraph (g);

(v) payment by the Issuing Lender under such Letter of Credit against presentation of a draft or certificate which does not comply with the terms of such Letter of Credit; or

(vi) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing;

provided, however, that nothing contained in this paragraph (e) shall be deemed to constitute a waiver of any remedies of the Borrower in connection with the Letters of Credit.

(f) Prepayments of Letters of Credit. In the event that any Letter of Credit shall be outstanding or shall be drawn and not reimbursed on or prior to the Maturity Date, the Borrower shall pay to the Administrative Agent an amount equal to 105% of the Letter of Credit Exposure allocable to such Letter of Credit, such amount to be due and payable on the Maturity Date, and to be held in the Cash Collateral Account and applied in accordance with paragraph (h) below.

(g) Liability of Issuing Lender. The Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit with respect to its use of such Letter of Credit. Neither the Issuing Lender nor any of its officers or directors shall be liable or responsible for:

(i) the use which may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith;

(ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged;

(iii) payment by the Issuing Lender against presentation of documents which do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to the relevant Letter of Credit; or

(iv) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit (**INCLUDING THE ISSUING LENDER' S OWN NEGLIGENCE**);

except that the Borrower shall have a claim against the Issuing Lender, and the Issuing Lender shall be liable to, and shall promptly pay to, the Borrower, to the extent of any direct, as opposed to consequential, damages suffered by the Borrower which a court in a final, non-appealable finding rules were caused by the Issuing Lender' s willful misconduct or gross negligence in determining whether documents presented under a Letter of Credit comply with the terms of such Letter of Credit. In furtherance and not in limitation of the foregoing, the Issuing Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

(h) Cash Collateral Account.

(i) If the Borrower is required to deposit funds in the Cash Collateral Account pursuant to the terms hereof, then the Borrower and the Administrative Agent shall establish the Cash Collateral Account and the Borrower shall execute any documents and agreements, including the Administrative Agent' s standard form assignment of deposit accounts, that the Administrative Agent reasonably requests in connection therewith to establish the Cash Collateral Account and grant the Administrative Agent an Acceptable Security Interest in such account and the funds therein. The Borrower hereby pledges to the Administrative Agent and grants the Administrative Agent a security interest in the Cash Collateral Account, whenever established, all funds held in the Cash Collateral Account from time to time, and all proceeds thereof as security for the payment of the Secured Obligations.

(ii) Funds held in the Cash Collateral Account shall be held as cash collateral for obligations with respect to Letters of Credit and promptly applied by the Administrative Agent at the request of the Issuing Lender to any reimbursement or other obligations under Letters of Credit that exist or occur. To the extent that any surplus funds are held in the Cash Collateral Account above the Letter of Credit Exposure during the existence of an Event of Default the Administrative Agent may (A) hold such surplus funds in the Cash Collateral Account as cash collateral for the Secured Obligations or (B) apply such surplus funds to any Secured Obligations in any manner directed by the Majority Lenders. If no Default exists and no Borrowing Base Deficiency exists, then at the Borrower' s written request, the Administrative Agent shall promptly release any surplus funds held in the Cash Collateral Account above the sum of (x) 105% of the Letter of Credit Exposure and (y) each Defaulting Lender' s Pro Rata Share of outstanding Swingline Advances other than Swingline Advances as to which such Defaulting Lender' s participation obligation has been funded by it or reallocated to other Lenders but only to the extent such funds were provided by the Borrower and not a Defaulting Lender.

(iii) Funds held in the Cash Collateral Account may be invested in Liquid Investments maintained with, and under the sole dominion and control of, the Administrative Agent or in another investment if mutually agreed upon by the Borrower and the Administrative Agent, but the Administrative Agent shall have no obligation to make any investment of the funds therein. The Administrative Agent shall exercise reasonable care in the custody and preservation of any funds held in the Cash Collateral Account and shall be deemed to have exercised such care if such funds are accorded treatment substantially equivalent to that which the Administrative Agent accords its own property, it being understood that the Administrative Agent shall not have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any such funds.

(i) Defaulting Lender. At any time that there shall exist a Defaulting Lender, within three Business Days following the written request of the Administrative Agent or the Issuing Lender (with a copy to the Administrative Agent) the Borrower shall Cash Collateralize the Issuing Lender' s Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 2.17 and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(i) *Grant of Security Interest by Defaulting Lender; Agreement to Provide Cash Collateral*. To the extent cash collateral is provided by any Defaulting Lender, such Defaulting Lender hereby grants to the Administrative Agent, for the benefit of the Issuing Lender, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for such Defaulting Lender' s obligation to fund participations in respect of Letter of Credit Obligations, to be applied pursuant to clause (ii) below. Such Defaulting Lender shall execute any documents and agreements, including the Administrative Agent' s standard form assignment of deposit accounts, that the Administrative Agent requests in connection therewith to establish such cash collateral account and to grant the Administrative Agent a first priority security interest in such account and the funds therein. If at any time the Administrative Agent determines that

Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and the Issuing Lender as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(ii) *Application*. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 2.3(i) or Section 2.17 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender' s obligation to fund participations in respect of Letter of Credit Exposure (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(iii) *Termination of Requirement*. Cash Collateral (or the appropriate portion thereof) provided to reduce the Issuing Lender' s Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 2.3(i) following (a) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (b) the determination by the Administrative Agent and the Issuing Lender that there exists excess Cash Collateral; provided that, (1) subject to Section 2.17, the Person providing Cash Collateral and the Issuing Lender may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations, and (2) to the extent that such Cash Collateral was provided by the Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to the Credit Documents.

(j) Letters of Credit Issued for any Subsidiary. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, any Subsidiary, the Borrower shall be obligated to reimburse the Issuing Lender hereunder for any and all drawings under such Letter of Credit issued hereunder by the Issuing Lender. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of any Subsidiary inures to the benefit of the Borrower, and that the Borrower' s business (indirectly or directly) derives substantial benefits from the businesses of such other Persons.

Section 2.4 Swingline Advances.

(a) Facility. On the terms and conditions set forth in this Agreement, and if an AutoBorrow Agreement is in effect, subject to the terms and conditions of such AutoBorrow Agreement, the Swingline Lender may, in its sole discretion, from time-to-time on any Business Day during the period from the date of this Agreement until the Business Day immediately preceding the Maturity Date, make Swingline Advances to the Borrower which shall be due and payable on the Swingline Payment Date (except that no Swingline Advance may mature after the Maturity Date), and in an aggregate outstanding principal amount not to exceed the Swingline Sublimit Amount at any time; provided that (i) after giving effect to such Swingline Advance, (y) the Revolving Outstandings shall not exceed the aggregate Commitments in effect at such time, and (z) the Revolving Tranche A Outstandings shall not exceed the Borrowing Base in effect at such time; (ii) no Swingline Advance shall be made by the Swingline Lender if the conditions set forth in Section 3.2 have not been met as of the date of such Swingline Advance, it being agreed by the Borrower that the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of such Swingline Advance shall constitute a representation and

warranty by the Borrower that on the date of such Swingline Advance such conditions have been met; and (iii) if an AutoBorrow Agreement is in effect, such additional terms and conditions of such AutoBorrow Agreement shall have been satisfied, and in the event that any of the terms of this Section 2.4(a) conflict with such AutoBorrow Agreement, the terms of the AutoBorrow Agreement shall govern and control. No Lender shall have any rights or obligations under any AutoBorrow Agreement, but each Lender shall have the obligation to purchase and fund risk participations in the Swingline Advances and to refinance Swingline Advances as provided below and as provided in Section 2.17.

(b) Evidence of Indebtedness. The indebtedness of the Borrower to the Swingline Lender resulting from Swingline Advances shall be evidenced as set forth in Section 2.2.

(c) Prepayment. Within the limits expressed in this Agreement, amounts advanced pursuant to Section 2.4(a) may from time to time be borrowed, prepaid without penalty, and reborrowed. If the aggregate outstanding principal amount of the Swingline Advances advanced by the Swingline Lender ever exceeds the Swingline Sublimit Amount, the Borrower shall, upon receipt of written notice of such condition from the Swingline Lender and to the extent of such excess, prepay to the Swingline Lender outstanding principal of the Swingline Advances such that such excess is eliminated. If an AutoBorrow Agreement is in effect, each prepayment of a Swingline Borrowing shall be made as provided in such AutoBorrow Agreement.

(d) Refinancing of Swingline Advances.

(i) With respect to the Swingline Advances and the interest, premium, fees, and other amounts owed by the Borrower to the Swingline Lender in connection with the Swingline Advances, the Borrower agrees to pay to the Swingline Lender such amounts when due and payable to the Swingline Lender under the terms of this Agreement and, if an AutoBorrow Agreement is in effect, in accordance with the terms of such AutoBorrow Agreement. If the Borrower does not pay to the Swingline Lender any such amounts when due and payable to such Swingline Lender, the Swingline Lender may upon notice to the Administrative Agent request the satisfaction of such obligation by the making of a Revolving Borrowing consisting of Revolving Tranche A Advances in the amount of any such amounts not paid when due and payable. Upon such request, the Borrower shall be deemed to have requested the making of a Revolving Borrowing consisting of Revolving Tranche A Advances in the amount of such obligation and the transfer of the proceeds thereof to the Swingline Lender. Such Revolving Borrowing shall bear interest based upon the Adjusted Base Rate plus the Applicable Margin for Revolving Tranche A Advances that are Base Rate Advances. The Administrative Agent shall promptly forward notice of such Revolving Borrowing to the Borrower and the Revolving Lenders, and each Revolving Lender shall, regardless of whether (A) the conditions in Section 3.2 have been met, (B) such notice complies with Section 2.5, or (C) a Default exists, make available such Lender' s ratable share of such Revolving Borrowing to the Administrative Agent, and the Administrative Agent shall promptly deliver the proceeds thereof to the Swingline Lender for application to such amounts owed to the Swingline Lender. The Borrower hereby unconditionally and irrevocably authorizes, empowers, and directs the Swingline Lender to make such requests for Revolving Borrowings on behalf of the Borrower in accordance with this Section, and for the Revolving Lenders to make Revolving Tranche A Advances to the Administrative Agent for the benefit of the Swingline Lender in satisfaction of such obligations. The Administrative Agent and each Revolving Lender may record and otherwise treat the making of such Revolving Borrowings as the making of a Revolving Borrowing to the Borrower under this Agreement as if requested by the Borrower.

Nothing herein is intended to release the Borrower' s obligations with respect to Swingline Advances, but only to provide an additional method of payment therefor. The making of any Revolving Borrowing under this Section 2.4(d) shall not constitute a cure or waiver of any Default or Event of Default, other than the payment Default or Event of Default which is satisfied by the application of the amounts deemed advanced hereunder, caused by the Borrower' s failure to comply with the provisions of this Agreement, the Swingline Note or any AutoBorrow Agreement.

(ii) If at any time, the Commitments shall have expired or been terminated while any Swingline Advance is outstanding, each Revolving Lender, at the sole option of the Swingline Lender, shall either (A) notwithstanding the expiration or termination of the Commitments, make a Revolving Tranche A Advance as a Base Rate Advance, or (B) be deemed, without further action by any Person, to have purchased from the Swingline Lender a participation in such Swingline Advance, in either case in an amount equal to the product of such Lender' s Pro Rata Share times the outstanding aggregate principal balance of the Swingline Advances made by the Swingline Lender. The Swingline Lender shall notify the Administrative Agent, and in turn, the Administrative Agent shall notify each such Lender of the amount of such Revolving Tranche A Advance or participation, and such Lender will transfer to the Administrative Agent for the account of the Swingline Lender on the next Business Day following such notice, in immediately available funds, the amount of such Revolving Tranche A Advance or participation.

(iii) If any such Revolving Lender shall not have so made its Revolving Tranche A Advance or its percentage participation available to the Administrative Agent pursuant to this Section 2.4, such Lender agrees to pay interest thereon for each day from such date until the date such amount is paid at a per annum rate equal to the lesser of (A) the Federal Funds Rate for such day and for the first three days after such date and thereafter the interest rate applicable to Revolving Tranche A Advances and (B) the Maximum Rate. Whenever, at any time after the Administrative Agent has received from any Revolving Lender such Lender' s Revolving Tranche A Advance or participating interest in a Swingline Advance, the Administrative Agent receives any payment on account thereof, the Administrative Agent will pay to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender' s Revolving Tranche A Advance or participating interest was outstanding and funded), which payment shall be subject to repayment by such Lender if such payment received by the Administrative Agent is required to be returned. Each Revolving Lender' s obligation to make the Revolving Tranche A Advance or purchase such participating interests pursuant to this Section 2.4 shall be absolute and unconditional and shall not be affected by any circumstance, including (1) any set-off, counterclaim, recoupment, defense or other right which such Lender or any other Person may have against the Swingline Lender, the Administrative Agent or any other Person for any reason whatsoever; (2) the occurrence or continuance of a Default or the termination of the Commitments; (3) any breach of this Agreement by the Borrower or any other Lender; or (4) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. Each Swingline Advance, once so participated by any Revolving Lender, shall cease to be a Swingline Advance with respect to that amount for purposes of this Agreement, but shall continue to be Revolving Tranche A Advances.

(e) Method of Borrowing. If an AutoBorrow Agreement is in effect, each Swingline Borrowing shall be made as provided in such AutoBorrow Agreement. Otherwise, and except as provided in the clause (d) above, each request for a Swingline Advance shall be made pursuant to telephone notice to the Swingline Lender given no later than 12:00 noon (Houston, Texas time) (or such later time as accepted by the Swingline Lender) on the date of the proposed Swingline Advance, promptly confirmed by a completed and executed Notice of Borrowing sent via facsimile, facsimile or, unless otherwise required by the Administrative Agent or Swingline Lender prior to such delivery, electronic mail (PDF), to the Administrative Agent and the Swingline Lender. The Swingline Lender will promptly make the Swingline Advance available to the Borrower at the Borrower' s account with the Swingline Lender.

(f) Interest for Account of Swingline Lender. The Swingline Lender shall be responsible for invoicing the Borrower for interest on the Swingline Advances (provided that any failure of the Swingline Lender to provide such invoice shall not release the Borrower from its obligation to pay such interest). Until each Revolving Lender funds its Revolving Tranche A Advance or risk participation pursuant to clause (d) above, interest in respect of such Lender' s Pro Rata Share of the Swingline Advances shall be solely for the account of the Swingline Lender.

(g) Payments Directly to Swingline Lender. The Borrower shall make all payments of principal and interest in respect of the Swingline Advances directly to the Swingline Lender.

(h) Discretionary Nature of the Swingline Facility. Notwithstanding any terms to the contrary contained herein or in any AutoBorrow Agreement, the Swingline facility provided herein or in any AutoBorrow Agreement (i) is an uncommitted facility and the Swingline Lender may, but shall not be obligated to, make Swingline Advances, and (ii) may be terminated at any time by the Swingline Lender upon written notice to the Borrower.

Section 2.5 Borrowings; Procedures and Limitations.

(a) Notice. Each Borrowing shall be made pursuant to the applicable Notice of Borrowing (other than the Borrowings to be made on the Closing Date and Swingline Advances) and given by the Borrower to Administrative Agent not later than (i) 11:00 a.m. (Houston, Texas time) on the third Business Day before the date of the proposed Borrowing, in the case of a Eurodollar Advance or (ii) 11:00 a.m. (Houston, Texas time) on the Business Day of the proposed Borrowing, in the case of a Base Rate Advance, by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice of such proposed Borrowing, by facsimile or by electronic mail. The Borrowings to be made on the Closing Date shall be made pursuant to the applicable Notices of Borrowing given not later than 11:00 a.m. (Houston, Texas time) on the Closing Date by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice of such proposed Borrowing, by facsimile or by electronic mail. Each Notice of Borrowing shall be by facsimile or by electronic mail (with a PDF file of the executed Notice of Borrowing attached), specifying (i) the requested date of such Borrowing (which shall be a Business Day), (ii) the requested Type and Class of Advances comprising such Borrowing, (iii) the aggregate amount of such Borrowing, and (iv) if such Borrowing is to be comprised of Eurodollar Advances, the requested Interest Period for each such Advance; provided that, all Borrowings to be made on the Closing Date shall consist only of Base Rate Advance which may, subject to the terms of this Agreement, be thereafter Converted into Eurodollar Advances. In the

case of a proposed Borrowing comprised of Eurodollar Advances, the Administrative Agent shall promptly notify each Lender of the applicable interest rate under Section 2.9(b). Each Lender shall, before 12:00 noon (Houston, Texas time) on the date of such Borrowing, make available for the account of its applicable Lending Office to the Administrative Agent at its address referred to in Section 9.9, or such other location as the Administrative Agent may specify by notice to the Lenders, in immediately available funds, such Lender' s Pro Rata Share of such Borrowing. Promptly after the Administrative Agent' s receipt of such funds (but in any event, not later than 3:00 p.m. (Houston, Texas time) on the date of the proposed Borrowing) and upon fulfillment of the applicable conditions set forth in Article III, the Administrative Agent will make such funds available to the Borrower at its account with the Administrative Agent or as otherwise directed by the Borrower with written notice to the Administrative Agent.

(b) Conversions and Continuations. In order to elect to Convert or continue a Revolving Advance under this Section, the Borrower shall deliver an irrevocable Notice of Continuation or Conversion to the Administrative Agent at the Administrative Agent' s Office no later than 11:00 a.m. (Houston, Texas time) (i) at least one Business Day in advance of the proposed Conversion date in the case of a Conversion to a Base Rate Advance and (ii) at least three Business Days in advance of the proposed Conversion or continuation date in the case of a Conversion to, or a continuation of, a Eurodollar Advance. Each such continuation or Conversion shall be in writing or by facsimile or by electronic mail (with a PDF file of the executed Notice of Continuation or Conversion attached), specifying (i) the requested Conversion or continuation date (which shall be a Business Day), (ii) the amount, Type, and Class of the Advance to be Converted or continued, (iii) whether a Conversion or continuation is requested and, if a Conversion, into what Type of Advance (including, if applicable, whether such Advance is a Revolving Tranche A Advance or Tranche B Term Advance), and (iv) in the case of a Conversion to, or a continuation of, a Eurodollar Advance, the requested Interest Period. Promptly after receipt of a Notice of Continuation or Conversion under this paragraph, the Administrative Agent shall provide each Lender with a copy thereof and, in the case of a Conversion to or a continuation of a Eurodollar Advance, notify each Lender of the applicable interest rate under Section 2.9(b). For purposes other than the conditions set forth in Section 3.2, the portion of Advances comprising part of the same Borrowing that are Converted to Advances of another Type shall constitute a new Borrowing.

(c) Certain Limitations. Notwithstanding anything in paragraphs (a) and (b) above:

(i) at no time shall there be more than six Interest Periods applicable to outstanding Eurodollar Advances;

(ii) without the consent of all of the Lenders, the Borrower may not select Eurodollar Advances for any Borrowing to be made, Converted or continued if an Event of Default has occurred and is continuing;

(iii) if any Lender shall, at least one Business Day prior to the requested date of any Borrowing comprised of Eurodollar Advances, notify the Administrative Agent and the Borrower that the introduction of or any change in or in the interpretation of any Legal Requirement makes it unlawful, or that any central bank or other Governmental Authority asserts that it is unlawful, for such Lender or its Lending Office to perform its obligations under this Agreement to make Eurodollar Advances or to fund or maintain Eurodollar Advances, (A) any obligation of such Lender to make, continue, or Convert to, Eurodollar Advances, including in connection with such requested Borrowing, shall be suspended until such Lender notifies the Administrative Agent and the Borrower that

the circumstances giving rise to such determination no longer exist; and (B) such Lender agrees to use commercially reasonable efforts (consistent with its internal policies and legal and regulatory restrictions) to designate a different Lending Office if the making of such designation (1) would eliminate the restriction on such Lender described above, and (2) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender;

(iv) if the Administrative Agent is unable to determine the Eurodollar Rate for Eurodollar Advances comprising any requested Borrowing, the right of the Borrower to select Eurodollar Advances for such Borrowing or for any subsequent Borrowing shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be made, Converted or continued as a Base Rate Advance;

(v) if the Majority Lenders shall, at least one Business Day before the date of any requested Borrowing, notify the Administrative Agent that the Eurodollar Rate for Eurodollar Advances comprising such Borrowing will not adequately reflect the cost to such Lenders of making or funding their respective Eurodollar Advances, as the case may be, for such Borrowing, the right of the Borrower to select Eurodollar Advances for such Borrowing or for any subsequent Borrowing shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be a Base Rate Advance;

(vi) if the Borrower shall fail to select the duration or continuation of any Interest Period for any Eurodollar Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.1 and paragraph (a) or (b) above, the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will be made available to the Borrower on the date of such Borrowing as Base Rate Advances and, as to existing Advances, such Advances will be Converted into Base Rate Advances at the end of the Interest Period then in effect; and

(vii) Swingline Advances may not be Converted or continued.

(d) Notices Irrevocable. Each Notice of Borrowing and Notice of Continuation or Conversion delivered by the Borrower hereunder, including its deemed request for borrowing made under Section 2.3 or Section 2.4, shall be irrevocable and binding on the Borrower.

(e) Lender Obligations Several. The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, to make its Advance on the date of such Borrowing. No Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

(f) Funding by Lenders; Administrative Agent' s Reliance. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Advances, or prior to noon on the date of any Borrowing of Base Rate Advances, that such Lender will not make available to the Administrative Agent such Lender' s share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available in accordance with and at the time required in Section 2.5 and may, in reliance

upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then such Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by the Borrower, the Adjusted Base Rate plus the Applicable Margin for Revolving Tranche A Advances, and (B) in the case of a payment to be made by such Lender, the lesser of (i) the Federal Funds Rate for such day and (ii) the Maximum Rate. If such Lender shall repay to the Administrative Agent such corresponding amount and interest as provided above, such corresponding amount so repaid shall constitute such Lender' s Advance as part of such Borrowing for purposes of this Agreement even though not made on the same day as the other Advances comprising such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent. A notice of the Administrative Agent to any Lender or Borrower with respect to any amount owing under this subsection (f) shall be conclusive, absent manifest error.

Section 2.6 Prepayments.

(a) Right to Prepay. The Borrower shall not have any right to prepay any principal amount of any Advance except as provided in this Section 2.6. All notices given pursuant to this Section 2.6 shall be irrevocable and binding upon the Borrower; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.1(b), then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.1(b)(iii). Each payment of any Advance pursuant to this Section 2.6 shall be made in a manner such that all Advances comprising part of the same Borrowing are paid in whole or ratably in part other than Advances owing to a Defaulting Lender as provided in Section 2.17.

(b) Optional. The Borrower may elect to prepay any Borrowing, in whole or in part, without penalty or premium except as set forth in Section 2.11 and after giving by 11:00 a.m. (Houston, Texas time) (i) in the case of Eurodollar Advances, at least three Business Days' , or (ii) in the case of Base Rate Advances, one Business Day' s prior written notice to the Administrative Agent stating the proposed date and aggregate principal amount of such prepayment. If any such notice is given, such Borrower shall prepay Advances comprising part of the same Borrowing in whole or ratably in part in an aggregate principal amount equal to the amount specified in such notice, together with accrued interest to the date of such prepayment on the principal amount prepaid and amounts, if any, required to be paid pursuant to Section 2.11 as a result of such prepayment being made on such date; provided that (A) each optional prepayment of Eurodollar Advances shall be in a minimum amount not less than $1,000,000 and in multiple integrals of $500,000 in excess thereof, (B) each optional prepayment of Base Rate Advances shall be in a minimum amount not less than $500,000 and in multiple integrals of $100,000 in excess thereof and (C) each optional prepayment of Swingline Advances shall be in a minimum amount not less than $100,000 and in multiple integrals of $50,000 in excess thereof, except as otherwise set forth in any AutoBorrow Agreement. If an AutoBorrow Agreement is in effect, each prepayment of Swingline Advances shall be made as provided in such AutoBorrow Agreement.

(c) Mandatory.

(i) If the Borrower or any Subsidiary receives Debt Incurrence Proceeds other than those resulting from Permitted Debt, then not later than two Business Days following the receipt of such proceeds, the Borrower shall prepay the Tranche B Advances in an amount equal to 100% of such Debt Incurrence Proceeds.

(ii) If the Borrower or any Subsidiary completes a Disposition which is not a Permitted Disposition, then the Borrower shall, no later than three Business Days following the completion of such Disposition and in an amount equal to 100% of the Net Cash Proceeds generated from such Disposition *first* prepay the outstanding principal amount of the Tranche B Term Advances, *second* prepay the outstanding principal amount of the Swingline Advances until such time as such Advances are repaid in full, *third* prepay the outstanding principal amount of the Revolving Tranche A Advances until such time as such Advances are repaid in full, and *fourth* if any Borrowing Base Deficiency exists on the date of such Disposition, Cash Collateralize the Letter of Credit Exposure.

(iii) If the Borrower or any Subsidiary receives any Extraordinary Receipts (whether from a single Casualty Event or related series of Casualty Events and whether as one payment or a series of payments) in excess of $1,000,000 in the aggregate since the Amendment No. 4 Effective Date, then the Borrower shall, no later than five Business Days following the receipt of such excess Extraordinary Receipts and in an amount equal to 100% of the amount of such excess Extraordinary Receipts, *first* prepay the outstanding principal amount of the Tranche B Term Advances in the inverse order of maturity until such time as the Tranche B Term Advances are repaid in full, *second* prepay the outstanding principal amount of the Swingline Advances until such Advances are repaid in full, *third* prepay the outstanding principal amount of the Revolving Tranche A Advances until such Advances are repaid in full, *fourth*, if any Borrowing Base Deficiency exists on the date of receipt of such Extraordinary Receipts, Cash Collateralize the Letter of Credit Exposure, and in the case of the foregoing *second* and *third* clauses, with a corresponding reduction in the Borrowing Base in an amount attributed to the Property related to such Casualty Event (to the extent not already excluded from the Borrowing Base then in effect); provided that, (A) if no Default exists or would arise therefrom, then such excess Extraordinary Receipts shall not be required to be so applied on such date to the extent that Borrower shall have delivered a certificate by a Responsible Officer of the Borrower to the Administrative Agent on or prior to such date stating that such Extraordinary Receipts are reasonably expected to be reinvested in fixed or capital assets of any Credit Party within 180 days following the date the Borrower or such Subsidiary received such Extraordinary Receipts (which officer' s certificate shall set forth the estimates of the amounts to be so expended); (B) if all or any portion of such Extraordinary Receipts are not reinvested within such 180-day period as provided in clause (A) above, then 100% of such unused portion shall be applied on the last day of such period in such order as provided under the first through fourth clauses above; and (C) if an Event of Default exists and such Extraordinary Receipts are insurance proceeds, the Borrower shall turn such proceeds over to the Administrative Agent in accordance with Section 5.3(d).

(iv) On any date that a Borrowing Base Deficiency exists as reflected in the Borrowing Base Certificate delivered pursuant to Section 5.2(e) or as notified to the Borrower by the Administrative Agent (with such calculation set forth in reasonable detail which shall be conclusive absent manifest error), the Borrower shall, within three

Business Days, to the extent of such deficiency, *first* prepay the outstanding principal amount of the Swingline Advances until such Advances are repaid in full, *second* prepay the outstanding principal amount of the Revolving Tranche A Advances until such Advances are repaid in full, and *third* Cash Collateralize the Letter of Credit Exposure.

(v) On the last Business Day of each calendar week, if Available Cash in accounts held by, or for the benefit of the Borrower or any Subsidiary, exceeds $3,000,000 (excluding any outstanding checks and electronic funds transfers) then, on the immediately following Business Day, the Borrower shall, to the extent of such excess, *first* prepay the outstanding principal amount of the Swingline Advances until such Advances are repaid in full, *second* prepay the outstanding principal amount of the Revolving Tranche A Advances until such Advances are repaid in full, *third* if any Borrowing Base Deficiency exists on such date, Cash Collateralize the Letter of Credit Exposure, and *fourth*, prepay the outstanding principal amount of the Tranche B Term Advances. This clause (v) may be waived, extended or amended by the Majority Lenders and the Borrower.

(d) Interest; Costs. Each prepayment pursuant to this Section 2.6 shall be accompanied by accrued interest on the amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.11 as a result of such prepayment being made on such date.

(e) Application of Mandatory Prepayments. Each mandatory prepayment of a Tranche B Term Advance required by Section 2.6(c) shall be applied to the scheduled principal installments of the Tranche B Term Advances (including the installment of Tranche B Term Advances due on the Maturity Date) in the inverse order of maturity until such time as the Tranche B Term Advances are repaid in full.

Section 2.7 Repayment.

(a) Revolving Advances. The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of and ratable benefit of each Lender (i) the aggregate outstanding principal amount of all Revolving Advances on the Maturity Date and (ii) the aggregate outstanding principal amount of the Tranche B Term Advances in quarterly installments due and payable on each March 31st, June 30th, September 30th and December 31st, in the amounts and on the dates set forth below:

Amount:	Quarterly Payment Dates:
$300,000	March 31, 2016
$300,000	June 30, 2016
$450,000	September 30, 2016
$450,000	December 31, 2016
$775,000	March 31, 2017
$775,000	June 30, 2017
$775,000	September 30, 2017
$775,000	December 31, 2017
$775,000	March 31, 2018

For the avoidance of doubt, the unpaid principal balance of the Tranche B Term Advances shall be due and payable on the Maturity Date.

(b) Swingline Advances. The Borrower hereby unconditionally promises to pay to the Swingline Lender (i) the aggregate outstanding principal amount of all Swingline Advances on each Swingline Payment Date, and (ii) the aggregate outstanding principal amount of all Swingline Advances outstanding on the Maturity Date.

Section 2.8 Fees.

(a) Commitment Fees. The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee on the average daily amount by which (i) such Lender' s Commitment exceeds (ii) the sum of such Lender' s outstanding Revolving Advances plus such Lender' s Pro Rata Share of the Letter of Credit Exposure, at the per annum rate equal to the Applicable Margin for Commitment Fees for such period. Such Commitment Fee is due on a quarterly basis in arrears on March 31, June 30, September 30, and December 31 of each year commencing on June 30, 2014, and on the Maturity Date. For the avoidance of doubt and for purposes of this Section 2.8(a) only, amounts advanced as Swingline Advances shall not reduce the amount of the unused Commitments.

(b) Fees for Letters of Credit. The Borrower agrees to pay the following:

(i) Subject to Section 2.17 and the remaining provisions of this clause (i), the Borrower agrees to pay, to the Administrative Agent for the pro rata benefit of the Revolving Lenders, a per annum letter of credit fee for each Letter of Credit issued hereunder in an amount equal to the Applicable Margin for Revolving Tranche A Advances that are Eurodollar Advances on the face amount of such Letter of Credit for the period such Letter of Credit is outstanding, which fee shall be due and payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, and on the Maturity Date. Notwithstanding the foregoing, (A) upon the occurrence and during the continuance of an Event of Default under Section 7.1(a) or Section 7.1(g), all letter of credit fees under this clause (i) shall accrue, after as well as before judgment, at the Default Rate and (B) upon the occurrence and during the continuance of any Event of Default (including under Section 7.1(a) or Section 7.1(g)), upon the request of the Majority Lenders, all letter of credit fees under this clause (i) shall accrue, after as well as before judgment, at the Default Rate.

(ii) The Borrower agrees to pay to the Issuing Lender, a fronting fee for each Letter of Credit equal to the greater of (A) 0.125% per annum on the face amount of such Letter of Credit and (B) $750.00, which fee shall be due and payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, and on the Maturity Date.

(iii) The Borrower agrees to pay the Issuing Lender such other usual and customary fees associated with any transfers, amendments, drawings, negotiations or reissuances of any Letters of Credit. Such fees shall be due and payable as requested by the Issuing Lender in accordance with the Issuing Lender' s then current fee policy.

The Borrower shall have no right to any refund of letter of credit fees previously paid by the Borrower, including any refund claimed because any Letter of Credit is canceled prior to its expiration date.

(c) Other Fees. The Borrower agrees to pay the fees to the Administrative Agent and the Joint Lead Arrangers as set forth in the Fee Letter.

Section 2.9 Interest.

(a) Base Rate Advances. Each Base Rate Advance shall bear interest at the Adjusted Base Rate in effect from time to time plus the Applicable Margin for Base Rate Advances for such period. The Borrower shall pay to Administrative Agent for the ratable account of each Lender all accrued but unpaid interest on such Lender' s Base Rate Advances, quarterly in arrears, on each March 31, June 30, September 30, and December 31 commencing on June 30, 2014, and on the Maturity Date.

(b) Eurodollar Advances. Each Eurodollar Advance shall bear interest during its Interest Period equal to at all times the Eurodollar Rate for such Interest Period plus the Applicable Margin for Eurodollar Advances for such period. The Borrower shall pay to the Administrative Agent for the ratable account of each Lender all accrued but unpaid interest on each of such Lender' s Eurodollar Advances on the last day of the Interest Period therefor (provided that for Eurodollar Advances with six month Interest Periods, accrued but unpaid interest shall also be due on the day three months from the first day of such Interest Period), on the date any Eurodollar Advance is repaid, and on the Maturity Date.

(c) Swingline Advances. Swingline Advances shall bear interest at the Adjusted Base Rate in effect from time to time plus the Applicable Margin for Revolving Tranche A Advances that are Base Rate Advances or such other per annum rate to be agreed to between the Borrower and the Swingline Lender. The Borrower shall pay all accrued but unpaid interest on each Swingline Advance to the Swingline Lender, quarterly in arrears, on each March 31, June 30, September 30, and December 31 commencing on June 30, 2014, and on the Maturity Date or such dates as otherwise agreed to between the Swingline Lender and the Borrower.

(d) Retroactive Adjustments of Applicable Margin. In the event that any financial statement or Compliance Certificate delivered pursuant to Section 5.2 is shown to be inaccurate (regardless of whether this Agreement or the Commitments are in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period then in effect (an "***Applicable Period***") than the Applicable Margin applied for such Applicable Period, then (i) the Borrower shall promptly deliver to the Administrative Agent a corrected Compliance Certificate for such Applicable Period, (ii) the Applicable Margin shall be determined as if the higher Applicable Margin then in effect that would have applied were applicable for such Applicable Period (and in any event at the highest level set forth in Schedule I if the inaccuracy was the result of intentional dishonesty, fraud or willful misconduct of a Responsible Officer), and (iii) the Borrower shall promptly, without further action by the Administrative Agent, any Lender or the Issuing Lender, pay to the Administrative Agent for the account of the applicable Lenders, the accrued additional interest owing as a result of such increased Applicable Margin for such Applicable Period. This Section 2.9(d) shall not limit the rights of the Administrative Agent and Lenders with respect to the Default Rate of interest as set forth in Section 2.9(e) below or Article VII. The Borrower' s obligations under this Section 2.9(d) shall survive the termination of the Commitments and the repayment of all other Obligations hereunder.

(e) Default Rate. Notwithstanding the foregoing, (i) upon the occurrence and during the continuance of an Event of Default under Section 7.1(a) or Section 7.1(g), all Obligations shall bear interest, after as well as before judgment, at the Default Rate and (ii) upon the occurrence and during the continuance of any Event of Default (including under Section 7.1(a) or Section 7.1(g)), upon the request of the Majority Lenders, all Obligations shall bear interest, after as well as before judgment, at the Default Rate. Interest accrued pursuant to this Section 2.9(e) and all interest accrued but unpaid on or after the Maturity Date shall be due and payable on demand, and if no express demand is made, then due and payable on such other dates as required herein.

Section 2.10 Illegality. If any Lender shall notify the Borrower that the introduction of or any change in or in the interpretation of any Legal Requirement makes it unlawful, or that any central bank or other Governmental Authority asserts that it is unlawful, for such Lender or its Lending Office to perform its obligations under this Agreement to make, maintain, or fund any Eurodollar Advances of such Lender then outstanding hereunder, (a) the Borrower shall, no later than 11:00 a.m. (Houston, Texas, time) (i) if not prohibited by law, on the last day of the Interest Period for each outstanding Eurodollar Advance or (ii) if required by such notice, on the second Business Day following its receipt of such notice, prepay all of the Eurodollar Advances of such Lender then outstanding, together with accrued interest on the principal amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.11 as a result of such prepayment being made on such date, (b) such Lender shall simultaneously make a Base Rate Advance to the Borrower on such date in an amount equal to the aggregate principal amount of the Eurodollar Advances prepaid to such Lender, and (c) the right of the Borrower to select Eurodollar Advances from such Lender for any subsequent Borrowing shall be suspended until such Lender shall notify the Borrower that the circumstances causing such suspension no longer exist. Each Lender agrees to use commercially reasonable efforts (consistent with its internal policies and legal and regulatory restrictions) to designate a different Lending Office if the making of such designation would avoid the effect of this paragraph and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

Section 2.11 Breakage Costs. Within 5 Business Days of demand made by any Lender to the Borrower (with a copy to the Administrative Agent) from time to time, such Borrower shall compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment (including any deemed payment or repayment and any reallocated repayment to Non-Defaulting Lenders provided for in Section 2.17) of any Advance other than a Base Rate Advance on a day other than the last day of the Interest Period for such Advance (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make an Advance) to prepay, borrow, continue or Convert any Advance other than a Base Rate Advance on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Advance on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 2.15;

including any loss of anticipated profits, any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Advance, from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing. For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 2.11, the requesting Lender shall be deemed to have funded the Eurodollar Advances made by it at the Eurodollar Base Rate used in determining the Eurodollar Rate for such Advance by a matching deposit or other borrowing in the offshore interbank market for Dollars for a comparable amount and for a comparable period, whether or not such Eurodollar Advance was in fact so funded. Any notice delivered by the Administrative Agent (including on behalf of any Lender providing

such notice to the Administrative Agent) setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.11 shall be delivered to Borrower and shall be conclusive and binding absent manifest error.

Section 2.12 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (or its applicable Lending Office) (except any reserve requirement included in the Eurodollar Rate) or the Issuing Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender (or its applicable Lending Office) or on the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Advances made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender (or its applicable Lending Office) or such other Recipient of making, Converting to, continuing or maintaining any loan or of maintaining its obligation to make or accept and purchase any such loan, or to increase the cost to such Lender , the Issuing Lender or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender (or its applicable Lending Office), the Issuing Lender or such other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Issuing Lender or such other Recipient, the Borrower will pay to such Lender, the Issuing Lender or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, the Issuing Lender or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or Issuing Lender determines that any Change in Law affecting such Lender or Issuing Lender or any Lending Office of such Lender or such Lender' s or Issuing Lender' s holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender' s or Issuing Lender' s capital or on the capital of such Lender' s or Issuing Lender' s holding company or any corporation controlling such Lender or the Issuing Lender, if any, as a consequence of this Agreement, the Commitments of such Lender or the Advances made by, or participations in Letters of Credit or Swingline Advances held by, such Lender, or the Letters of Credit issued by the Issuing Lender, to a level below that which such Lender, the Issuing Lender, the corporation controlling such Lender or the Issuing Lender, or such Lender' s or Issuing Lender' s holding company could have achieved but for such Change in Law (taking into consideration such Lender' s or Issuing Lender' s policies, the policies of the corporation controlling such Lender or the Issuing Lender, and the policies of such Lender' s or Issuing Lender' s holding company with

respect to capital adequacy or liquidity), then from time to time upon written demand by such Lender or the Issuing Lender, as the case may be, the Borrower will pay to such Lender or Issuing Lender, such additional amount or amounts as will compensate such Lender or the Issuing Lender, the corporation controlling such Lender or the Issuing Lender, or such Lender' s or Issuing Lender' s holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or Issuing Lender setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or Issuing Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods. The Borrower shall pay such Lender or Issuing Lender, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or Issuing Lender to demand compensation pursuant to this Section 2.12 shall not constitute a waiver of such Lender' s or such Issuing Lender' s right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or Issuing Lender pursuant to this Section 2.12 for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender or Issuing Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender' s or Issuing Lender' s intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Designation of a Different Lending Office. If any Lender requests compensation under this Section 2.12 then such Lender shall use commercially reasonable efforts to designate a different Lending Office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to this Section 2.12 in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

Section 2.13 Payments and Computations.

(a) Payments. All payments of principal, interest, and other amounts to be made by the Borrower under this Agreement and other Credit Documents shall be made to the Administrative Agent in Dollars and in immediately available funds, without setoff, deduction, or counterclaim.

(b) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Lender hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Lender, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing

Lender, in immediately available funds with interest thereon (which interest shall not be borne by the Borrower), for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the lesser of (i) the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (ii) the Maximum Rate. For the avoidance of doubt, the Borrower shall continue to be obligated to pay the otherwise applicable interest on such amounts as and when due under this Agreement. A notice of the Administrative Agent to any Lender or Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Payment Procedures. The Borrower shall make each payment under this Agreement and under any other Credit Document not later than 11:00 a.m. (Houston, Texas time) on the day when due in Dollars to the Administrative Agent at the Administrative Agent' s Lending Office (or such other location as the Administrative Agent shall designate in writing to the Borrower) in immediately available funds and, as to payments of principal, accompanied by a Notice of Optional Payment or Notice of Mandatory Payment, as applicable, from the Borrower, with appropriate insertions and executed by a Responsible Officer of the Borrower. The Administrative Agent will promptly thereafter, and in any event prior to the close of business on the day any timely payment is made, cause to be distributed like funds relating to the payment of principal, interest or fees ratably (other than amounts payable solely to the Administrative Agent or a specific Lender Party pursuant to Sections 2.4, 2.10, 2.11, 2.12, 2.14, 2.15, 8.4 and 9.1 and such other provisions herein which expressly provide for payments to a specific Lender Party, but after taking into account payments effected pursuant to Section 2.13(f)) in accordance with each Lender' s Pro Rata Share to the Lenders for the account of their respective applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon receipt of other amounts due solely to a specific Lender Party, the Administrative Agent shall distribute such amounts to the appropriate party to be applied in accordance with the terms of this Agreement. Subject to the limitations in this clause (c) and other than as expressly provided otherwise under this Agreement, optional prepayments of any Borrowing, including without limitation, any optional prepayments funded with Equity Issuance Proceeds or capital contributions (other than in connection with an equity cure pursuant to Section 7.7) may be applied by the Borrower to the Borrowings in such manner as the Borrower may specify.

(d) Non-Business Day Payments. Whenever any payment shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be; provided that if such extension would cause payment of interest on or principal of Eurodollar Advances to be made in the next following calendar month, such payment shall be made on the immediately preceding Business Day.

(e) Computations. All computations of interest and fees shall be made by the Administrative Agent on the basis of a year of 365/366 days for Base Rate Advances based on the Adjusted Base Rate (other than Base Rate Advances based on the Federal Funds Rate or a Daily One-Month LIBOR) and a year of 360 days for all other interest and fees, in each case for the actual number of days (including the first day, but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Administrative Agent of an amount of interest or fees shall be conclusive and binding for all purposes, absent manifest error.

(f) Sharing of Payments, Etc. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Advances or other Obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Advances and accrued interest thereon or other such Obligations greater than its Pro Rata Share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Advances and such other Obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Advances and other amounts owing them; provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Advances or participations in Letter of Credit Exposure to any assignee or participant, other than to the Borrower or any Subsidiary, or any Affiliate of any of the foregoing (as to which the provisions of this paragraph shall apply).

Each Credit Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Legal Requirements, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Credit Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Credit Party in the amount of such participation.

Section 2.14 Taxes.

(a) Issuing Lender. For purposes of this Section 2.14, the term "Lender" includes the Issuing Lender and the term "applicable Legal Requirement" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Credit Party under any Credit Document shall be made without deduction or withholding for any Taxes, except as required by applicable Legal Requirement. If any applicable Legal Requirement (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Legal Requirement and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by Credit Parties. The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Legal Requirement, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by Credit Parties. The Credit Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided that no Credit Party shall be required to indemnify any Recipient pursuant to this Section 2.14(d) for any Indemnified Taxes unless such Recipient makes written demand on the applicable Credit Party for indemnification no later than one year after the later of (i) the date on which the relevant Governmental Authority makes written demand upon such Recipient for payment of such Indemnified Taxes, and (ii) the date on which such Recipient has made payment of such Indemnified Taxes; provided further that, if the Indemnified Taxes imposed or asserted giving rise to such claims are retroactive, then the one-year period referred to above shall be extended to include the period of retroactive effect thereof. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so), (ii) any Taxes attributable to such Lender' s failure to comply with the provisions of Section 9.7(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Credit Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 2.14, such Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will

permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Legal Requirement or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.14(g)(ii)(A) and (ii)(B) below) shall not be required if in the Lender' s reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable: (i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Credit Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Credit Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty; (ii) executed originals of IRS Form W-8ECI; (iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit I-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "***U.S. Tax Compliance Certificate***") and (y) executed originals of IRS Form W-8BEN; or (iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-2 or Exhibit I-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable Legal Requirement as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Legal Requirement to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Recipient under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Recipient were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Recipient shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by Legal Requirement and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable Legal Requirement (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Recipient has complied with such Recipient' s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.14 (including by the payment of additional amounts pursuant to this Section 2.14), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable

net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party' s obligations under this Section 2.14 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

Section 2.15 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 2.14 or the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall (at the request of the Borrower) use commercially reasonable efforts to designate a different Lending Office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.14, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If (i) any Lender requests compensation under Section 2.12 or a Borrower is required to pay additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, (ii) any Lender suspends its obligation to continue, or Convert Advances into, Eurodollar Advances pursuant to Section 2.5(c)(iii) or Section 2.10, (iii) any Lender is a Non-Consenting Lender, or (iv) any Lender is a Defaulting Lender (any such Lender described in the preceding clauses (i) – (iv), a "***Subject Lender***"), then (x) in the case of a Defaulting Lender, the Administrative Agent may, upon notice to the Subject Lender and the Borrower, require such Defaulting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.7), all of its interests, rights and obligations under this Agreement and the related Credit Documents as a Lender to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment) and (y) in the case of any Subject Lender, the Borrower may, upon notice to the Subject Lender and the Administrative Agent and at the Borrower' s sole cost and expense, require such Subject Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.7), all of its interests, rights and obligations under this Agreement and the related Credit Documents to an Eligible Assignee that shall assume such obligations (which Eligible Assignee may be another Lender, if a Lender accepts such assignment), provided that, in any event:

(A) as to assignments required by the Borrower, the Borrower shall have paid to the Administrative Agent the assignment processing and recordation fee specified in Section 9.7(a)(iv);

(B) such Subject Lender shall have received payment of an amount equal to the outstanding principal of its Advances and participations in outstanding Letter of Credit Obligations and funded participations in outstanding Swingline Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Credit Documents (including any amounts under Section 2.11 other than in the case of a Defaulting Lender) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(C) in the case of any such assignment resulting from a claim for compensation under Section 2.12 or payments required to be made pursuant to Section 2.14, such assignment will result in a reduction in such compensation or payments thereafter;

(D) such assignment does not conflict with applicable Legal Requirements; and

(E) in the event such Subject Lender is a Non-Consenting Lender, each assignee shall consent, at the time of such assignment, to each matter in respect of which such Subject Lender was a Non-Consenting Lender.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower or the Administrative Agent to require such assignment and delegation cease to apply. Solely for purposes of effecting any assignment involving a Defaulting Lender under this Section 2.15 and to the extent permitted under applicable Legal Requirements, each Lender hereby designates and appoints the Administrative Agent as true and lawful agent and attorney-in-fact, with full power and authority, for and on behalf of and in the name of such Lender to execute, acknowledge and deliver the Assignment and Assumption required hereunder if such Lender is a Defaulting Lender and such Lender shall be bound thereby as fully and effectively as if such Lender had personally executed, acknowledged and delivered the same. In lieu of the Borrower or the Administrative Agent replacing a Defaulting Lender as provided in this Section 2.15, the Borrower may terminate such Defaulting Lender' s applicable Commitments as provided in Section 2.1(b)(ii).

Section 2.16 Increase in Commitments.

(a) At any time after the Amendment No. 4 Effective Date but prior to the Business Day immediately preceding the Maturity Date, the Borrower may effectuate one or more increases in the Commitments (each such increase being a "***Commitment Increase***"), by designating either one or more of the existing Lenders (each of which, in its sole discretion, may determine whether and to what degree to participate in such Commitment Increase) or one or more other Eligible Assignees that at the time agree, in the case of any such Eligible Assignee that is an existing Lender to increase its Commitment as such Lender shall so select (an "***Increasing Lender***") and, in the case of any other Eligible Assignee that is not an existing Lender (an "***Additional Lender***"), to become a party to this Agreement as a Lender; provided, however, that (i) each such Commitment Increase shall be equal to at least $10,000,000, (ii) all Commitments and Advances provided pursuant to a Commitment Increase shall be available on the same terms as those applicable to the corresponding type of Commitments and Advances except as to upfront fees which may be as agreed to between the Borrower and such Increasing Lender or Additional Lender, as the case may be, and (iii) the aggregate of all such Commitment Increases shall not exceed $20,000,000. The Borrower shall provide prompt notice of such proposed Commitment Increase pursuant to this Section 2.16 to the Administrative Agent and the

Lenders. This Section 2.16 shall not be construed to create any obligation on the Administrative Agent or any Lender to advance or to commit to advance any credit to the Borrower or to arrange for any other Person to advance or to commit to advance any credit to the Borrower.

(b) The Commitment Increase shall become effective on the date (the "***Increase Date***") on or prior to which each of following conditions shall have been satisfied: (i) the receipt by the Administrative Agent of (A) an agreement in form and substance reasonably satisfactory to the Administrative Agent signed by the Borrower, each Increasing Lender and/or each Additional Lender, setting forth the Commitments, if any, of each such Increasing Lender and/or Additional Lender and, if applicable, setting forth the agreement of each Additional Lender to become a party to this Agreement and to be bound by all the terms and provisions hereof binding upon each Lender, and (B) such evidence of appropriate authorization on the part of the Borrower with respect to such Commitment Increase and such legal opinions as the Administrative Agent may reasonably request, (ii) the funding by each Increasing Lender and Additional Lender of the Advances to be made by each such Lender to effect the prepayment requirement set forth in Section 2.6(c), (iii) receipt by the Administrative Agent of a certificate of an authorized officer of the Borrower certifying (A) both before and after giving effect to such Commitment Increase, no Default has occurred and is continuing, (B) all representations and warranties made by the Borrower in this Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), unless such representation or warranty relates to an earlier date which remains true and correct in all material respects as of such earlier date (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), and (C) the pro forma compliance with the covenant in Section 6.16, after giving effect to such Commitment Increase, and (iv) receipt by the Increasing Lender or Additional Lender, as applicable, of all such fees as agreed to between such Increasing Lender and/or Additional Lender and the Borrower.

(c) Notwithstanding any provision contained herein to the contrary, from and after the date of such Commitment Increase, all calculations and payments of interest on the Advances shall take into account the actual Commitments of each Lender and the principal amount outstanding of each Advance made by such Lender during the relevant period of time.

(d) On any Increase Date, each Revolving Lender' s share of the applicable Letter of Credit Exposure on such date shall automatically be deemed to equal such Revolving Lender' s Pro Rata Share of such Letter of Credit Obligations (such Pro Rata Share for such Revolving Lender to be determined as of the Increase Date after giving effect to such Commitment Increase) without further action by any party.

Section 2.17 Defaulting Lender Provisions.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Legal Requirement:

(i) Waivers and Amendments. Such Defaulting Lender' s right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Majority Lenders".

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 7.4 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Lender or Swingline Lender hereunder; third, to Cash Collateralize the Issuing Lender' s Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.3(i) and the Swingline Lender' s Fronting Exposure, if any, with respect to such Defaulting Lender; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender' s current or potential future funding obligations with respect to Advances under this Agreement and (y) Cash Collateralize the Issuing Lender' s future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.3(i) and the Swingline Lender' s Fronting Exposure with respect to such Defaulting Lender with respect to future Swingline Advances; sixth, to the payment of any amounts owing to the Lenders, the Issuing Lender or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Lender or Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender' s breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender' s breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Advances or Letter of Credit Obligations in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 3.2 were satisfied or waived, such payment shall be applied solely to pay the Advances of, and Letter of Credit Obligations owed to, all Non-Defaulting Lenders on the applicable pro rata basis prior to being applied to the payment of any Advances of, or Letter of Credit Obligations owed to, such Defaulting Lender until such time as all Advances and funded and unfunded participations in Letter of Credit Obligations and Swingline Advances are held by the Revolving Lenders pro rata in accordance with the applicable Commitments without giving effect to Section 2.17(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.17(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) No Defaulting Lender shall be entitled to receive fees under Section 2.8(b)(i) or (ii), for any period during which that Lender is a Defaulting Lender, except to the extent allocable to its Pro Rata Share of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.3(i).

(C) With respect to any fee under Section 2.8(b)(i) or (ii) not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender' s participation in Letter of Credit Exposure that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the Issuing Lender and the Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to the Issuing Lender' s or Swingline Lender' s Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender' s participation in Letter of Credit Obligations and Swingline Advances shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Pro Rata Shares (calculated without regard to such Defaulting Lender' s Commitment) but only to the extent that (x) the conditions set forth in Section 3.2 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Outstandings of any Non-Defaulting Lender to exceed such Non-Defaulting Lender' s Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender' s increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swingline Advances. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under any Legal Requirement, (x) first, within two Business Days, prepay Swingline Advances in an amount equal to the Swingline Lender' s Fronting Exposure and (y) second, within three Business Days, Cash Collateralize the Issuing Lender' s Fronting Exposure in accordance with the procedures set forth in Section 2.3(i).

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swingline Lender and the Issuing Lender agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Revolving Advances of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Advances and funded and unfunded participations in Letters of Credit and Swingline Advances to be held pro rata by the Lenders in accordance with the applicable Commitments (without giving effect to Section 2.17(a)(iv), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on

behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender' s having been a Defaulting Lender. Notwithstanding the above, the Borrower' s and the Administrative Agent' s right to replace a Defaulting Lender pursuant to this Agreement shall be in addition to, and not in lieu of, all other rights and remedies available to the Borrower or the Administrative Agent against such Defaulting Lender under this Agreement, at law, in equity or by statute.

Section 2.18 Borrowing Base Adjustments.

(a) Borrowing Base. Subject to clause (b) below, any change in the Borrowing Base shall be effective on the date the Administrative Agent receives the Borrowing Base Certificate and accompanying information and reports, in each case, as required by the terms of this Agreement; provided that, should the Borrower fail to deliver the Administrative Agent the Borrowing Base Certificate or any accompanying information or reports as required under Section 5.2(e), the Administrative Agent may nonetheless redetermine the Borrowing Base from time-to-time thereafter in its sole discretion until the Administrative Agent receives the required Borrowing Base Certificate and accompanying information and reports, whereupon the Administrative Agent shall redetermine the Borrowing Base based on such Borrowing Base Certificate and the other terms hereof. In any event, the Borrowing Base shall not at any time exceed the aggregate Commitments less the amount of any Tranche B Term Advances outstanding at such time.

(b) Asset Sales/Sale Leasebacks. If a Triggering Event (as defined below) occurs the Borrower shall, within three Business Days thereafter (or such longer period accepted by the Administrative Agent), deliver notice thereof to the Administrative Agent. Upon receipt of such notice (or if the Administrative Agent otherwise has actual knowledge thereof, then at the Administrative Agent' s election exercised in its sole discretion), the Administrative Agent shall recalculate the then effective Borrowing Base by subtracting therefrom the value, if any, attributed to the Borrowing Base for the asset Disposed of under the Triggering Event; provided that, if such notice is received on or about the time such Borrowing Base is to be redetermined pursuant to clause (a) above or otherwise, then the Administrative Agent may elect to forego the reduction provided for in this clause (b) at its sole discretion. The Administrative Agent shall promptly provide written notice of such reduced Borrowing Base to the Borrower and to the Lenders. Such redetermined Borrowing Base shall be effective on the date the Administrative Agent delivers such notice to the Borrower and the Lenders. "***Triggering Event***" means (i) a Disposition of any Property that is not permitted under the terms of this Agreement, (ii) a Disposition of any Property as part of a sale and leaseback transaction permitted under the terms of this Agreement, and (iii) a Casualty Event which results in a prepayment of Revolving Advances and Swingline Advances as provided in Section 2.6(c)(iii). Notwithstanding anything herein to the contrary, neither the provisions in this Section 2.18(b) nor any adjustment of the Borrowing Base required herein are intended to be and shall not constitute, or otherwise be deemed to constitute, a consent to any Disposition of Property that is otherwise prohibited under this Agreement.

ARTICLE III
CONDITIONS PRECEDENT

Section 3.1 Conditions Precedent to Initial Borrowings and the Initial Letter of Credit. The obligations of each Lender to make the initial Advance and for the Issuing Lender to issue the initial Letters of Credit shall be subject to the conditions precedent that:

(a) Documentation. The Administrative Agent shall have received the following, duly executed by all the parties thereto, in form and substance reasonably satisfactory to the Administrative Agent and the Lenders:

(i) this Agreement and all attached Exhibits and Schedules and the Notes payable to each Lender requesting a Note;

(ii) the Guaranty executed by the Borrower and all Subsidiaries existing on the Closing Date;

(iii) the Security Agreement executed by the Borrower and each Subsidiary existing on the Closing Date, together with (A) appropriate UCC-1 financing statements and intellectual property security agreements, if any, necessary for filing with the appropriate authorities, (B) certificates, together with undated, blank stock powers for each such certificate, representing all of the issued and outstanding Equity Interests of each of the Borrower' s Subsidiaries required in connection with the Security Agreement, and (C) any other documents, agreements, or instruments necessary to create, perfect or maintain an Acceptable Security Interest in the Collateral;

(iv) appropriate UCC and intellectual property search reports for the Borrower and its Subsidiaries reflecting no prior Liens (other than Permitted Liens) encumbering the properties of the Borrower and its Subsidiaries;

(v) certificates of insurance naming the Administrative Agent as loss payee with respect to property insurance, or additional insured with respect to liability insurance, and covering the Borrower' s and its Subsidiaries' Properties with such insurance carriers, for such amounts and covering such risks as required by Section 5.3;

(vi) a certificate from an authorized officer of the Borrower dated as of the Closing Date stating that as of such date (A) all representations and warranties of the Borrower set forth in this Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), (B) no Default has occurred and is continuing; and (C) all conditions precedent set forth in this Section 3.1 have been met or waived;

(vii) a secretary' s certificate from each Credit Party certifying such Person' s (A) officers' incumbency, (B) authorizing resolutions, (C) organizational documents, and (D) governmental approvals, if any, with respect to the Credit Documents to which such Person is a party;

(viii) certificates of good standing for each Credit Party in the state in which each such Person is organized, which certificates shall be (A) dated a date not earlier than 30 days prior to Closing Date or (B) otherwise effective on the Closing Date;

(ix) legal opinions of (A) Vinson & Elkins LLP, as special counsel to the Credit Parties, (B) Miller, Canfield, Paddock and Stone, P.L.C., as Michigan counsel to the Credit Parties, (C) Hall, Estill, Hardwick, Gable, Golden & Nelson, P.C., as Oklahoma counsel to the Credit Parties, and (D) Dray, Dyekman, Reed & Healey P.C., as Wyoming counsel to the Credit Parties, each in form and substance reasonably acceptable to the Administrative Agent; and

(x) such other documents, governmental certificates, agreements, and lien searches as any Lender Party may reasonably request.

(b) Consents; Authorization; Conflicts. The Borrower shall have received any consents, permits, licenses and approvals of any Governmental Authority or any other Person and required in accordance with applicable Legal Requirement, or in accordance with any document, agreement, instrument or arrangement to which any Credit Party is a party, in connection with the execution, delivery, performance, validity and enforceability of this Agreement and the other Credit Documents other than immaterial consents, licenses or approvals the absence of which would not reasonably be expected to be adverse to any Secured Party. In addition, the Borrower and the Subsidiaries shall have all such material consents, licenses and approvals required in connection with the continued operation of the Borrower and the Subsidiaries, and such approvals shall be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on this Agreement and the actions contemplated hereby.

(c) Representations and Warranties. The representations and warranties contained in Article IV and in each other Credit Document shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the Closing Date before and after giving effect to the initial Borrowing or issuance of Letters of Credit and to the application of the proceeds from such Borrowing, as though made on and as of such date.

(d) Payment of Fees. The Borrower shall have paid the fees and expenses required to be paid as of the Closing Date by Section 2.8(c) and Section 9.1(a) (other than legal fees) or any other provision of a Credit Document. The Borrower shall have paid the legal fees for the Administrative Agent' s counsel as required under Section 9.1 to the extent such fees have been invoiced at least two Business Days prior to the Closing Date.

(e) Other Proceedings. No action, suit, investigation or other proceeding by or before any arbitrator or any Governmental Authority shall be threatened or pending and no preliminary or permanent injunction or order by a state or federal court shall have been entered in connection with this Agreement, any other Credit Document, or any of the Transactions.

(f) Other Reports. The Administrative Agent shall have received, in form and substance reasonably satisfactory to it, all environmental reports, and such other reports, audits or certifications as it may reasonably request.

(g) Material Adverse Change. Since December 31, 2013, there shall not have occurred any event or circumstance that could reasonably be expected to result in a Material Adverse Change.

(h) No Default. No Default shall have occurred and be continuing.

(i) Solvency. The Administrative Agent shall have received a certificate in form and substance reasonably satisfactory to the Administrative Agent from the chief financial officer or such other officer acceptable to the Administrative Agent of the Borrower certifying that, after giving effect to the initial Borrowings made hereunder on the Closing Date and the other Transactions, the Credit Parties, taken as a whole, are Solvent.

(j) Delivery of Financial Statements; Projections. The Administrative Agent shall have received (i) audited financial statements of RedZone for the fiscal years ending December 31, 2012 and December 31, 2013, (ii) audited consolidated financial statements of the Borrower for the fiscal year ending December 31, 2013, and (iii) unaudited financial statements of each of RedZone and the Borrower for each month of 2014 through February. The Administrative Agent shall have also received projections prepared by management of balance sheets, income statements and cashflow statements of the Borrower and its Subsidiaries, after giving pro forma effect to the Transactions, which shall be quarterly for the first year after the Closing Date and annually thereafter through December 31, 2018.

(k) Notice of Borrowing. The Administrative Agent shall have received a Notice of Borrowing from the Borrower, with appropriate insertions and executed by an authorized Responsible Officer of the Borrower.

(l) Payment in Full of Existing Debt. Prior to, or concurrently with, the making of the initial Advances hereunder, all Debt, including Debt under the Existing Credit Agreements, of the Borrower and its Subsidiaries other than Permitted Debt shall have been paid in full and the Administrative Agent shall have received a "pay-off" letter (or such other evidence) in form and substance reasonably satisfactory to the Administrative Agent with respect to all such Debt being refinanced with the initial Advances to be made hereunder; and arrangements satisfactory to the Administrative Agent shall have been made with any Person holding any Lien securing any such Debt for the release and delivery of such UCC (or equivalent) termination statements, mortgage releases, releases of assignments of leases and rents, and other instruments, in each case in proper form for recording or filing, as the Administrative Agent shall have requested to release and terminate of record the Liens securing such Debt.

(m) USA Patriot Act. The Administrative Agent and the Lenders shall have received all documentation and other information that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act.

(n) Closing Date Leverage Ratio. The Closing Date Leverage Ratio shall be no greater than 2.75 to 1.00 and the Administrative Agent shall have received a duly completed certificate executed by a Responsible Officer of the Borrower setting forth a calculation of such Closing Date Leverage Ratio, in form and substance satisfactory to the Administrative Agent (including a reasonably detailed calculation of Closing Date EBITDA).

(o) Pro Forma Structure. The pro forma capital and ownership structure and the equityholder arrangements of the Borrower and its Subsidiaries (and all agreements relating thereto), after giving pro forma effect to the Transactions, will be reasonably satisfactory to the Administrative Agent and the Lenders.

(p) Compliance with Law. The Borrower and its Subsidiaries shall be in compliance with all Legal Requirements which are applicable to such Persons, including the operations, business or Property of such Persons, except in any case where the failure to be in compliance could not reasonably be expected to result in a Material Adverse Change or affect the consummation or the legality of the Transactions.

(q) Liquidity. The Administrative Agent shall have received evidence satisfactory to it that, after giving effect to the Transactions, Liquidity is greater than or equal to $15,000,000.

(r) Material Contracts. The Administrative Agent shall have received copies of, and be reasonably satisfied with its review of, all material contracts of the Borrower and its Subsidiaries (including RedZone and its Subsidiaries, if any).

(s) Closing Date Acquisition; Closing Date Acquisition Agreement. The Closing Date Acquisition shall have been, or shall contemporaneously with the Closing Date be, consummated in accordance with the terms and conditions of the Closing Date Acquisition Agreement without giving effect to any waiver, modification or consent by any party thereunder that is materially adverse to the interest of the Lenders (as reasonably determined by the Administrative Agent) unless approved by the Administrative Agent. The Administrative Agent shall have received (i) a copy of the Closing Date Acquisition Agreement and all exhibits and schedules thereto, certified by a Responsible Officer of the Borrower as being true, correct and complete copies thereof, and (ii) evidence in form and substance reasonably satisfactory to the Administrative Agent that all consents and approvals required pursuant to the terms of the Closing Date Acquisition Agreement have been obtained.

Section 3.2 Conditions Precedent to Each Credit Extension. The obligation of each Lender to make any Credit Extension on the occasion of each Borrowing (including the initial Borrowing), the obligation of each Issuing Lender to make any Credit Extension, the obligation of each Swingline Lender to make Swingline Advances, and any reallocation provided in Section 2.17, in each case, shall be subject to the further conditions precedent that on the date of such Borrowing, such Credit Extension or such reallocation:

(a) Representations and Warranties. As of the date of the making of such Credit Extension, Borrowing or reallocation, the representations and warranties made by any Credit Party or any officer of any Credit Party contained in the Credit Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on such date, except that any representation and warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date and each request for the making of any Borrowing, Credit Extension or reallocation, and the making of such Borrowing, Credit Extension or reallocation shall be deemed to be a reaffirmation of such representations and warranties. Each of the giving of the applicable Notice of Borrowing or Letter of Credit Application, the acceptance by the Borrower of the proceeds of such Borrowing or such Credit Extension, or the benefits of any reallocation, shall constitute a representation and warranty by the Borrower that on the date of such Borrowing, Credit Extension or reallocation, as applicable, the foregoing condition has been met.

(b) Event of Default. As of the date of each Borrowing, Credit Extension or reallocation, no Default or Event of Default shall exist, and the making of such Borrowing, Credit Extension, or reallocation would not cause a Default or Event of Default. Each of the giving of the applicable Notice of Borrowing or Letter of Credit Application, the acceptance by the Borrower of the proceeds of such Borrowing or such Credit Extension or the benefits of any reallocation, shall constitute a representation and warranty by the Borrower that on the date of such Borrowing, Credit Extension or reallocation, as applicable, the foregoing condition has been met.

(c) Notice of Borrowing; Letter of Credit. The Administrative Agent shall have received a Notice of Borrowing in accordance with Section 2.5(a) or the Administrative Agent and the Issuing Lender shall have received a Letter of Credit Application in accordance with Section 2.3(b), as the case may be.

Section 3.3 Determinations Under Section 3.1 and Section 3.2. For purposes of determining compliance with the conditions specified in Section 3.1 and Section 3.2, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Administrative Agent responsible for the transactions contemplated by the Credit Documents shall have received written notice from such Lender prior to the Credit Extensions hereunder specifying its objection thereto and such Lender shall not have made available to the Administrative Agent such Lender' s Credit Extensions.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants as follows:

Section 4.1 Organization. The Borrower and each of its Subsidiaries are duly and validly organized and existing and in good standing under the laws of its jurisdiction of incorporation or formation. The Borrower and each of its Subsidiaries are authorized to do business and is in good standing in all jurisdictions in which such qualifications or authorizations are necessary except where the failure to be so qualified or authorized could not reasonably be expected to result in a Material Adverse Change. As of the Amendment No. 4 Effective Date, each Credit Party' s type of organization and jurisdiction of incorporation or formation are set forth on Schedule 4.1.

Section 4.2 Authorization. The execution, delivery, and performance by each Credit Party of each Credit Document to which such Credit Party is a party and the consummation of the transactions contemplated thereby (a) are within such Credit Party' s organizational powers, (b) have been duly authorized by all necessary corporate, limited liability company or partnership action, as applicable, of such Credit Party, (c) do not contravene any articles or certificate of incorporation or bylaws, partnership or limited liability company agreement, as applicable, binding on or affecting such Credit Party, (d) do not contravene any Legal Requirement or any contractual restriction binding on or affecting such Credit Party except for immaterial laws or contractual restrictions the noncompliance with which would not reasonably be expected to be adverse to any Secured Party, (e) do not result in or require the creation or imposition of any Lien prohibited by this Agreement, and (f) do not require any authorization or approval or other action by, or any notice or filing with, any Governmental Authority except for immaterial authorizations, approvals, other actions, notices or filings the failure to obtain of which would not reasonably be expected to be adverse to any Secured Party. At the time of each Credit Extension, such Credit Extension and the use of the proceeds of such Credit Extension are within the Borrower' s corporate powers, have been duly authorized by all necessary action, do not contravene (i) the Borrower' s certificate of incorporation, bylaws or other organizational documents, or (ii) any Legal Requirement or any contractual restriction binding on or affecting the Borrower, will not result in or require the creation or imposition of any Lien prohibited by this Agreement, and do not require any authorization or approval or other action by, or any notice or filing with, any Governmental Authority.

Section 4.3 Enforceability. The Credit Documents have each been duly executed and delivered by each Credit Party that is a party thereto and each Credit Document constitutes the legal, valid, and binding obligation of each Credit Party that is a party thereto enforceable against such Credit Party in accordance with its terms, except as limited by applicable Debtor Relief Laws or similar laws at the time in effect affecting the rights of creditors generally and by general principles of equity whether applied by a court of law or equity.

Section 4.4 Financial Condition.

(a) The Borrower has delivered to the Lenders the financial statements identified in Section 3.1(j) and such financial statements were prepared in accordance with GAAP (except as otherwise noted therein) and fairly present, in all material respects, the financial condition of the Persons covered thereby as of the respective dates thereof for the periods covered therein, subject, in the case of unaudited financial statements, to normal year-end adjustments and the absence of footnotes. As of the Closing Date, there were no material contingent obligations, liabilities for taxes, unusual forward or long-term commitments, or unrealized or anticipated losses of the applicable Persons, except as disclosed in the most recent financial statements identified in Section 3.1(j) and for which adequate reserves have been made in accordance with GAAP or arising from the Transactions.

(b) Since the Closing Date, after giving pro forma effect to the Transactions, no event or condition has occurred that could reasonably be expected to result in a Material Adverse Change.

Section 4.5 Ownership and Liens; Real Property. Each Credit Party (a) has good and marketable fee simple title to, or a valid leasehold interest or easement in, all real property (other than Excluded Real Property), and good title to all material personal Property used in its business, and (b) none of the Property owned by the Borrower or a Subsidiary is subject to any Lien except Permitted Liens. As of the Amendment No. 4 Effective Date, the Credit Parties do not own any real property other than that listed on Schedule 4.5 and all equipment owned by the Credit Parties and used in the Credit Parties' business is located at real Property owned by the Credit Parties or is located at the locations listed on Schedule 4.5 (other than office equipment or equipment located on job sites or in transit).

Section 4.6 True and Complete Disclosure. All written factual information (whether delivered before or after the date of this Agreement) prepared by or on behalf of the Borrower and its Subsidiaries and furnished to any Lender Party for purposes of or in connection with this Agreement or any other Credit Document, taken as a whole, does not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein not misleading as of the date such information is dated or certified. There is no fact known to any Responsible Officer of any Credit Party on the date of this Agreement that has not been disclosed to the Administrative Agent that could reasonably be expected to result in a Material Adverse Change. All projections, estimates, budgets, and pro forma financial information furnished by the Borrower or any of its Subsidiaries (or on behalf of the Borrower or any such Subsidiary), were prepared on the basis of assumptions, data, information, tests, or conditions (including current and reasonably foreseeable business conditions) believed to be reasonable at the time such projections, estimates, and pro forma financial information were furnished (it being recognized by the Lender Parties, however, that projections as to future events are not to be viewed as facts and that results during the period(s) covered by such projections may differ from the projected results and that such differences may be material and that the Credit Parties make no representation that such projections will be realized).

Section 4.7 Litigation. There are no actions, suits, or proceedings pending or, to any Credit Party' s knowledge, threatened against the Borrower or any Subsidiary, at law, in equity, or in admiralty, or by or before any Governmental Authority, which could reasonably be expected to result in a Material Adverse Change. Additionally, except as disclosed in writing to the Administrative Agent, there is no pending or, to the knowledge of any Credit Party, threatened action or proceeding instituted against the Borrower or any Subsidiary which seeks to adjudicate the Borrower or any Subsidiary as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any Debtor Relief Law, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its Property.

Section 4.8 Compliance with Agreements.

(a) Neither the Borrower nor any of its Subsidiaries is a party to any indenture, loan or credit agreement or any lease or any other types of agreement or instrument or subject to any charter or corporate restriction or provision of applicable Legal Requirements the performance of or compliance with which could reasonably be expected to result in a Material Adverse Change. Neither the Borrower nor any of its Subsidiaries is in default under or with respect to any contract, agreement, lease or any other types of agreement or instrument to which the Borrower or such Subsidiary is a party and which could reasonably be expected to result in a Material Adverse Change. To the knowledge of the Credit Parties, neither the Borrower nor any of its Subsidiaries is in default under, or has received a notice of default under, any contract, agreement, lease or any other document or instrument to which the Borrower or its Subsidiaries is a party which is continuing and which, if not cured, could reasonably be expected to result in a Material Adverse Change.

(b) No Default has occurred and is continuing.

Section 4.9 Pension Plans. (a) Except for matters that could not reasonably be expected to result in a Material Adverse Change, all Plans are in compliance with all applicable provisions of ERISA, (b) no Termination Event has occurred with respect to any Plan that would result in an Event of Default under Section 7.1(j), and, except for matters that could not reasonably be expected to result in a Material Adverse Change, each Plan has complied with and been administered in accordance with applicable provisions of ERISA and the Code, (c) no "accumulated funding deficiency" (as defined in Section 302 of ERISA) has occurred with respect to any Plan, and for plan years after December 31, 2007, no unpaid minimum required contribution exists with respect to any Plan, and there has been no excise tax imposed under Section 4971 of the Code with respect to any Plan, (d) the present value of all benefits vested under each Plan (based on the assumptions used to fund such Plan) did not, as of the last annual valuation date applicable thereto, exceed the value of the assets of such Plan allocable to such vested benefits in an amount that could reasonably be expected to result in a Material Adverse Change, (e) neither the Borrower nor any member of the Controlled Group has had a complete or partial withdrawal from any Multiemployer Plan for which there is any unsatisfied withdrawal liability that could reasonably be expected to result in a Material Adverse Change or an Event of Default under Section 7.1(i), and (f) neither the Borrower nor any member of the Controlled Group has incurred any liability as a result of a Multiemployer Plan being in reorganization or insolvent that could reasonably be expected to result in a Material Adverse Change. Based upon GAAP existing as of the date of this Agreement and current factual circumstances, neither the Borrower nor any Subsidiary has any reason to believe that the annual cost during the term of this Agreement to the Borrower or any Subsidiary for post-retirement benefits to be provided to the current and former employees of the Borrower or any Subsidiary under Plans that are welfare benefit plans (as defined in Section 3(1) of ERISA) could, in the aggregate, reasonably be expected to result in a Material Adverse Change.

Section 4.10 Environmental Condition. Except as set forth on Schedule 4.10:

(a) Permits, Etc. The Borrower and each Subsidiary (i) has obtained all material Environmental Permits necessary for the ownership and operation of its Properties and the conduct of its businesses; (ii) is and, during the relevant time periods specified under applicable statutes of limitation, has been in material compliance with all terms and conditions of such Environmental Permits and with all other material requirements of applicable Environmental Laws; (iii) has not received written notice of any material violation or alleged material violation of any Environmental Law or Environmental Permit; and (iv) is not subject to any actual or contingent Environmental Claim which could reasonably be expected to result in a Material Adverse Change.

(b) Certain Liabilities. To the Borrower' s and each Subsidiary' s knowledge, none of the present or previously owned or operated Property of any Credit Party or of any Subsidiary thereof, wherever located, (i) has been placed on or proposed to be placed on the National Priorities List, the Comprehensive Environmental Response Compensation Liability Information System list, or their state or local analogs, or have been otherwise investigated, designated, listed, or identified by a Governmental Authority as a potential site for removal, remediation, cleanup, closure, restoration, reclamation, or other Response activity under any Environmental Laws; (ii) is subject to a Lien, arising under or in connection with any Environmental Laws, that attaches to any revenues or to any Property owned or operated by the Borrower or any Subsidiary, wherever located, which could reasonably be expected to result in a Material Adverse Change; or (iii) has been the site of any Release of Hazardous Substances or Hazardous Wastes from present or past operations which has caused at the site or at any third-party site any condition that has resulted in or could reasonably be expected to result in the need for Response that could result in a Material Adverse Change.

(c) Certain Actions. Without limiting the foregoing, (i) all necessary material notices have been properly filed, and no further material action is required under current applicable Environmental Law as to each Response or other restoration or remedial project required to be undertaken by the Borrower, any of its Subsidiaries or any of the Borrower' s or such Subsidiary' s former Subsidiaries pursuant to any Environmental Law, on any of their presently or formerly owned or operated Property and (ii) the present and, to the Credit Parties' knowledge, future liability, if any, of the Borrower or of any Subsidiary which could reasonably be expected to arise in connection with requirements under Environmental Laws is not expected to result in a Material Adverse Change.

Section 4.11 Subsidiaries. As of the Amendment No. 4 Effective Date, the Borrower has no Subsidiaries other than those listed on Schedule 4.11. Each Subsidiary (including any such Subsidiary formed or acquired subsequent to the Closing Date) has complied with the requirements of Section 5.6.

Section 4.12 Investment Company Act. Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 4.13 Taxes. Proper and accurate (in all material respects), all federal returns and all material state, local and foreign Tax returns, reports and statements required to be filed (after giving effect to any extension granted in the time for filing) by the Borrower and each Subsidiary or any member of an affiliated group of the Borrower and such Subsidiaries as determined under Section 1504 of the Code (hereafter collectively called the "***Tax Group***") have been filed with the appropriate Governmental Authorities, and all Taxes (which are material in amount) and other impositions (which are material in

amount) due and payable have been timely paid prior to the date on which any fine, penalty, interest, late charge or loss may be added thereto for non-payment thereof except where contested in good faith and by appropriate proceeding. Neither the Borrower, nor any Subsidiary, nor any member of the Tax Group has given, or been requested to give, a waiver of the statute of limitations relating to the payment of any federal, state, local or foreign taxes. Proper and accurate amounts have been withheld by the Borrower and each Subsidiary and all other members of the Tax Group from their employees for all periods to comply in all material respects with the tax, social security and unemployment withholding provisions of applicable federal, state, local and foreign law.

Section 4.14 Permits, Licenses, etc. Each of the Borrower and its Subsidiaries possesses all permits, licenses, patents, patent rights or licenses, trademarks, trademark rights, trade names rights, and copyrights which are material to the conduct of its business. Each of the Borrower and its Subsidiaries manages and operates its business in accordance with all applicable Legal Requirements except where the failure to so manage or operate could not reasonably be expected to result in a Material Adverse Change; provided that this Section 4.14 does not apply with respect to Environmental Permits.

Section 4.15 Use of Proceeds. The proceeds of the Advances and Letters of Credit will be used by the Borrower for the purposes described in Section 6.6. No Credit Party is engaged in the business of purchasing or carrying margin stock (within the meaning of Regulation U) or in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U). Neither proceeds of any Advance nor any Letter of Credit will be used to purchase or carry any margin stock in violation of Regulation T, U, or X.

Section 4.16 Condition of Property; Casualties. The material Properties used or to be used in the continuing operations of the Borrower and its Subsidiaries, taken as a whole, are in good working order and condition, normal wear and tear excepted. Neither the business nor the material Properties of the Borrower or any Subsidiary has been affected as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labor disturbance, embargo, requisition or taking of Property or cancellation of contracts, permits or concessions by a Governmental Authority, riot, activities of armed forces or acts of God or of any public enemy, which effect could reasonably be expected to result in a Material Adverse Change.

Section 4.17 Insurance. Each of the Borrower and its Subsidiaries carries insurance (which may be carried by the Borrower on a consolidated basis) with reputable insurers in respect of such of their respective Properties, in such amounts and against such risks as is customarily maintained by other Persons of similar size engaged in similar businesses or, self-insure to the extent that is customary for Persons of similar size engaged in similar businesses.

Section 4.18 Security Interest. Each Credit Party has authorized the filing of financing statements sufficient when filed to perfect the Lien created by the Security Documents to the extent such Lien can be perfected by filing financing statements. When such financing statements are filed in the offices noted therein, the Administrative Agent will have, for the benefit of the Secured Parties, a valid and perfected security interest in all Collateral that is capable of being perfected by filing financing statements (excluding, for perfection purposes, the Excluded Perfection Collateral).

Section 4.19 OFAC; Anti-Terrorism.

(a) None of (i) the Credit Parties, (ii) any of their Subsidiaries, (iii) any director, officer, or employee of any of the foregoing, or (iv) to the knowledge of the Borrower, any agent or other person acting on behalf of the Credit Parties or any of their Subsidiaries, has taken any action, directly or indirectly, that could result in a violation by such persons of the FCPA or any other applicable Anti-Corruption Law; and the Credit Parties have instituted and maintain policies and procedures designed to promote and achieve continued compliance therewith.

(b) None of (i) the Credit Parties, (ii) any of their Subsidiaries, (iii) any director, officer or employee of any of the foregoing, or (iv) to the knowledge of the Borrower, any agent or affiliate of the Credit Parties or any of their Subsidiaries, is an individual or entity that is, or is owned or controlled by Persons that are: (i) the target of any sanctions administered or enforced by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty' s Treasury, or other relevant sanctions authority (collectively, "***Sanctions***"), or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions).

(c) The Borrower will not, directly or, to the Borrower' s knowledge, indirectly, use the proceeds of the Advances or Letters of Credit, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any party.

Section 4.20 Solvency. Upon consummation of the Closing Date Acquisition and before and after giving effect to the making of each Credit Extension, the Credit Parties are, when taken as a whole, Solvent.

Section 4.21 Intellectual Property; Licenses, Etc. Each Credit Party owns, or possesses the right to use, all of the trademarks, trademark rights, service marks, trade names, trade name rights, copyrights, patents, patent rights, licenses and other intellectual property rights (collectively, "*IP Rights*") that are reasonably necessary for the operation of their respective businesses or that are material to the conduct of its business. To the best knowledge of the Borrower, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the Borrower or any Subsidiary infringes upon any rights held by any other Person in a manner that would reasonably be expected to result in a Material Adverse Change. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Borrower, threatened, against any Credit Party, or their use thereof, which, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change.

ARTICLE V
AFFIRMATIVE COVENANTS

So long as any Obligation shall remain unpaid, any Lender shall have any Commitment hereunder, or there shall exist any Letter of Credit Exposure (unless such Letter of Credit Exposure shall have been Cash Collateralized on terms and in amounts reasonably acceptable to the Issuing Lender), each Credit Party agrees to comply with the following covenants.

Section 5.1 Organization. Each Credit Party shall, and shall cause each of its respective Subsidiaries to, preserve and maintain its partnership, limited liability company or corporate existence, rights, franchises and privileges in the jurisdiction of its organization. Each Credit Party shall, and shall cause each of its respective Subsidiaries to qualify and remain qualified as a foreign business entity in each jurisdiction in which qualification is necessary or desirable in view of its business and operations or the ownership of its Properties, except where failure to so qualify could not reasonably be expected to result in a Material Adverse Change. Nothing contained in this Section 5.1 shall prevent any transaction permitted by Section 6.7 or Section 6.8.

Section 5.2 Reporting.

(a) Annual Financial Reports. The Borrower shall provide, or shall cause to be provided, to the Administrative Agent, as soon as available, but in any event within 120 days after the end of each fiscal year of the Borrower ending on or after December 31, 2014, (i) consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, such consolidated statements to be audited and accompanied by a report and opinion of any independent certified public accountant of nationally or regionally recognized standing reasonably acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with GAAP and shall not be subject to any "going concern" or like qualification or exception (other than with respect to, or resulting from, the occurrence of the scheduled Maturity Date within one year from the date such opinion is delivered) or any qualification or exception as to the scope of such audit, and such consolidated statements to be certified by the chief executive officer, chief financial officer, director of finance or controller of the Borrower to the effect that such statements fairly present, in all material respects, the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP.

(b) Quarterly Financial Reports. The Borrower shall provide, or shall cause to be provided, to the Administrative Agent, as soon as available, but in any event within 60 days after the end of the fiscal quarter ending June 30, 2014 and thereafter within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (commencing with the fiscal quarter ending September 30, 2014), (i) a consolidated and consolidating balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the Borrower' s fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, such statements to be certified by the chief executive officer, chief financial officer, director of finance or controller of the Borrower as fairly presenting, in all material respects, the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year- end audit adjustments and the absence of footnotes.

(c) Monthly Financial Reports; Available Cash Report. The Borrower shall provide, or shall cause to be provided, to the Administrative Agent, as soon as available, but in any event within 30 days after the end of each calendar month (commencing with January 2016) and other than for a calendar month occurring at a fiscal quarter end, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such month, and the related consolidated statements of income or operations for such month and for the portion of the Borrower' s fiscal year then ended and monthly and year-to-date cash flow statements, setting forth in each case in comparative form (commencing with January 2017) the figures for the corresponding month of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, such consolidated statements to be certified by the chief executive officer, chief financial officer, director of finance or controller of the Borrower as fairly presenting the financial condition and results of operations of the Borrower and its Subsidiaries, in all material respects, in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes. In addition to the foregoing, on the first Business Day of each week, the Borrower shall provide to the Administrative Agent a certification of the Available Cash on the last Business Day of such preceding week.

(d) Compliance Certificate. Concurrently with the delivery of the financial statements referred to in Section 5.2(a) and (b) above, the Borrower shall provide to the Administrative Agent a duly completed Compliance Certificate signed by a Responsible Officer of the Borrower and attaching thereto detailed supporting information for the calculations made thereunder.

(e) Annual Budget. As soon as available and in any event within 60 days after the end of each fiscal year of the Borrower, commencing with the fiscal year 2014, the Borrower shall provide to the Administrative Agent an annual budget consisting of projected balance sheets, income statements and cash flow statements for the immediately following fiscal year and reasonably detailed on a quarterly basis.

(f) Borrowing Base Certificate. As soon as available and in any event within 30 days after the end of each calendar month (commencing with January 2016), the Borrower shall provide to the Administrative Agent, a certificate of the chief financial officer, chief executive officer, director of finance or controller of the Borrower, or any other Responsible Officer of the Borrower reasonably acceptable to the Administrative Agent, in any event, on behalf of the Borrower calculating the Borrowing Base, in the form of the Borrowing Base Certificate then in effect as of the end of such calendar month, including therein, among other things: (i) a monthly accounts receivable aging and accounts payables aging report of the Credit Parties including grand totals, (ii) a schedule detailing the Inventory of the Credit Parties and showing (A) the location (or if in transit), (B) product type, (C) volume on hand, (D) cost or market value, and (E) reports of any variances or other results of Inventory counts performed by the Borrower or any Subsidiary since the last Inventory schedule (including information regarding sales or other reductions, additions, returns, credits issued by any such parties and all claims, counterclaims, deductions, defenses, setoffs or disputes against any such parties by the Account Debtor), and (iii) a schedule of fixed assets of the Credit Parties, including as to Equipment, the BB Value thereof and notations on when such Equipment was sold and acquired since the date of the last Borrowing Base Certificate, including notations thereon of whether such Equipment is Certificated Equipment, each in such form and detail as may be requested by the Administrative Agent. For the avoidance of doubt, any Eligible Equipment sold or acquired by the Credit Parties shall reduce or increase the aggregate value of the Credit Parties' Eligible Equipment set forth in the next Borrowing Base Certificate delivered for the month of such Disposition or acquisition by an amount equal to the BB Value of such sold or acquired Eligible Equipment.

(g) Certificated Equipment. As soon as available and in any event within 30 days after the end of each calendar month (commencing with January 2016), the Borrower shall provide, or shall cause to be provided, to the Administrative Agent a report or reports listing all of the Credit Parties' Certificated Equipment, and setting forth (i) the state in which such Certificated Equipment is titled, (ii) whether delivered to the Administrative Agent (or its designated agent) and whether the Administrative Agent is named as the holder of the first Lien on such Certificated Equipment' s certificate of title, and (iii) a list of Certificated Equipment sold and a list of Certificated Equipment acquired since the as of date of the preceding equipment report; provided that, the timely delivery of such report directly from the third party agent that is tasked to note the Administrative Agent' s name on certificates of title shall satisfy the Borrower' s obligation under this clause (g) so long as such report lists all of the Credit Parties' Certificated Equipment.

(h) Defaults. The Credit Parties shall provide to the Administrative Agent promptly, but in any event within five Business Days after a Responsible Officer of any Credit Party obtains knowledge thereof, a notice of any Default or Event of Default, together with a statement of a Responsible Officer of the Borrower setting forth the details of such Default or Event of Default and the actions which the Credit Parties have taken and propose to take with respect thereto.

(i) Other Creditors. The Credit Parties shall provide to the Administrative Agent promptly after the giving or receipt thereof, copies of any material default notices given or received by the Borrower or by any of its Subsidiaries pursuant to the terms of any indenture, loan agreement, credit agreement, or similar agreement evidencing Debt in an amount in excess of $2,000,000.

(j) Litigation. The Credit Parties shall provide to the Administrative Agent promptly after the commencement thereof, notice of all actions, suits, and proceedings before any Governmental Authority, affecting the Borrower or any Subsidiary that could reasonably be expected to result in a Material Adverse Change.

(k) Environmental Notices. Promptly upon, and in any event no later than 15 days after, the receipt thereof, or the acquisition of knowledge thereof, by any Responsible Officer of a Credit Party, the Credit Parties shall provide the Administrative Agent with a copy of any form of request, claim, complaint, order, notice, summons or citation received from any Governmental Authority or any other Person, (i) concerning violations or alleged violations of Environmental Laws, which seeks to impose liability therefore in excess of $2,000,000, (ii) concerning any action or omission on the part of any of the Credit Parties or any of their former Subsidiaries in connection with Hazardous Waste or Hazardous Substances which could reasonably result in the imposition of liability in excess of $2,000,000 or requiring that action be taken to respond to or clean up a Release of Hazardous Substances or Hazardous Waste into the environment and such action or clean-up could reasonably be expected to exceed $2,000,000, including without limitation any information request related to, or notice of, potential responsibility under CERCLA which could reasonably result in the imposition of liability in excess of $2,000,000, or (iii) concerning the filing of a Lien (other than a Permitted Lien) upon, against or in connection with the Borrower, any Subsidiary, or any of their respective former Subsidiaries, or any of their leased or owned Property, wherever located pursuant to any Environmental Law.

(l) Material Changes. The Credit Parties shall provide to the Administrative Agent prompt written notice of any condition or event of which any Responsible Officer of any Credit Party obtains knowledge and which could reasonably be expected to result in a Material Adverse Change.

(m) Termination Events. As soon as possible and in any event (i) within 30 days after the Borrower or any member of the Controlled Group knows that any Termination Event described in clause (a) of the definition of Termination Event with respect to any Plan has occurred, and (ii) within 10 days after the Borrower or any member of the Controlled Group knows that any other Termination Event with respect to any Plan has occurred, the Credit Parties shall provide to the Administrative Agent a statement of a Responsible Officer of the Borrower describing such Termination Event and the action, if any, which the Borrower or any Affiliate of the Borrower proposes to take with respect thereto.

(n) Termination of Plans. Promptly and in any event within five Business Days after receipt thereof by the Borrower or any member of the Controlled Group from the PBGC, the Credit Parties shall provide to the Administrative Agent copies of each notice received by the Borrower or any such member of the Controlled Group of the PBGC' s intention to terminate any Plan or to have a trustee appointed to administer any Plan.

(o) Other ERISA Notices. Promptly and in any event within five Business Days after receipt thereof by the Borrower or any member of the Controlled Group from a Multiemployer Plan sponsor, the Credit Parties shall provide to the Administrative Agent a copy of each notice received by the Borrower or any member of the Controlled Group concerning the imposition or amount of withdrawal liability imposed on the Borrower or any member of the Controlled Group pursuant to Section 4202 of ERISA.

(p) Other Governmental Notices. Promptly and in any event within five Business Days after receipt thereof by the Borrower or any Subsidiary, the Credit Parties shall provide to the Administrative Agent a copy of any notice, summons, citation, or proceeding seeking to modify, revoke, or suspend any material contract, license, permit, or agreement with any Governmental Authority, the modification, revocation or suspension of which could reasonably be expected to result in a Material Adverse Change.

(q) Disputes; etc. The Credit Parties shall provide to the Administrative Agent prompt written notice of (i) any claims, legal or arbitration proceedings, proceedings before any Governmental Authority, or disputes, or to the knowledge of any Credit Party, any such actions threatened, or affecting the Borrower or any Subsidiary, in any event, which could reasonably be expected to result in a Material Adverse Change, or any material labor controversy of which any Credit Party has knowledge resulting in or reasonably considered to be likely to result in a strike against the Borrower or any Subsidiary, and (ii) any claim, judgment, Lien or other encumbrance (other than a Permitted Lien) affecting any Property of the Borrower or any Subsidiary, if the value of the claim, judgment, Lien, or other encumbrance affecting such Property shall exceed $2,000,000.

(r) Management Letters; Other Accounting Reports. Promptly upon receipt thereof (to the extent permitted by the Borrower' s auditors), the Credit Parties shall provide to the Administrative Agent a copy of each "management letter" submitted to the Borrower or any Subsidiary by independent accountants in connection with any annual, interim or special audit made by them of the books of the Borrower and its Subsidiaries, and a copy of any response by the Borrower or any Subsidiary of the Borrower, or the board of directors or managers (or other applicable governing body) of the Borrower or any Subsidiary of the Borrower, to such letter.

(s) Insurance Reports; Information to/from Insurer. Promptly, and in any event no later than sixty days, after each fiscal year end, the Credit Parties shall provide to the Administrative Agent copies of all notices of material claims, changes to policy limits or insurance coverage and such other information requested by the Administrative Agent.

(t) SEC. In the event the Borrower becomes subject to SEC reporting requirements, (i) promptly after the same are available, the Credit Parties shall provide to the Administrative Agent copies of all annual, regular, periodic and special reports and registration statements which the Borrower may file or be required to file with the SEC under Section 13 or 15(d) of the Exchange Act, or with any national securities exchange, and in any case not otherwise required to be delivered to the Administrative Agent pursuant hereto, and (ii) promptly, and in any event within five (5) Business Days after receipt thereof by any Credit Party or any Subsidiary thereof, the Credit Parties shall provide to the Administrative Agent copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Credit Party or any Subsidiary thereof.

(u) Other Information. Subject to the confidentiality provisions of Section 9.8, the Credit Parties shall provide to the Administrative Agent such other information respecting the business, operations, or Property of the Borrower or any Subsidiary, financial or otherwise, as any Lender through the Administrative Agent may reasonably request.

Section 5.3 Insurance.

(a) Each Credit Party shall, and shall cause each of its Subsidiaries to, carry and maintain all such insurance in such amounts and against such risks as is customarily maintained by other Persons of similar size engaged in similar businesses and with reputable insurers.

(b) Copies of all certificates of insurance for policies covering the property or business of the Borrower and its Subsidiaries, and endorsements and renewals thereof, shall be delivered by the Borrower to and retained by the Administrative Agent. At the request of the Administrative Agent, copies of such policies of insurance, certified as true and correct copies of such documents by a Responsible Officer of the Borrower shall be delivered by the Borrower to and retained by the Administrative Agent. All policies of property insurance with respect to the Collateral either shall have attached thereto a lender' s loss payable endorsement in favor of the Administrative Agent for its benefit and the ratable benefit of the Secured Parties or name the Administrative Agent as loss payee for its benefit and the ratable benefit of the Secured Parties, in either case, in form reasonably satisfactory to the Administrative Agent, and all policies of liability insurance shall name the Administrative Agent for its benefit and the ratable benefit of the Secured Parties as an additional insured and shall provide for a waiver of subrogation in favor of the Administrative Agent. All policies or certificates of insurance shall set forth the coverage, the limits of liability, the name of the carrier, the policy number, and the period of coverage. All such policies shall contain a provision that notwithstanding any contrary agreements between the Borrower, its Subsidiaries, and the applicable insurance company, such policies will not be canceled or allowed to lapse without renewal without at least 30 days' (or such shorter period as such insurance company may require and which is acceptable to the Administrative Agent) prior written notice to the Administrative Agent.

(c) If at any time the area in which any real Property constituting Collateral (to the extent any "buildings" or "mobile home" (as defined in Regulation H of the Federal Reserve Board) is situated on real Property) is located is designated a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), the Borrower shall, and shall cause each other Credit Party to, obtain flood insurance in such total amount as required by Regulation H of the Federal Reserve Board, as from time to time in effect and all official rulings and interpretations thereunder or thereof, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time.

(d) Prior to the occurrence and continuance of an Event of Default, (i) up to $5,000,000 in the aggregate, of all proceeds of property insurance received by a Credit Party for the loss of Property which constitutes Collateral shall be paid directly to the applicable Credit Party to repair or replace the damaged or destroyed Property covered by such policy; provided that such Credit Party shall make such repair or replace such Property within 180 days from the receipt of such proceeds and (ii) the remaining amount of such proceeds and any amount of proceeds that were paid to such Credit Party as permitted under clause (i) above and not used

toward the repair or replacement of such Property within the 180 days required under such clause (i), shall be paid directly to the Administrative Agent and if necessary, assigned to the Administrative Agent to be, at the election of the Administrative Agent, (A) applied in accordance with Section 7.6(a) of this Agreement, whether or not the Secured Obligations are then due and payable, or (B) returned to such Credit Party to repair or replace the damaged or destroyed Property covered by such policy or to make such other Investments permitted under Section 6.3 of this Agreement.

(e) After the occurrence and during the continuance of an Event of Default, if requested by the Administrative Agent, all proceeds of insurance of any Credit Party, including any casualty insurance proceeds, property insurance proceeds, proceeds from actions, and any other proceeds, shall be paid directly to the Administrative Agent and if necessary, assigned to the Administrative Agent, to be applied in accordance with Section 7.6(b) of this Agreement, whether or not the Secured Obligations are then due and payable.

(f) In the event that any insurance proceeds are paid to any Credit Party in violation of clause (d) or clause (e), such Credit Party shall hold the proceeds in trust for the Administrative Agent, segregate the proceeds from the other funds of such Credit Party, and promptly pay the proceeds to the Administrative Agent with any necessary endorsement. Upon the request of the Administrative Agent, each Credit Party shall execute and deliver to the Administrative Agent any additional assignments and other documents as may be necessary to enable the Administrative Agent to directly collect the proceeds as set forth herein.

Section 5.4 Compliance with Laws. Each Credit Party shall, and shall cause each of its Subsidiaries to, comply with Legal Requirements (including Environmental Laws) which are applicable to such Person, including the operations, business or Property of such Person and maintain all related permits necessary for the ownership and operation of such Person' s Property and business, except in any case where the failure to so comply could not reasonably be expected to result in a Material Adverse Change.

Section 5.5 Taxes. Each Credit Party shall, and shall cause each of its Subsidiaries to pay and discharge all material Taxes, assessments, and other charges and claims related thereto imposed on the Borrower or any of its Subsidiaries prior to the date on which penalties attach other than any Tax, assessment, charge, or claims which is being contested in good faith and for which adequate reserves have been established in compliance with GAAP.

Section 5.6 Security.

(a) The Borrower agrees that at all times before Security Termination, the Administrative Agent shall have an Acceptable Security Interest in the applicable Collateral as required below, subject to any permitted releases pursuant to the terms of this Agreement or the Security Documents, to secure the performance and payment of the Secured Obligations as set forth in the Security Documents. The Borrower shall, and shall cause each Subsidiary to take such actions, including execution and delivery of any Security Documents necessary to create, perfect and maintain an Acceptable Security Interest in favor of the Administrative Agent in the following Properties, whether now owned or hereafter acquired: (i) all Equity Interests issued by any Domestic Subsidiary and held by a Domestic Subsidiary; (ii) 65% of Voting Securities and 100% of Equity Interests that are not Voting Securities issued by First Tier Foreign Subsidiaries which are owned by the Borrower or any Domestic Subsidiary; and (iii) all other Properties of the Credit Parties and their respective Subsidiaries other than Excluded Properties. For the avoidance of doubt, notwithstanding the preceding provisions of this Section 5.6 or any other provisions of

the Credit Documents, neither the Borrower nor any Domestic Subsidiary shall be required to grant any security interest in the Equity Interests of any Foreign Subsidiary except 65% of the outstanding Voting Securities and 100% of the Equity Interests that are not Voting Securities in any First Tier Foreign Subsidiary.

(b) Notwithstanding the generality of the foregoing Section 5.6(a), (x) with respect to each real property (other than Excluded Real Property) owned by a Credit Party on the Amendment No. 4 Effective Date, the Credit Parties shall provide the following to the Administrative Agent within 90 days after the Amendment No. 4 Effective Date (or such later date as may be agreed by the Administrative Agent in its sole discretion), and (y) with respect to each real property (other than Excluded Real Property) acquired by a Credit Party after the Amendment No. 4 Effective Date, the Credit Parties shall provide the following to the Administrative Agent within 30 days after such acquisition (or such later date as may be agreed by the Administrative Agent in its sole discretion):

(i) fully executed Mortgages covering such real property;

(ii) at least five (5) Business Days prior to granting a Lien to the Administrative Agent thereon, if applicable, flood determination certificates and, if applicable, flood insurance as required under Section 5.3(c) above;

(iii) satisfactory Lien searches from the counties in which such real property is located and, if necessary, releases for Liens reflected thereon that are not Permitted Liens; and

(iv) if such real property is to be considered as Eligible Real Property as elected by the Borrower, such other requirements as set forth in the definition of "Eligible Real Property".

Section 5.7 New Subsidiaries. The Borrower shall deliver to the Administrative Agent each of the items set forth in Schedule 5.7 attached hereto with respect to each Subsidiary created or acquired after the Closing Date to the extent required in Schedule 5.7 and subject to the grace periods set forth therein.

Section 5.8 Records; Inspection. Each Credit Party shall, and shall cause each of its Subsidiaries to, maintain in all material respects proper, complete and consistent books of record with respect to such Person' s operations, affairs, and financial condition. From time to time upon reasonable prior notice, each Credit Party shall permit any Lender and shall cause each of its Subsidiaries to permit any Lender, at such reasonable times and intervals and to a reasonable extent and under the reasonable guidance of officers of or employees delegated by officers of such Credit Party or such Subsidiary, to, subject to any applicable confidentiality considerations, examine and copy the books and records of such Credit Party or such Subsidiary, to visit and inspect the Property of such Credit Party or such Subsidiary, and to discuss the business operations and Property of such Credit Party or such Subsidiary with the officers and directors thereof (provided that, so long as no Event of Default has occurred and is continuing, the Lenders shall be entitled to only one such visit per year coordinated by the Administrative Agent).

Section 5.9 Maintenance of Property. Each Credit Party shall, and shall cause each of its Subsidiaries to, maintain their owned, leased, or operated material Property, taken as a whole, in good condition and repair, except for normal wear and tear; and shall abstain from, and cause each of its Subsidiaries to abstain from, knowingly or willfully permitting the commission of waste or other injury,

destruction, or loss of natural resources, or the occurrence of pollution, contamination, or any other condition in, on or about the owned or operated Property involving the Environment that could reasonably be expected to result in Response activities and that could reasonably be expected to result in a Material Adverse Change.

Section 5.10 Deposit Accounts; Securities and Commodity Accounts.

(a) Each Credit Party shall, and shall cause each of its Subsidiaries to, from and after 60 days following the Amendment No. 4 Effective Date (or such later date as may be extended by the Administrative Agent in its sole discretion from time to time) (i) maintain its primary operating accounts and other deposit accounts in the United States with Wells Fargo or with any other Lender and cause such accounts with Wells Fargo or any other Lender to be subject to Account Control Agreements, provided that, the requirements of this clause (a)(i) shall not apply to (x) deposit accounts that are designated solely as accounts for, and are used solely for, payment of salaries, wages, workers' compensation, 401(k) or other employee benefit accounts, escrow accounts in favor of a third party, or other funds on deposit for the benefit of third parties for transactions not restricted by this Agreement or (y) deposit accounts that are used solely for petty cash accounts with an aggregate amount on deposit for all such petty cash accounts not to exceed $250,000, and (ii) deposit all proceeds of Eligible Receivables which were considered in calculating the then effective Borrowing Base into one or more of the deposit accounts with the Administrative Agent or Lender that are subject to Account Control Agreements.

(b) Each Credit Party shall, and shall cause each of its Subsidiaries to, from and after 60 days following the Amendment No. 4 Effective Date (or such later date as may be extended by the Administrative Agent in its sole discretion from time to time) maintain all securities accounts and all commodities accounts of Credit Parties subject to Account Control Agreements.

Section 5.11 Appraisals; Field Exams.

(a) Requested Appraisals.

(i) The Borrower shall, and shall cause its Subsidiaries to, cooperate with the Administrative Agent, or its designee, in order for an industry recognized third party appraiser engaged and directed by the Administrative Agent to conduct an appraisal solely for the benefit of the Administrative Agent and the Lenders but at the Credit Parties' sole cost and expense, which written appraisal may cover information as requested by the Administrative Agent, including, but not limited to, a detailed NOLV for machinery, parts, Equipment and other fixed assets of the Borrower and the other Credit Parties, together with a specified procedures letter from such appraiser satisfactory to the Administrative Agent; provided that, unless an Event of Default has occurred and is continuing, the Borrower shall bear the cost of only two such appraisals per fiscal year.

(ii) The Borrower may retain an industry recognized third party appraiser acceptable to the Administrative Agent to conduct an appraisal, which written appraisal shall cover information as requested by the Administrative Agent, including, but not limited to, a detailed NOLV for Equipment of the Borrower and the other Credit Parties, together with a specified procedures letter from such appraiser satisfactory to the Administrative Agent; provided that, the Borrower' s right to initiate an appraisal under this clause (ii) for purposes of determining NOLV as used under this Agreement shall be limited to only one per calendar year. Promptly upon its receipt thereof, the Borrower shall deliver copies of all such appraisals to the Administrative Agent.

(b) Field Exam. The Borrower shall, and shall cause its Subsidiaries to, permit the Administrative Agent to, at any reasonable time and upon reasonable prior notice, and from time to time upon request by the Administrative Agent with reasonable notice, perform a field inspection of the books, records and asset value of the accounts receivable and inventory of the Borrower and its Subsidiaries, including an audit, verification and inspection of the accounts receivable and inventory of the applicable Borrower and its Subsidiaries and, in any event, conducted by the Administrative Agent or any other Person selected by the Administrative Agent; provided that, unless an Event of Default has occurred and is continuing, the Borrower shall bear the cost of only two such field exams per fiscal year.

(c) Event of Default; Beneficiary. If an Event of Default has occurred and is continuing, the Administrative Agent may perform any additional collateral audits, appraisals and field exams, and all such collateral audits, appraisals and field exams shall be performed at the Borrower' s sole cost and expense. Notwithstanding anything herein to the contrary, (i) no Credit Party nor any Affiliate thereof nor any of the foregoing' s respective equity holders are intended to, and no such Person shall be, third party beneficiaries of any audits, appraisals, field exams or collateral audit conducted by any Secured Party or any other Person at the direction of any Secured Party, (ii) no Secured Party is obligated to share any such material or information with any Person other than the directly intended and express beneficiary thereof and (iii) as a condition to any disclosure of such material or information which a Secured Party may, but is not obligated to, provide, the applicable Secured Party may require that the Borrower execute and deliver a confidential, non-reliance, or other disclosure agreement in form and substance acceptable to the disclosing Secured Party (which agreement would not go into effect until the delivery of the applicable audit, appraisal or field exam).

Section 5.12 Further Assurances. Each Credit Party shall, and shall cause each Subsidiary to, cure promptly any defects in the execution and delivery of the Credit Documents. The Credit Parties hereby authorize the Administrative Agent to file any financing statements to the extent permitted by applicable Legal Requirements in order to perfect or maintain the perfection of any security interest granted under any of the Credit Documents. Each Credit Party at its expense will, and will cause each Subsidiary to, promptly execute and deliver to the Administrative Agent upon reasonable request by the Administrative Agent all such other documents, agreements and instruments to perfect, protect or preserve any Liens created pursuant to any of the Security Documents, or to make any recordings or to file any notices, all as may be necessary or appropriate in connection therewith or to enable the Administrative Agent to exercise and enforce its rights and remedies with respect to any Collateral.

Section 5.13 Designation of Senior Debt. The Borrower shall, and shall cause each Subsidiary to, designate all Obligations as "designated senior indebtedness" under any subordinated note or indenture documents applicable to it, to the extent provided for therein.

Section 5.14 Certificated Equipment.

(a) On or before 60 days following the Amendment No. 4 Effective Date (or such later date as the Administrative Agent may agree), with respect to each piece of Certificated Equipment owned by a Credit Party on the Amendment No. 4 Effective Date (other than as to Excepted Certificated Equipment), each applicable Credit Party shall cause the original certificate of title for such Certificated Equipment to name the Administrative Agent as the holder of the first priority Lien thereon and shall deliver a copy of such certificate of title to the Administrative Agent (or its designated agent) with such notation.

(b) As to each piece of Certificated Equipment (other than Excepted Certificated Equipment) purchased by a Credit Party after the Amendment No. 4 Effective Date, (i) each applicable Credit Party shall cause the original certificate of title for such Certificated Equipment to name the Administrative Agent as the holder of the first priority Lien thereon and shall deliver a copy of such certificate of title to the Administrative Agent (or its designated agent) with such notation within 30 days after such purchase (or such later date as the Administrative Agent may agree).

Section 5.15 FCPA; Sanctions. Each Credit Party will maintain in effect policies and procedures designed to promote compliance by each Credit Party and their respective directors, officers, employees, and agents with the FCPA and any other applicable Anti-Corruption Laws and applicable Sanctions.

ARTICLE VI
NEGATIVE COVENANTS

So long as any Obligation shall remain unpaid, any Lender shall have any Commitment hereunder, or there shall exist any Letter of Credit Exposure (unless such Letter of Credit Exposure shall have been Cash Collateralized on terms and in amounts reasonably acceptable to the Issuing Lender), each Credit Party agrees to comply with the following covenants:

Section 6.1 Debt. No Credit Party shall, nor shall it permit any of its Subsidiaries to, create, assume, incur, suffer to exist, or in any manner become liable, directly, indirectly, or contingently in respect of, any Debt other than the following (collectively, the "***Permitted Debt***"):

(a) (i) the Obligations and (ii) the Banking Services Obligations;

(b) [Reserved];

(c) intercompany Debt incurred by any Credit Party owing to any other Credit Party;

(d) purchase money debt or Capital Leases (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the penultimate paragraph of this Section 6.1), subject to the limitations in the last paragraph of this Section 6.1;

(e) Hedging Arrangements permitted under Section 6.15;

(f) Debt arising from the endorsement of instruments for collection in the ordinary course of business;

(g) [Reserved];

(h) a guaranty of Debt so long as such underlying Debt is otherwise permitted under this Section 6.1; provided that, for the avoidance of doubt, such guaranty shall also be subject to the limitations of such underlying Debt;

(i) [Reserved];

(j) Debt arising from the financing of insurance premium of the Borrower or any Subsidiary, so long as (i) the principal amount of such Debt shall not be in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the underlying term of such insurance policy, (ii) is otherwise on customary terms, and (iii) the aggregate principal amount of Debt at any time outstanding pursuant to this clause (j) shall not exceed $5,000,000;

(k) secured Debt not otherwise permitted under the preceding provisions of this Section 6.1 (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the penultimate paragraph of this Section 6.1); provided that, (i) such Debt is subject to the limitations in the last paragraph of this Section 6.1 and (ii) the Properties encumbered by any Lien securing such Debt shall not be Collateral or any Property that is required to be Collateral under Section 5.6;

(l) unsecured Debt in respect of Investments permitted by Section 6.3(d), Section 6.3(e) and Section 6.3(n);

(m) unsecured Debt not otherwise permitted under the preceding provisions of this Section 6.1 (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the penultimate paragraph of this Section 6.1); provided that, the aggregate outstanding principal amount of Debt permitted under this clause (m) shall not exceed $2,500,000 at any time; and

(n) Debt constituting earn-out obligations, contingent obligations or similar contingent obligations of the Borrower or any Subsidiary arising from or relating to the Closing Date Acquisition or a Permitted Acquisition; provided that, the aggregate outstanding principal amount of Debt permitted under this clause (n) shall not exceed $2,500,000 at any time.

Any extensions, refinancings, refundings, replacements and renewals of Debt as permitted above in this Section 6.1 shall be subject to the following conditions: (A) any such refinancing Debt is in an aggregate principal amount not greater than the aggregate principal amount of the Debt being renewed or refinanced, plus the amount of any premiums required to be paid thereon and reasonable fees and expenses associated therewith and an amount equal to any unutilized active commitment under the Debt being renewed or refinanced and (B) the covenants, events of default, subordination and other provisions thereof (including any guarantees thereof) shall be, in the aggregate, no less favorable to the Lenders than those contained in the Debt being renewed or refinance; provided that, the foregoing conditions are not, and shall not be construed as, an increase in any dollar limit already provided in Section 6.1 above nor an amendment of any specific requirement set forth in Section 6.1 above, including the specific requirements under clause (j) above.

Notwithstanding anything herein to the contrary, Debt permitted under clause (d) and (k) is further limited to (y) Debt created, assumed, incurred, or in any other manner arising during the fiscal year ending December 31, 2016 in an aggregate outstanding amount not in excess of $10,000,000 (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the foregoing sentence); and (z) Debt created, assumed, incurred, or in any other manner arising during the fiscal year ending December 31, 2017 in an aggregate outstanding amount not in excess of $10,000,000 (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the foregoing sentence).

Section 6.2 Liens. No Credit Party shall, nor shall it permit any of its Subsidiaries to, create, assume, incur, or suffer to exist any Lien on the Property of any Credit Party or any Subsidiary, whether now owned or hereafter acquired, or assign any right to receive any income, other than the following (collectively, the "***Permitted Liens***"):

(a) Liens securing the Secured Obligations pursuant to the Security Documents;

(b) Liens imposed by law, such as materialmen' s, mechanics' , carriers' , workmen' s and repairmen' s liens, landlord' s liens and other similar liens, and such Liens granted under contract with such materialmen, mechanic, carrier, workmen, repairmen and landlord, in any case, arising in the ordinary course of business securing obligations which are not overdue for a period of more than 30 days or are being contested in good faith by appropriate procedures or proceedings and for which adequate reserves have been established in accordance with GAAP;

(c) Liens arising in the ordinary course of business out of pledges or deposits under workers compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation to secure public or statutory obligations;

(d) Liens for taxes, assessments, or other governmental charges which are not yet due and payable or which are being actively contested in good faith by appropriate proceedings;

(e) Liens securing purchase money debt or Capital Lease obligations permitted under Section 6.1(d); provided that each such Lien encumbers only the Property purchased in connection with the creation of any such purchase money debt or the subject of any such Capital Lease, and all proceeds thereof (including insurance proceeds);

(f) Liens arising from precautionary UCC financing statements regarding operating leases;

(g) encumbrances consisting of easements, zoning restrictions, servitudes or other restrictions on the use of real property that do not (individually or in the aggregate) materially affect the value of the assets encumbered thereby or materially impair the ability of any Credit Party to use such assets in its business;

(h) Liens arising solely by virtue of any statutory or common law provision relating to banker' s liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a depository institution;

(i) Liens on cash or securities pledged to secure performance of tenders, surety and appeal bonds, government contracts, performance and return of money bonds, bids, trade contracts, leases, statutory obligations, regulatory obligations and other obligations of a like nature incurred in the ordinary course of business;

(j) judgment and attachment Liens not giving rise to an Event of Default, provided that (i) any appropriate legal proceedings which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such proceeding may be initiated shall not have expired and (ii) no action to enforce such Lien has been commenced;

(k) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into in the ordinary course of business or Liens arising by operation of law under Article 2 of the UCC or by contract in favor of a reclaiming seller of goods or buyer of goods (including purchase money security interests in favor of vendors in the ordinary course of business);

(l) Liens solely on cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted hereunder;

(m) Liens arising by reason of deposits with or giving of any form of security to any Governmental Authority for any purpose at any time as required by applicable law as a condition to the transaction of any business or the exercise of any privilege or license;

(n) Liens created pursuant to joint venture agreements and related documents (to the extent requiring a Lien on the Equity Interest owned by the Borrower or any Subsidiary in the applicable Joint Venture is required thereunder) having ordinary and customary terms (including with respect to Liens) and entered into in the ordinary course of business and securing obligations other than Debt;

(o) Liens encumbering Property of the Borrower and its Subsidiaries which is not Collateral or Property required to be Collateral under Section 5.6 and securing Debt permitted under Section 6.1(k);

(p) Liens on Property of a Person which becomes a Subsidiary after the date hereof, to the extent that (i) such Liens are in existence at the time such Person becomes a Subsidiary and were not created in anticipation thereof, (ii) the Debt secured by such Liens does not thereafter increase in amount and is permitted hereunder, and (iii) for the avoidance of doubt, such Liens encumber only such Property owned by such Person prior to such Person becoming a Subsidiary and proceeds thereof;

(q) Liens existing as of the date hereof and set forth on Schedule 6.2; and

(r) Liens in favor of insurers (or other Persons financing the payment of insurance premiums) securing Debt of the type described in and permitted under Section 6.1(j); provided that such Liens shall encumber only the unearned premiums or other proceeds of the insurance financed thereby.

Section 6.3 Investments. No Credit Party shall, nor shall it permit any of its Subsidiaries to, make or hold any Investment other than the following (collectively, the "***Permitted Investments***"):

(a) Investments in the form of trade credit to customers of the Borrower or its Subsidiaries arising in the ordinary course of business and represented by accounts from such customers;

(b) Liquid Investments;

(c) Investments made prior to the Closing Date as specified in the attached Schedule 6.3; provided that, the respective amounts of such loans, advances, capital contributions, investments, purchases and commitments shall not be increased (other than as a result of appreciation);

(d) [Reserved];

(e) Investments by any Credit Party in any other Credit Party;

(f) Investments in the form of Permitted Acquisitions; provided that, if such Permitted Acquisition involves a Subsidiary, such Acquisition otherwise complies with this Agreement, including Section 5.6 and Section 5.7;

(g) creation of additional Domestic Subsidiaries in compliance with Section 5.6 and Section 5.7;

(h) loans or advances to directors, officers and employees of the Borrower or any Subsidiary for expenses or other payments incident to such Person' s employment or association with the Borrower or any Subsidiary; provided that the aggregate outstanding amount of such advances and loans shall not exceed $1,000,000;

(i) Investments (including debt obligations and Equity Interests) and other assets received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement or delinquent obligations of, or other disputes with, customers and suppliers arising in the ordinary course of business or received upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(j) Investments in the form of mergers and consolidations of the Borrower and its Subsidiaries in compliance with Section 6.7(a); provided that, if such Investment involves a Subsidiary, such Investment otherwise complies with this Agreement, including Section 5.6 and Section 5.7;

(k) Capital Expenditures permitted under Section 6.18;

(l) Investments to the extent made with Equity Issuance Proceeds so long as (i) no Default exists both before and after giving effect to such Investment, (ii) such Investment is on an arm' s-length basis for no more than fair market value and (iii) such Investment is made with Equity Issuance Proceeds received prior to or contemporaneously with such Investment, which Equity Issuance Proceeds were intended to be used for such Investment and were not applied in increasing EBITDA for purposes of Section 7.7; and

(m) other Investments in an aggregate outstanding amount not to exceed $2,000,000 (other than as a result of appreciation), during the term hereof.

For the avoidance of doubt, any Investment that also constitutes an Acquisition must be permitted under this Section 6.3 and under Section 6.4 below.

Section 6.4 Acquisitions. No Credit Party shall, nor shall it permit any of its Subsidiaries to, make an Acquisition in a single transaction or related series of transactions other than:

(a) mergers, amalgamations and consolidations permitted by Section 6.7(a);

(b) the Closing Date Acquisition on the terms set forth in the Closing Date Acquisition Agreement;

(c) any Equity Funded Acquisition so long as (i) no Default exists both before and after giving effect to such Acquisition, (ii) such Acquisition is from an unrelated third party and on an arm' s-length basis for no more than fair market value and is not hostile, and (iii) such Acquisition is made with Equity Issuance Proceeds received prior to or contemporaneously with such Acquisition, which Equity Issuance Proceeds were intended to be used for such Acquisition.

Section 6.5 Agreements Restricting Liens. No Credit Party shall, nor shall it permit any of its Subsidiaries to, create, incur, assume or permit to exist any contract, agreement or understanding which in any way prohibits or restricts the granting, conveying, creation or imposition of any Lien on any of its Property, whether now owned or hereafter acquired, to secure the Secured Obligations or restricts any Subsidiary from paying Restricted Payments to the Borrower, or which requires the consent of or notice to other Persons in connection therewith other than:

(a) this Agreement and the Security Documents;

(b) agreements governing Debt permitted by Section 6.1(d) to the extent such restrictions govern only the assets financed pursuant to such Debt and the proceeds thereof;

(c) agreements governing Debt permitted by Section 6.1(i) and (k) to the extent such restrictions do not apply to Collateral or Properties which are required to be Collateral under Section 5.6 and such agreements do not require the direct or indirect granting of any Lien securing such Debt or other obligation by virtue of the granting of Liens on or pledge of Collateral to secure the Secured Obligations;

(d) any prohibition or limitation that (i) exists pursuant to applicable requirements of a Governmental Authority, (ii) restricts subletting or assignment of leasehold interests contained in any lease governing a leasehold interest of a Borrower or a Subsidiary and customary provisions in other contracts restricting assignment thereof, or (iii) exists in any agreement in effect at the time a Subsidiary becomes a Subsidiary of a Borrower, so long as such agreement was not entered into in contemplation of such Person becoming a Subsidiary; and

(e) any prohibition or limitation that exists in any contract to which a Credit Party is a party on the date hereof so long as (i) such prohibition or limitation is generally applicable and does not specifically address any of the Secured Obligations or the Liens granted under the Credit Documents, and (ii) the noncompliance of such prohibition or limitation would not reasonably be expected to be adverse to any Secured Party.

Section 6.6 Use of Proceeds; Use of Letters of Credit.

(a) No Credit Party shall, nor shall it permit any of its Subsidiaries to: (a) use the proceeds of the Revolving Advances for any purposes other than (i) to refinance or repay the advances and other obligations outstanding under the Existing Credit Agreements or any other Debt outstanding on the Closing Date, (ii) for the payment of fees and expenses related to the Transactions, (iii) for working capital purposes of the Borrower and any Subsidiary, (iv) to fund the Closing Date Acquisition, and (v) for other general corporate purposes of the Borrower and any Subsidiary, including Permitted Acquisitions; or (b) use the proceeds of the Swingline Advances or the Letters of Credit for any purposes other than (i) working capital purposes of the Borrower and any Subsidiary or (ii) other general corporate purposes of the Borrower and any Subsidiary. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, use any part of the proceeds of Advances or Letters of Credit for any purpose which violates, or is inconsistent with, Regulations T, U, or X.

(b) No proceeds of any Advance or Letter of Credit shall be, directly or indirectly, used in any manner that could, after giving effect to such use, prevent the Borrower from making the representations and warranties provided in Section 4.19. No part of the proceeds of the Advances shall be used, directly or, to the Borrower' s knowledge, indirectly, in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of the FCPA or any other applicable Anti-Corruption Law. The Credit Parties shall not, directly or, to the Borrower' s knowledge, indirectly, use the proceeds of the Advances, or lend, contribute or otherwise make available such proceeds to any

subsidiary, joint venture partner or other Person, (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any party.

Section 6.7 Corporate Actions; Accounting Changes.

(a) No Credit Party shall, nor shall it permit any of its Subsidiaries to, merge, amalgamate, dissolve, liquidate or consolidate with or into any other Person after the Closing Date, except:

(i) that the Borrower may merge with any of its Subsidiaries and any Credit Party may merge or be consolidated with or into any other Credit Party; provided that immediately after giving effect to any such proposed transaction no Default would exist and, in the case of any such merger to which the Borrower is a party, the Borrower is the surviving entity;

(ii) that any Subsidiary that is not a Credit Party and is not required to become a Credit Party hereunder may merge, amalgamate or consolidate with any other Subsidiary that is not a Credit Party and is not required to become a Credit Party hereunder;

(iii) any other merger, amalgamation or consolidation as part of a Permitted Acquisition under Section 6.4(c), subject to the conditions set forth therein; and

(iv) any Subsidiary may dissolve, liquidate or wind up its affairs at any time; provided the assets of any such dissolving Subsidiary become owned by a Credit Party (or if such dissolving Subsidiary is not a Credit Party, by the Borrower or any Subsidiary); and provided further that such dissolution, liquidation or winding up, as applicable, could not reasonably be expected to have a Material Adverse Change. Any such Subsidiary may effect the same by merger, amalgamation or consolidation.

(b) No Credit Party shall, nor shall it permit any of its Subsidiaries to, (i) without at least 15 days (or such shorter period as agreed to by the Administrative Agent) prior written notice to the Administrative Agent, change its name, change its state of incorporation, formation or organization, change its organizational identification number or reorganize in another jurisdiction, (ii) amend, supplement, modify or restate its articles or certificate of incorporation or formation, limited partnership agreement, bylaws, limited liability company agreements, or other equivalent organizational documents, in any manner that could reasonably be expected to be materially adverse to the Lenders, or (iii) change the method of accounting employed in the preparation of the financial statements referred to in Section 4.4 or change the fiscal year end of the Borrower unless such changes are required to conform to GAAP or such changes are to conform the accounting practices among the Borrower and its Subsidiaries and notice of such changes have been delivered to the Administrative Agent prior to effecting such changes.

Section 6.8 Disposition of Assets. No Credit Party shall, nor shall it permit any of its Subsidiaries to, make a Disposition other than:

(a) Disposition by any Subsidiary (other than a Credit Party) of any of its Properties to any Credit Party; provided that, at the reasonable request of the Administrative Agent, the receiving Credit Party shall ratify, grant and confirm the Liens on such assets (and any other related Collateral) pursuant to documentation reasonably satisfactory to the Administrative Agent;

(b) Disposition by any Credit Party of any of its Properties to any other Credit Party; provided that at the reasonable request of the Administrative Agent, the receiving Credit Party shall ratify, grant and confirm the Liens on such assets (and any other related Collateral) pursuant to documentation reasonably satisfactory to the Administrative Agent;

(c) Disposition by any Subsidiary that is not a Credit Party and is not required to become a Credit Party hereunder of any of its Properties to any other Subsidiary that is not a Credit Party and is not required to become a Credit Party hereunder;

(d) Sale of inventory in the ordinary course of business and Disposition of cash or Liquid Investments in the ordinary course of business;

(e) Disposition of worn out, obsolete or surplus property (other than surplus equipment) in the ordinary course of business and the abandonment or other Disposition of patents, trademarks and copyrights that, in the reasonable judgment of the Borrower and its Subsidiaries, should be replaced or is no longer economically practicable to maintain or useful in the conduct of the business of the Borrower and its Subsidiaries taken as a whole;

(f) mergers and consolidations in compliance with Section 6.7(a);

(g) Permitted Investments;

(h) assignments and licenses of patents, trademarks or copyrights of the Borrower and its Subsidiaries in the ordinary course of business;

(i) Disposition of any assets required under Legal Requirements;

(j) Dispositions of Equipment, including Certificated Equipment, the proceeds of which are reinvested in the acquisition of Equipment within 180 days (or within 365 days if the contract for such Equipment is entered into within the initial 180-day period) and on which the Administrative Agent has an Acceptable Security Interest; provided that, for the avoidance of doubt, to the extent such proceeds are not so reinvested within such 180 (or 365, as applicable) day period, then such Disposition is not a Disposition permitted under this clause (j);

(k) Dispositions of surplus Equipment effected after the Amendment No. 4 Effective Date; provided that, the Dispositions permitted under this clause (k) shall not exceed $2,000,000 in the aggregate (based on the BB Value thereof or based on net book value thereof if such asset is not an Eligible Equipment);

(l) Dispositions of Equity Interests in a Joint Venture;

(m) leases of real or personal property in the ordinary course of business; and

(n) Disposition of Properties not otherwise permitted under the preceding clauses of this Section 6.8; provided that, such Disposition, taken together with all such other Dispositions completed since the Closing Date, does not exceed 2.5% of the Tangible Net Assets in the aggregate and calculated at the time of such subject Disposition.

Section 6.9 Restricted Payments. No Credit Party shall, nor shall it permit any of its Subsidiaries to, make any Restricted Payments except that:

(a) the Subsidiaries may make Restricted Payments to the Borrower or any other Credit Party;

(b) so long as no Default exists or would result from the making of such Restricted Payment, the Borrower or any Subsidiary may make cash Restricted Payments in an amount not to exceed $1,000,000 in the aggregate following the Amendment No. 4 Effective Date to existing and former officers, directors, and employees of the Borrower or such Subsidiary; provided that such Restricted Payments are in consideration for the retirement, purchase, or redemption of any of the Equity Interests of such Person, or any option, warrant or other right to purchase or acquire such Equity Interest, in any event, held by such Person; and

(c) so long as no Default exists or would result from the making of such Restricted Payment, the Borrower may make to SCF the G&A Payments in an aggregate amount not to exceed $80,000 per fiscal year.

Section 6.10 Affiliate Transactions. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction or series of transactions (including, but not limited to, the purchase, sale, lease or exchange of Property, the making of any Investment, the giving of any guaranty, the assumption of any obligation or the rendering of any service) with any of their Affiliates that are not Credit Parties other than:

(a) such transaction or series of transactions are arm' s length transactions entered into on terms that are not materially less favorable to the Borrower or any Subsidiary, as applicable, than those that could be obtained in a comparable arm' s length transaction with a Person that is not such an Affiliate;

(b) the agreements described on Schedule 6.10; provided that the terms thereof may not be amended, supplemented or otherwise modified unless such amended, supplemented or otherwise modified terms complies with clause (a) above;

(c) the Restricted Payments permitted under Section 6.9;

(d) permitted Investments in the form of Equity Interests of Subsidiaries, including the purchase or acquisition thereof and capital contributions in connection therewith;

(e) reasonable and customary director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans); and

(f) so long as no Default exists or would result from the making of such payment, the G&A Payments to SCF in an aggregate amount not to exceed $1,000,000 per fiscal year.

Section 6.11 Line of Business. No Credit Party shall, nor shall it permit any of its Subsidiaries to, change the character of the Borrower' s and its Subsidiaries collective business as conducted on the date of this Agreement, or engage in any type of business not reasonably related to, or a normal extension of, the Borrower' s and its Subsidiaries' collective business as presently conducted, it being understood that any oilfield service business is reasonably related to such collective business.

Section 6.12 Hazardous Materials. No Credit Party (a) shall, nor shall it permit any of its Subsidiaries to, create, handle, transport, use, or dispose of any Hazardous Substance or Hazardous Waste, except in the ordinary course of its business and except in compliance with Environmental Law other than to the extent that such non-compliance could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change or in any liability on the Lenders or the Administrative Agent, and (b) shall, nor shall it permit any of its Subsidiaries to, Release any Hazardous Substance or Hazardous Waste into the Environment and shall not permit any Credit Party' s or any Subsidiary' s Property to be subjected to any Release of Hazardous Substance or Hazardous Waste, except in compliance with Environmental Law other than to the extent that such non-compliance could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change or in any material liability on the Lenders or the Administrative Agent.

Section 6.13 Compliance with ERISA. Except for matters that could not reasonably be expected to result in a Material Adverse Change, no Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly: (a) engage in any transaction in connection with which the Borrower or any Subsidiary could be subjected to either a civil penalty assessed pursuant to Section 502(c), (i) or (l) of ERISA or a tax imposed by Chapter 43 of Subtitle D of the Code; (b) terminate, or permit any member of the Controlled Group to terminate, any Plan in a manner, or take any other action with respect to any Plan, which could result in any liability to the Borrower, any Subsidiary or any member of the Controlled Group to the PBGC; (c) fail to make, or permit any member of the Controlled Group to fail to make, full payment when due of all amounts which, under the provisions of any Plan, agreement relating thereto or applicable Legal Requirement, the Borrower, a Subsidiary or member of the Controlled Group is required to pay as contributions thereto; (d) permit to exist, or allow any Subsidiary or any member of the Controlled Group to permit to exist, any accumulated funding deficiency (or unpaid minimum required contribution for plan years after December 31, 2007) within the meaning of Section 302 of ERISA or Section 412 of the Code, whether or not waived, with respect to any Plan; (e) permit, or allow any member of the Controlled Group to permit, the actuarial present value of the benefit liabilities (as "actuarial present value of the benefit liabilities" shall have the meaning specified in Section 4041 of ERISA) under any Plan that is regulated under Title IV of ERISA to exceed the current value of the assets (computed on a plan termination basis in accordance with Title IV of ERISA) of such Plan allocable to such benefit liabilities; (f) contribute to or assume an obligation to contribute to, or permit any member of the Controlled Group to contribute to or assume an obligation to contribute to, any Multiemployer Plan; (g) acquire, or permit any member of the Controlled Group to acquire, an interest in any Person that causes such Person to become a member of the Controlled Group if such Person sponsors, maintains or contributes to, or at any time in the six-year period preceding such acquisition has sponsored, maintained, or contributed to, (1) any Multiemployer Plan, or (2) any other Plan that is subject to Title IV of ERISA under which the actuarial present value of the benefit liabilities under such Plan exceeds the current value of the assets (computed on a plan termination basis in accordance with Title IV of ERISA) of such Plan allocable to such benefit liabilities; (h) incur, or permit any member of the Controlled Group to incur, a liability to or on account of a Plan under Sections 515, 4062, 4063, 4064, 4201 or 4204 of ERISA; or (i) contribute to or assume an obligation to contribute to any employee welfare benefit plan, as defined in Section 3(1) of ERISA, including, without limitation, any such plan maintained to provide benefits to former employees of such entities, that may not be terminated by such entities in their sole discretion at any time without any liability.

Section 6.14 Sale and Leaseback Transactions. No Credit Party shall, nor shall it permit any of its Subsidiaries to, sell or transfer to a Person any Property, whether now owned or hereafter acquired, if at the time or thereafter the Borrower or a Subsidiary shall lease as lessee such Property or any part thereof or other Property which the Borrower or a Subsidiary intends to use for substantially the same purpose as the Property sold or transferred; provided that, the Borrower and its Subsidiaries may effect such transactions with Property that is not Collateral so long as (a) such transactions do not exceed

$2,500,000 in the aggregate during the term hereof; (b) the proceeds of any transaction permitted pursuant to this Section 6.14 shall promptly be applied by the Borrower to prepay any Advances outstanding and Cash Collateralize the Letter of Credit Exposure as of such date as more particularly set forth in Section 2.7(c); and (c) the Borrowing Base shall be reduced by the amount thereof attributable to such Property as set forth in Section 2.18.

Section 6.15 Limitation on Hedging. No Credit Party shall, nor shall it permit any of its Subsidiaries to, (a) purchase, assume, or hold a speculative position in any commodities market or futures market or enter into any Hedging Arrangement for speculative purposes; or (b) be party to or otherwise enter into any Hedging Arrangement which is entered into for reasons other than as a part of its normal business operations as a risk management strategy and/or hedge against changes resulting from market conditions related to the Borrower' s or its Subsidiaries' operations; provided that, for the avoidance of doubt, the Borrower or any Subsidiary may enter into Hedging Arrangements (A) to mitigate risk to which such Person has actual exposure, (B) to effectively cap, collar or exchange interest rates (from floating to fixed rates, from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Subsidiary and (C) consisting of spot and forward delivery foreign exchange contracts entered into in the ordinary course of business and not for speculative purposes.

Section 6.16 Leverage Ratio. The Borrower shall not permit the Leverage Ratio as of the last day of each fiscal quarter, commencing with the quarter ending June 30, 2017, to be more than 3.50 to 1.00.

Section 6.17 Fixed Charge Coverage Ratio. Borrower shall not permit the Fixed Charge Coverage Ratio as of the last day of each fiscal quarter, commencing with the quarter ending March 31, 2016, to be less than (a) 1.15 to 1.00 for each fiscal quarter ending on or prior to March 31, 2017 and (b) 1.25 to 1.00 for each fiscal quarter ending after March 31, 2017

Section 6.18 Capital Expenditures. No Credit Party shall, nor shall it permit any of its Subsidiaries to, cause the Net Capital Expenditures expended by the Borrower or any of its Subsidiaries (a) in the fiscal year ending December 31, 2016, to exceed $15,000,000 in the aggregate and (b) in each fiscal year ending after December 31, 2016, to exceed, in the aggregate, 75% of EBITDA of the immediately preceding fiscal year.

Section 6.19 Prepayment of Certain Debt. No Credit Party shall, nor shall it permit any of its Subsidiaries to, prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, any Debt, except (a) the prepayment of the Obligations in accordance with the terms of this Agreement, (b) regularly scheduled or required repayments or redemptions of Permitted Debt and refinancings and refundings of such Permitted Debt so long as such refinancings and refundings would otherwise comply with Section 6.1, including the penultimate paragraph therein, or (c) so long as no Event of Default exists or would result therefrom, other prepayments of Permitted Debt not described in the immediately preceding clauses (a) and (b).

Section 6.20 Landlord Agreements. No Credit Party shall, nor shall it permit any of its Subsidiaries, that is, or is required to be, a Credit Party to

(a) hold, store or otherwise maintain any Equipment or Inventory that is intended to constitute Collateral pursuant to the Security Documents at premises within the US which are not owned by a Credit Party unless (i) such Equipment is located (A) at the job site under which such Equipment is in use or (B) in the ordinary course of business, on a prior or future job site and is

expected to be in service within 30 days, (ii) such Equipment or Inventory is located at Third Party Locations and which such Credit Party has used commercially reasonable efforts to seek and deliver a Collateral Access Agreement to the Administrative Agent, (iii) such Equipment is office equipment located at such Credit Party' s regional corporate headquarters or sales offices, (iv) Inventory located on premises owned or operated by the customer that is to purchase such Inventory, (v) in the case of any Equipment that has been damaged, such Equipment is located at the place of repair of such Equipment or (vi) the aggregate value of all other Equipment and Inventory located at Third Party Locations and which are not covered by a Collateral Access Agreement is less than $50,000; or

(b) after the Amendment No. 4 Effective Date, enter into any new verbal or written leases for premises located in the United States which is not subject to a Collateral Access Agreement.

Section 6.21 Equity Issuances. The Borrower shall not, nor shall it permit any of its Subsidiaries to, issue Equity Interests other than common Equity Interests of the Borrower.

ARTICLE VII
DEFAULT AND REMEDIES

Section 7.1 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" under this Agreement and any other Credit Document:

(a) Payment Failure. Any Credit Party (i) fails to pay any principal when due under this Agreement or under any AutoBorrow Agreement (other than the failure to pay such principal under such AutoBorrow Agreement which is fully satisfied with a Borrowing under Section 2.4(d)) or (ii) fails to pay, within three Business Days of when due, any other amount due under this Agreement or any other Credit Document, including payments of interest, fees, reimbursements, and indemnifications;

(b) False Representation or Warranties. Any representation or warranty made or deemed to be made by any Credit Party or any officer thereof in this Agreement, in any other Credit Document or in any certificate delivered in connection with this Agreement or any other Credit Document is incorrect, false or otherwise misleading in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) at the time it was made or deemed made;

(c) Breach of Covenant. (i) Any breach by any Credit Party of any of the covenants in Section 5.2(a), Section 5.2(h), or Article VI of this Agreement or the corresponding covenants in the Guaranty; provided, however that any Event of Default under Section 6.16 is subject to cure as contemplated by Section 7.7 below; or (ii) any breach by any Credit Party of any other covenant or agreement contained in this Agreement or any other Credit Document and such breach shall remain unremedied for a period of thirty days after the earliest of (A) the date any Responsible Officer of the Borrower has actual knowledge of such breach, (B) the date any Executive Officer of any Subsidiary has actual knowledge of such breach, and (C) the date written notice thereof shall have been given to the Borrower by any Lender Party;

(d) Guaranty. (i) Any material provision in the Guaranty shall at any time (before the Guaranty expires in accordance with its terms) and for any reason be determined by a court of competent jurisdiction to cease to be in full force and effect and valid and binding on the Guarantors party thereto or shall be contested by any Guarantor party thereto; (ii) any Guarantor shall deny in writing that it has any liability or obligation under the Guaranty; or (iii) any Guarantor shall cease to exist other than as expressly permitted by the terms of this Agreement;

(e) Security Documents. Any Security Document shall at any time and for any reason cease to create an Acceptable Security Interest with respect to any Collateral having a fair market value, individually or in the aggregate, in excess of $2,500,000 (unless released or terminated pursuant to the terms of such Security Document) or any material provisions thereof shall cease to be in full force and effect and valid and binding on the Credit Party that is a party thereto or any such Person shall so state in writing (unless released or terminated pursuant to the terms of such Security Document);

(f) Cross-Default. (i) The Borrower or any Subsidiary shall fail to pay any principal of or premium or interest on its Debt which is outstanding in a principal amount of at least $5,000,000 individually or when aggregated with all such Debt of the Borrower and its Subsidiaries so in default (but excluding Debt owing to the Lenders hereunder) when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; (ii) any other event shall occur or condition shall exist under any agreement or instrument relating to Debt of the Borrower or its Subsidiaries which is outstanding in a principal amount of at least $5,000,000 individually or when aggregated with all such Debt of the Borrower and its Subsidiaries so in default (but excluding Debt owing to the Lenders hereunder), and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt prior to the stated maturity thereof; or (iii) any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment); provided that, for purposes of this paragraph (f), the "principal amount" of the obligations in respect of Hedging Arrangements at any time shall be the Swap Termination Value that would be required to be paid if such Hedging Arrangements were terminated at such time;

(g) Bankruptcy and Insolvency. (i) Except as otherwise permitted under this Agreement, any Credit Party shall terminate its existence or dissolve or (ii) the Borrower or any Subsidiary (A) admits in writing its inability to pay its debts generally as they become due; makes an assignment for the benefit of its creditors; consents to or acquiesces in the appointment of a receiver, liquidator, fiscal agent, or trustee of itself or any of its Property; files a petition under any Debtor Relief Law; or consents to any reorganization, arrangement, workout, liquidation, dissolution, or similar relief or (B) shall have had, without its consent, any court enter an order appointing a receiver, liquidator, fiscal agent, or trustee of itself or any of its Property; any petition filed against it seeking reorganization, arrangement, workout, liquidation, dissolution or similar relief under any Debtor Relief Law and such petition shall not be dismissed, stayed, or set aside for an aggregate of 60 days, whether or not consecutive;

(h) Adverse Judgment. The Borrower or any of its Subsidiaries suffers final judgments against any of them since the date of this Agreement in an aggregate amount, less any insurance proceeds covering such judgments which are received or as to which the insurance carriers have not denied, greater than $5,000,000 and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgments or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgments, by reason of a pending appeal or otherwise, shall not be in effect;

(i) Termination Events. Any Termination Event with respect to a Plan shall have occurred, and, 30 days after notice thereof shall have been given to the Borrower by the Administrative Agent, such Termination Event shall not have been corrected and shall have created and caused to be continuing a material risk of Plan termination or liability for withdrawal from the Plan as a "substantial employer" (as defined in Section 4001(a)(2) of ERISA), which termination could reasonably be expected to result in a liability of, or liability for withdrawal could reasonably be expected to be, greater than $5,000,000;

(j) Multiemployer Plan Withdrawals. The Borrower or any member of the Controlled Group as employer under a Multiemployer Plan shall have made a complete or partial withdrawal from such Multiemployer Plan and such withdrawing employer shall have incurred a withdrawal liability in an annual amount exceeding $5,000,000;

(k) Invalidity of Credit Agreement. Any material provision of this Agreement shall cease to be in full force and effect and valid and binding on the Borrower or the Borrower shall so state in writing (except as permitted by the terms of this Agreement or as waived in accordance with Section 9.2); or

(l) Change in Control. The occurrence of a Change in Control.

Section 7.2 Optional Acceleration of Maturity. If any Event of Default shall have occurred and be continuing, then, and in any such event,

(a) the Administrative Agent (i) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare that the obligation of each Lender and the Issuing Lender to make Credit Extensions shall be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare all outstanding Advances, all interest thereon, and all other amounts payable under this Agreement to be forthwith due and payable, whereupon such Advances, all such interest, and all such amounts shall become and be forthwith due and payable in full, without presentment, demand, protest or further notice of any kind (including, without limitation, any notice of intent to accelerate or notice of acceleration), all of which are hereby expressly waived by the Borrower,

(b) the Borrower shall, on demand of the Administrative Agent at the request or with the consent of the Majority Lenders, deposit with the Administrative Agent into the Cash Collateral Account an amount of cash equal to 105% of the outstanding Letter of Credit Exposure as security for the Secured Obligations to the extent the Letter of Credit Obligations are not otherwise paid or Cash Collateralized at such time, and

(c) the Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders proceed to enforce its rights and remedies under the Security Documents, the Guaranty, or any other Credit Document by appropriate proceedings.

Section 7.3 Automatic Acceleration of Maturity. If any Event of Default pursuant to Section 7.1(g) shall occur,

(a) the obligation of each Lender and the Issuing Lender to make Credit Extensions shall immediately and automatically be terminated and all Advances, all interest on the Advances, and all other amounts payable under this Agreement shall immediately and automatically become and be due and payable in full, without presentment, demand, protest or any notice of any kind (including, without limitation, any notice of intent to accelerate or notice of acceleration), all of which are hereby expressly waived by the Borrower,

(b) the Borrower shall, on demand of the Administrative Agent at the request or with the consent of the Majority Lenders, deposit with the Administrative Agent into the Cash Collateral Account an amount of cash equal to 105% of the outstanding Letter of Credit Exposure as security for the Secured Obligations to the extent the Letter of Credit Obligations are not otherwise paid or Cash Collateralized at such time, and

(c) the Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders proceed to enforce its rights and remedies under the Security Documents, the Guaranty, or any other Credit Document by appropriate proceedings.

Section 7.4 Set-off. If an Event of Default shall have occurred and be continuing, each Lender Party, and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Legal Requirement, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender Party or any such Affiliate to or for the credit or the account of any Credit Party against any and all of the Secured Obligations of any Credit Party now or hereafter existing under this Agreement or any other Credit Document to such Lender Party or Affiliate, irrespective of whether or not such Lender Party or Affiliate shall have made any demand under this Agreement or any other Credit Document and although such obligations of any Credit Party may be contingent or unmatured or are owed to a branch or office of such Lender Party or Affiliate different from the branch or office holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Lender, the Swingline Lender and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Secured Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of the Administrative Agent, each Lender, the Issuing Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Administrative Agent, such Lender, such Issuing Lender or their respective Affiliates may have. Each Lender and the Issuing Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 7.5 Remedies Cumulative, No Waiver. No right, power, or remedy conferred to any Lender, Administrative Agent, or Issuing Lender in this Agreement or the Credit Documents, or now or hereafter existing at law, in equity, by statute, or otherwise shall be exclusive, and each such right, power, or remedy shall to the full extent permitted by law be cumulative and in addition to every other such right, power or remedy. No course of dealing and no delay in exercising any right, power, or remedy conferred to any Lender, the Administrative Agent, or the Issuing Lender in this Agreement and the Credit Documents or now or hereafter existing at law, in equity, by statute, or otherwise shall operate as a waiver of or otherwise prejudice any such right, power, or remedy. Any Lender, the Administrative Agent, or the Issuing Lender may cure any Event of Default without waiving the Event of Default. No notice to or demand upon any Credit Party shall entitle any Credit Party to similar notices or demands in the future.

Section 7.6 Application of Payments.

(a) Prior to Event of Default. Prior to an Event of Default, all payments made hereunder shall be applied as directed by the Borrower, but such payments are subject to the terms of this Agreement, including the application of prepayments according to Section 2.6.

(b) After Event of Default. If an Event of Default has occurred and is continuing, except as provided in Section 7.6(c) below, any amounts received or collected on account of the Secured Obligations shall be applied as determined by the Administrative Agent in its reasonable discretion to the Secured Obligations, or at the direction of the Majority Lenders, applied by the Administrative Agent in the following order and manner:

(i) First, to payment of that portion of such Secured Obligations constituting fees, indemnities, expenses, and other amounts (including fees, charges, and disbursements of counsel to the Administrative Agent and amounts payable under Section 2.11, Section 2.12, and Section 2.14) payable by any Credit Party to the Administrative Agent in its capacity as such;

(ii) Second, to payment of that portion of such Secured Obligations constituting accrued and unpaid interest, allocated ratably among the Lender Parties in proportion to the amounts described in this clause Second payable to them;

(iii) Third, to payment of that portion of such Secured Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable by any Credit Party to the Secured Parties (including fees, charges and disbursements of counsel to the respective Secured Parties and amounts payable under Article II), ratably among such Secured Parties in proportion to the amounts described in this clause Third payable to them;

(iv) Fourth, to the Administrative Agent for the account of the Issuing Lender, to Cash Collateralize that portion of the Letter of Credit Obligations comprised of the aggregate undrawn amount of Letters of Credit;

(v) Fifth, to payment of that portion of the Secured Obligations constituting unpaid principal of the Secured Obligations payable by any Credit Party (including obligations under Hedging Agreements with any Swap Counterparties and Banking Services Obligations) and allocated ratably among the Secured Parties in proportion to the respective amounts described in this clause Fifth held by them;

(vi) Sixth, to the remaining Secured Obligations owed by any Credit Party, allocated ratably among the Secured Parties in proportion to the respective amounts described in this clause Sixth held by them; and

(vii) Last, the balance, if any, after all of the Secured Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by any Legal Requirement.

Subject to Section 2.3(i), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as cash collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Secured Obligations, if any, in the order set forth above. For purposes of this clause (b) "principal amount" of the obligations in respect of Hedging Arrangements at any time shall be Swap Termination Value that would be required to

be paid if such Hedging Arrangements were terminated at such time. Notwithstanding the foregoing, payments and collections received by the Administrative Agent from any Credit Party that is not a Qualified ECP Guarantor (and any proceeds received in respect of such Credit Party' s Collateral shall not be applied to Excluded Swap Obligations with respect to any Credit Party, provided, however, that the Administrative Agent shall make such adjustments as it determines are appropriate with respect to payments and collections received from the other Credit Parties (or proceeds received in respect of such other Credit Parties' Collateral) to preserve, as nearly as possible, the allocation to Secured Obligations otherwise set forth above in this Section 7.6 (assuming that, solely for purposes of such adjustments, Secured Obligations includes Excluded Swap Obligations).

(c) After Exercise of Remedies. After the exercise of remedies provided for in Section 7.2 (or after the Advances have automatically become immediately due and payable as set forth in Section 7.3), any amounts received or collected on account of the Secured Obligations shall be applied by the Administrative Agent in accordance with clauses (i) – (vii) of Section 7.6(b) above.

Section 7.7 Equity Right to Cure.

(a) Notwithstanding anything to the contrary contained in Section 7.1, in the event of any Event of Default under the covenant set forth in Section 6.16 or Section 6.17 and until the expiration of the tenth (10th) Business Day after the date on which financial statements are required to be delivered pursuant to Section 5.2(a) or (b) with respect to the applicable fiscal quarter hereunder, the Borrower may sell or issue common Equity Interests of the Borrower to any of the Equity Interest holders (to the extent such transaction would not result in a Change in Control) or obtain cash capital contributions on account of common Equity Interests of the Borrower and apply the Equity Issuance Proceeds thereof to increase EBITDA with respect to such applicable quarter (and include it as EBITDA in such quarter for any four fiscal quarter period included in such calculation); provided that (i) such Equity Issuance Proceeds are actually received by the Borrower no later than ten (10) Business Days after the date on which financial statements are required to be delivered pursuant to Section 5.2(a) or (b) with respect to such fiscal quarter hereunder, (ii) the amount of such Equity Issuance Proceeds included as EBITDA for any such fiscal quarter shall not exceed the amount necessary to cause the Leverage Ratio or the Fixed Charge Coverage Ratio on a pro forma basis after giving effect to the cure provided herein, for any applicable period to be less than the then required levels under Section 6.16 or greater than the then required levels under Section 6.17, as applicable, (iii) such Equity Issuance Proceeds must be applied *first*, as a prepayment of the outstanding principal amount of the Tranche B Term Advances and applied in the inverse order of maturity, *second* as a prepayment of the outstanding principal amount of any Swingline Advances, *third* as a prepayment of the outstanding Revolving Tranche A Advances on a pro rata basis, and *fourth* as cash collateral deposited into the Cash Collateral Account to Cash Collateralize the Letter of Credit Exposure, and (iv) the Commitments shall be reduced permanently by the amounts applied to the Revolving Tranche A Advances under clause (iii). Subject to the terms set forth above and the terms in clause (b) and (c) below, upon (A) application of the Equity Issuance Proceeds as provided above within the ten (10) Business Day period described above in such amounts sufficient to cure the Events of Default under the covenant set forth in Section 6.16 or Section 6.17, and (B) delivery of an updated Compliance Certificate executed by a Responsible Officer of the Borrower to the Administrative Agent reflecting compliance with Section 6.16 or Section 6.17, such Events of Default shall be deemed cured and no longer in existence.

(b) The parties hereby acknowledge and agree that this Section 7.7 may not be relied on for purposes of calculating any financial ratios or other conditions or compliances other than the Leverage Ratio covenant set forth in Section 6.16 and the Fixed Charge Coverage Ratio

covenant set forth in Section 6.17 and shall not result in any adjustment to any amounts (including, for the avoidance of doubt, any reduction in Debt for the subject fiscal quarter as a result of the application of the Equity Issuance Proceeds required in clause (a) above or any determination of the Leverage Ratio for purposes of determining Applicable Margin) other than the amount of EBITDA referred to in Section 7.7(a) above for purposes of determining the Borrower' s compliance with Section 6.16 and Section 6.17.

(c) In each period of four fiscal quarters, there shall be at least two (2) fiscal quarters in which no cure set forth in this Section 7.7 is made. Furthermore, the Borrower may not utilize more than three (3) cures provided in this Section 7.7.

ARTICLE VIII
THE ADMINISTRATIVE AGENT AND ISSUING LENDER

Section 8.1 Appointment, Powers, and Immunities.

(a) Appointment and Authority. Each Lender, the Swingline Lender and the Issuing Lender hereby irrevocably (a) appoints Wells Fargo to act on its behalf as the Administrative Agent hereunder and under the other Credit Documents, and (b) authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article VIII are solely for the benefit of the Lender Parties, and neither the Borrower nor any other Credit Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Credit Document (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Legal Requirement. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders. Wells Fargo (and any successor acting as Administrative Agent) and its Affiliates may accept fees and other consideration from the Borrower or any Affiliate of the Borrower for services in connection with this Agreement or otherwise without having to account for the same to the Lenders or the Issuing Lender.

(c) Exculpatory Provisions. The Administrative Agent (which term as used in this Section 8.1(c) shall include its Related Parties) shall not have any duties or obligations except those expressly set forth herein and in the other Credit Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Administrative Agent is required to exercise as directed in writing by the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Credit Document or applicable Legal Requirement, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to the Borrower, any other Credit Party or any of their respective Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 7.1 and Section 9.2) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by the Borrower, a Lender, the Swingline Lender or the Issuing Lender. In the event that the Administrative Agent receives such a notice of the occurrence of a Default, the Administrative Agent shall (subject to Section 9.2) take such action with respect to such Default or Event of Default as shall reasonably be directed by the Majority Lenders, provided that, unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Secured Parties.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any recital, statement, warranty or representation (whether written or oral) made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the value, validity, enforceability, effectiveness, enforceability, sufficiency or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document, (v) the inspection of, or to inspect, the Property (including the books and records) of any Credit Party or any Subsidiary or Affiliate thereof, (vi) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent, or (vii) any litigation or collection proceedings (or to initiate or conduct any such litigation or proceedings) under any Credit Document unless requested by the Majority Lenders in writing and it receives indemnification satisfactory to it from the Lenders.

Section 8.2 Reliance by Administrative Agent and Issuing Lender. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document, writing or other communication (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Credit Extension or any Conversion or continuance of an Advance that by its terms must be fulfilled to the satisfaction of a Lender, the Swingline Lender or the Issuing Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender, the Swingline Lender or Issuing Lender unless the Administrative Agent shall have received notice to the contrary from such Lender, the Swingline Lender or Issuing Lender prior to the making of such Credit Extension or Conversion or continuance of an Advance. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 8.3 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article VIII shall apply to any such sub agent and to the Related Parties of the Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the Facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub agents.

Section 8.4 Indemnification.

(a) INDEMNITY OF ADMINISTRATIVE AGENT. THE LENDERS SEVERALLY AGREE TO INDEMNIFY THE ADMINISTRATIVE AGENT AND EACH AFFILIATE THEREOF AND THEIR RESPECTIVE RELATED PARTIES (TO THE EXTENT NOT REIMBURSED BY THE BORROWER), RATABLY ACCORDING TO THE RESPECTIVE PRINCIPAL AMOUNTS OF THE ADVANCES THEN HELD BY EACH OF THEM (OR IF NO PRINCIPAL OF THE ADVANCES IS AT THE TIME OUTSTANDING, RATABLY ACCORDING TO THE RESPECTIVE APPLICABLE COMMITMENTS HELD BY EACH OF THEM IMMEDIATELY PRIOR TO THE TERMINATION, EXPIRATION OR FULL REDUCTION OF EACH SUCH COMMITMENT), FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT, ANY CREDIT DOCUMENT OR ANY ACTION TAKEN OR OMITTED BY SUCH ADMINISTRATIVE AGENT UNDER THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT **(INCLUDING SUCH INDEMNITEE' S OWN NEGLIGENCE**

REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL), AND INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LIABILITIES, PROVIDED THAT NO LENDER SHALL BE LIABLE FOR ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNITEE' S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. WITHOUT LIMITATION OF THE FOREGOING, EACH LENDER AGREES TO REIMBURSE THE ADMINISTRATIVE AGENT PROMPTLY UPON DEMAND FOR ITS RATABLE SHARE (DETERMINED AS SET FORTH ABOVE IN THIS PARAGRAPH) OF (i) ANY OUT-OF-POCKET EXPENSES (INCLUDING REASONABLE COUNSEL FEES) INCURRED BY THE ADMINISTRATIVE AGENT IN CONNECTION WITH THE PREPARATION, EXECUTION, DELIVERY, ADMINISTRATION, MODIFICATION, OR AMENDMENT, AND (ii) ANY OUT-OF-POCKET EXPENSES (INCLUDING COUNSEL FEES) INCURRED BY THE ADMINISTRATIVE AGENT IN CONNECTION WITH ENFORCEMENT OF THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT, IN ANY EVENT, INCLUDING LEGAL ADVICE IN RESPECT OF RIGHTS OR RESPONSIBILITIES UNDER THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND TO THE EXTENT THAT THE ADMINISTRATIVE AGENT IS NOT REIMBURSED FOR SUCH BY THE BORROWER.

(b) INDEMNITY OF ISSUING LENDER. THE REVOLVING LENDERS SEVERALLY AGREE TO INDEMNIFY THE ISSUING LENDER AND EACH AFFILIATE THEREOF AND ITS RELATED PARTIES (TO THE EXTENT NOT REIMBURSED BY THE BORROWER), RATABLY ACCORDING TO THE RESPECTIVE PRINCIPAL AMOUNTS OF THE REVOLVING ADVANCES THEN HELD BY EACH OF THEM (OR IF NO PRINCIPAL OF THE REVOLVING ADVANCES IS AT THE TIME OUTSTANDING, RATABLY ACCORDING TO THE RESPECTIVE COMMITMENTS HELD BY EACH OF THEM IMMEDIATELY PRIOR TO THE TERMINATION, EXPIRATION OR FULL REDUCTION OF EACH SUCH COMMITMENT), FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST THE ISSUING LENDER OR ANY OF ITS RELATED PARTIES IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT, ANY CREDIT DOCUMENT OR ANY ACTION TAKEN OR OMITTED BY THE ISSUING LENDER UNDER THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT **(INCLUDING SUCH INDEMNITEE' S OWN NEGLIGENCE REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL)**, AND INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LIABILITIES, PROVIDED THAT NO REVOLVING LENDER SHALL BE LIABLE FOR ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNITEE' S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. Without limitation of the foregoing, each Revolving Lender agrees to reimburse the Issuing Lender promptly upon demand for its ratable share (determined as set forth above in this paragraph) of any out-of-pocket expenses (including counsel fees) incurred by the Issuing Lender in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings, or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Credit Document, to the extent that the Issuing Lender is not reimbursed for such by the Borrower.

Section 8.5 Non-Reliance on Administrative Agent and Other Lenders. Each Lender Party acknowledges and agrees that it has, independently and without reliance upon the Administrative Agent or any other Lender Party or any of their Related Parties, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender Party also acknowledges and agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender Party or any of their Related Parties, and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder. Except for notices, reports, and other documents and information expressly required to be furnished to the Lenders or the Issuing Lender by the Administrative Agent hereunder and for other information in the Administrative Agent' s possession which has been requested by a Lender and for which such Lender pays the Administrative Agent' s expenses in connection therewith, the Administrative Agent shall not have any duty or responsibility to provide any Lender or Issuing Lender with any credit or other information concerning the affairs, financial condition, or business of any Credit Party or any of its Subsidiaries or Affiliates that may come into the possession of the Administrative Agent or any of its Affiliates.

Section 8.6 Resignation of Administrative Agent, Issuing Lender or Swingline Lender.

(a) The Administrative Agent and the Issuing Lender may at any time give notice of its resignation to the other Lender Parties and the Borrower. Upon receipt of any such notice of resignation, the Majority Lenders shall have the right, with the prior written consent of the Borrower (which consent is not required if a Default or Event of Default has occurred and is continuing and which consent shall not be unreasonably withheld or delayed), to (i) appoint a successor Administrative Agent, and (ii) appoint a successor Issuing Lender, which shall be a Lender. If no such successor Administrative Agent or Issuing Lender shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent or Issuing Lender gives notice of its resignation (or such earlier day as shall be agreed by the Majority Lenders) (the "***Resignation Effective Date***"), then the retiring Administrative Agent or Issuing Lender, as applicable, may on behalf of the Lenders and Issuing Lender, appoint a successor agent or issuing lender meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation by an Administrative Agent or an Issuing Lender shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Majority Lenders may, to the extent permitted by applicable Legal Requirement, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Majority Lenders) (the "***Removal Effective Date***"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), (i) the retiring or removed Administrative Agent or Issuing Lender, as applicable, shall be discharged from its duties and obligations hereunder and under the other Credit

Documents (except that (y) in the case of any collateral security held by such Administrative Agent on behalf of the Lenders or an Issuing Lender under any of the Credit Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed and (z) the retiring Issuing Lender shall remain the Issuing Lender with respect to any Letters of Credit outstanding on the effective date of its resignation and the provisions affecting the Issuing Lender with respect to such Letters of Credit shall inure to the benefit of the retiring Issuing Lender until the termination of all such Letters of Credit), and (ii) all payments, communications and determinations provided to be made by, to or through the retiring or removed Administrative Agent or Issuing Lender, as applicable, shall instead be made by or to each applicable class of Lenders, until such time as the Majority Lenders appoint a successor Administrative Agent or Issuing Lender as provided for above in this paragraph. Upon the acceptance of a successor' s appointment as Administrative Agent or Issuing Lender hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent or Issuing Lender, as applicable, and the retiring or removed Administrative Agent or Issuing Lender, as applicable, shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents. The fees payable by the Borrower to a successor Administrative Agent or Issuing Lender, as applicable shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent' s or Issuing Lender' s resignation or removal hereunder and under the other Credit Documents, the provisions of this Article and Section 9.1 and Section 2.3(g) shall continue in effect for the benefit of such retiring or removed Administrative Agent and Issuing Lender, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent or Issuing Lender, as applicable, was acting as Administrative Agent or Issuing Lender.

(d) The Swingline Lender may resign at any time by giving 30 days' prior notice to the Administrative Agent, the Lenders and the Borrower. After the resignation of the Swingline Lender hereunder, the retiring Swingline Lender shall remain a party hereto and shall continue to have all the rights and obligations of the Swingline Lender under this Agreement and the other Credit Documents with respect to Swingline Advances made by it prior to such resignation, but shall not be required to make any additional Swingline Advances. Upon such notice of resignation, the Borrower shall have the right to designate any other Revolving Lender as the Swingline Lender with the consent of such Lender so long as operational matters related to the funding of Advances under the Facility have been adequately addressed to the reasonable satisfaction of such new Swingline Lender and the Administrative Agent (if such new Swingline Lender and the Administrative Agent are not the same Person).

Section 8.7 Collateral Matters.

(a) The Administrative Agent is authorized on behalf of the Secured Parties, without the necessity of any notice to or further consent from the Secured Parties, from time to time, to take any actions with respect to any Collateral or Security Documents which may be necessary to perfect and maintain Acceptable Security Interests in and Liens upon the Collateral granted pursuant to the Security Documents. The Administrative Agent is further authorized (but not obligated) on behalf of the Secured Parties, without the necessity of any notice to or further consent from the Secured Parties, from time to time, to take any action (other than enforcement actions requiring the consent of, or request by, the Majority Lenders as set forth in Section 7.2 or Section 7.3 above) in exigent circumstances as may be reasonably necessary to preserve any rights or privileges of the Lenders under the Credit Documents or applicable Legal Requirement.

(b) The Lenders hereby, and any other Secured Party by accepting the benefit of the Liens granted pursuant to the Security Documents, irrevocably authorize the Administrative Agent to (i) release any Lien granted to or held by such Administrative Agent upon any Collateral (a) upon the occurrence of each of the following ("***Security Termination***"): (1) termination of this Agreement, (2) termination of all Hedging Arrangements with Swap Counterparties (other than Hedging Arrangements as to which arrangements satisfactory to the applicable Swap Counterparty in its sole discretion have been made), (3) termination of all Letters of Credit (other than Letters of Credit as to which other arrangements reasonably satisfactory to the Issuing Lender have been made), and (4) the payment in full of all outstanding Advances, Letter of Credit Obligations (other than with respect to Letters of Credit as to which other arrangements reasonably satisfactory to the Issuing Lender have been made) and all other Secured Obligations payable under this Agreement and under any other Credit Document; (b) constituting property sold or to be sold or disposed of as part of or in connection with any disposition permitted under this Agreement or any other Credit Document; (c) constituting property in which no Credit Party owned an interest at the time the Lien was granted or at any time thereafter (other than, for the avoidance of doubt, as a result of a transaction that is prohibited hereunder); or (d) constituting property leased to any Credit Party under a lease which has expired or has been terminated in a transaction permitted under this Agreement or is about to expire and which has not been, and is not intended by such Credit Party to be, renewed or extended; and (ii) release a Guarantor from its obligations under the Guaranty and any other applicable Credit Document if such Person ceases to be a Subsidiary as a result of a transaction permitted under this Agreement.

(c) Upon request by an Administrative Agent at any time, the Secured Parties will confirm in writing such Administrative Agent' s authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under its Guaranty pursuant to this Section 8.7. The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent' s Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Secured Parties or any other Lender Party for any failure to monitor or maintain any portion of the Collateral.

(d) Notwithstanding anything contained in any of the Credit Documents to the contrary, the Credit Parties, the Administrative Agent, and each Secured Party hereby agree that no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty, it being understood and agreed that all powers, rights and remedies under the Guaranty and under the Security Documents may be exercised solely by the Administrative Agent on behalf of the Secured Parties in accordance with the terms hereof and the other Credit Documents.

(e) By accepting the benefit of the Liens granted pursuant to the Security Documents, each Secured Party hereby agrees to the terms of this Section 8.7.

Section 8.8 No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers, Syndication Agents and Documentation Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender, Swingline Lender or Issuing Lender hereunder.

Section 8.9 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Advance or Letter of Credit Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Advances, Letter of Credit Exposure and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Lender and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Lender and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuing Lender and the Administrative Agent under Section 2.3) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the Issuing Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the Issuing Lender, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 2.8.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay, within 30 days of invoice, (i) all reasonable out-of-pocket expenses incurred by Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Credit Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by any Lender Party (including the fees, charges and disbursements of any counsel for any Lender Party), in connection with the enforcement or protection of its rights, (A) in connection with this Agreement and the other Credit Documents, including its rights under this Section, or (B) in connection with the Advances made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring, negotiations or legal proceedings in respect of such Advances or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall, and does hereby indemnify, the Administrative Agent (and any sub-agent thereof), each Lender, the Swingline Lender and the Issuing Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "***Indemnitee***") against, and hold each Indemnitee harmless from, any and all actions, suits, losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee), incurred by any

Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any other Credit Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Credit Documents, (ii) any Advance or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by an Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged Release of Hazardous Substance on or from any property owned or operated by any Credit Party or any of its Subsidiaries, or any Environmental Claim related in any way to any Credit Party or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Credit Party, and regardless of whether any Indemnitee is a party thereto, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE**; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such actions, suits, losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, or (y) result from a claim brought by the Borrower or any other Credit Party against an Indemnitee for breach in bad faith of such Indemnitee' s obligations hereunder or under any other Credit Document, if the Borrower or such other Credit Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This Section 9.1(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Legal Requirement, no Credit Party shall assert, agrees not to assert and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Advance or Letter of Credit or the use of the proceeds thereof. To the fullest extent permitted by applicable Legal Requirement, no Indemnitee shall assert, agrees not to assert, and hereby waives, any claim against any Credit Party or any Affiliate thereof, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby. For the avoidance of doubt, the parties hereto acknowledge and agree that a claim for indemnity under Section 9.1(b) above, to the extent covered thereby, is a claim of direct or actual damages and nothing contained in the foregoing sentence shall limit the Borrower' s indemnification obligations to the extent set forth in clause (b) above to the extent such special, indirect, consequential or punitive damages are included in any third party claim in connection with which such indemnified person is otherwise entitled to indemnification hereunder. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(d) Survival. Without prejudice to the survival of any other agreement hereunder, the agreements in this Section shall survive the resignation of the Administrative Agent and the Issuing Lender, the replacement of any Lender, the termination of the aggregate Commitments, termination or expiration of all Letters of Credit, and the repayment, satisfaction or discharge of all the other Obligations.

(e) Payments. All amounts due under this Section 9.1 shall, unless otherwise set forth above, be payable not later than 10 days after demand therefor.

(f) Reimbursement by Lenders. To the extent that the Borrower for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the Issuing Lender, Swingline Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such Issuing Lender, the Swingline Lender or such Related Party, as the case may be, such Lender' s Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender' s share of the aggregate Maximum Exposure Amount at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that with respect to such unpaid amounts owed to the Administrative Agent, Issuing Lender or Swingline Lender solely in its capacity as such, only the Lenders of the applicable Facility shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Lenders' ratable share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought as set forth in this paragraph above), provided further that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), such Issuing Lender or the Swingline Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), such Issuing Lender or Swingline Lender in connection with such capacity. The obligations of the Lenders under this subsection (f) are subject to the provisions of Section 2.5(e).

Section 9.2 Waivers and Amendments. No amendment or waiver of any provision of this Agreement or any other Credit Document (other than the Fee Letter, any AutoBorrow Agreement, Letter of Credit Applications and Letter of Credit Reimbursement Agreements), nor consent to any departure by any Credit Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that:

(a) no amendment, waiver, or consent shall, unless in writing and signed by all the Revolving Lenders and the Borrower, (i) reduce the principal of, or interest on, the Revolving Advances (provided that, the consent of the Majority Lenders shall be sufficient to waive or reduce the increased portion of interest on the Revolving Advances resulting from Section 2.9(e)), or (ii) change the number of Revolving Lenders which shall be required for the Revolving Lenders to take any action hereunder or under any other Credit Document;

(b) no amendment, waiver, or consent shall, unless in writing and signed by all the Lenders and the Borrower, do any of the following: (i) waive any of the conditions specified in Section 3.1 or Section 3.2, (ii) reduce any fees or other amounts payable hereunder or under any

other Credit Document (other than those specifically addressed above in this Section 9.2), (iii) increase the aggregate Commitments (except pursuant to Section 2.16), (iv) amend Section 2.13(f), Section 7.6, this Section 9.2, Section 9.7(a)(v) or any other provision in any Credit Document which expressly requires the consent of, or action or waiver by, all of the Lenders, (v) release all or substantially all of the Guarantors from their respective obligations under the Guaranty except as specifically provided in the Credit Documents or release the Borrower from its obligations under the Guaranty, (vi) release all or substantially all of the Collateral except as permitted under Section 8.7(b), (vii) amend the definitions of "Majority Lenders", or "Maximum Exposure Amount", or (viii) amend the definitions of "Secured Parties", "Secured Obligations" or "Collateral" in a manner materially adverse to any Secured Party;

(c) no amendment, waiver, or consent shall, unless in writing and signed by each Lender directly affected thereby, (i) postpone any date fixed for any interest, fees or other amounts payable hereunder or extend the Maturity Date, or (ii) subordinate payment of the Obligations to any other Indebtedness;

(d) no Commitment of a Lender or any obligations of a Lender may be increased or extended without such Lender' s written consent;

(e) no amendment, waiver, or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or any other Credit Document;

(f) no amendment, waiver or consent shall, unless in writing and signed by the Issuing Lender in addition to the Lenders required above to take such action, affect the rights or duties of such Issuing Lender under this Agreement or any other Credit Document; and

(g) no amendment, waiver or consent shall, unless in writing and signed by the Swingline Lender in addition to the Lenders required above to take such action, affect the rights or duties of such Swingline Lender under this Agreement or any other Credit Document.

For the avoidance of doubt, no Lender or any Affiliate of a Lender shall have any voting rights under this Agreement or any Credit Document as a result of the existence of obligations owed to it under Hedging Arrangements or Banking Services Obligations.

Section 9.3 Severability. In case one or more provisions of this Agreement or the other Credit Documents shall be invalid, illegal or unenforceable in any respect under any applicable Legal Requirement, the validity, legality, and enforceability of the remaining provisions contained herein or therein shall not be affected or impaired thereby.

Section 9.4 Survival of Representations and Obligations. All representations and warranties contained in this Agreement or made in writing by or on behalf of the Credit Parties in connection herewith shall survive the execution and delivery of this Agreement and the other Credit Documents, the making of Credit Extensions and any investigation made by or on behalf of the Lenders, none of which investigations shall diminish any Lender' s right to rely on such representations and warranties. Without limiting the provisions hereof which expressly provide for the survival of obligations, all obligations of the Borrower or any other Credit Party provided for in Section 2.9(d), Section 2.11, Section 2.12, Section 2.14(d), and Section 9.1(a), (b), (c) and (e) and all of the obligations of the Lenders in Section 8.3, Section 8.4, Section 9.1(c) and Section 9.1(f) shall survive any termination of this Agreement, repayment in full of the Obligations, and termination or expiration of all Letters of Credit.

Section 9.5 Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrower, and the Administrative Agent, and when the Administrative Agent shall have, as to each Lender, either received a counterpart hereof executed by such Lender or been notified by such Lender that such Lender has executed it.

Section 9.6 Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender Party or pursuant to a transaction permitted under Section 6.7(a) and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (a) to an Eligible Assignee in accordance with the provisions of Section 9.7, (b) by way of participation in accordance with the provisions of Section 9.7(c), or (c) by way of pledge or assignment of a security interest subject to the restrictions of Section 9.7(e) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 9.7(e) and, to the extent expressly contemplated hereby, the Related Parties of the Administrative Agent and each Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

Section 9.7 Lender Assignments and Participations.

(a) Assignment by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender' s Commitment and/or the Advances at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (a)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (a)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Advances outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender' s rights and obligations under this Agreement with respect to the Advances or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (a)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender or an Affiliate of a Lender;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person that is not a Lender; and

(C) the consent of the Issuing Lender and Swingline Lender (each such consent not to be unreasonably withheld or delayed) shall be required for any assignment.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of the Borrower' s Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person.

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Advances previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the Issuing Lender, the Swingline Lender and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Advances and participations in Letters of Credit and Swingline Advances in accordance with its Pro Rata Share. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Legal Requirement without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (b) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender' s rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 2.11,

Section 2.12, Section 2.14(c) and Section 9.1 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender' s having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(b) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at its address referred to in Section 9.9 a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, the Commitments, and principal amounts of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "***Register***"). The entries in the Register shall be conclusive absent manifest error, and the Borrower and the Lender Parties may treat each Person whose name is recorded in the applicable Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Borrower hereby agrees that the Administrative Agent acting as its non-fiduciary agent solely for the purpose set forth above in this clause (b), shall not subject the Administrative Agent to any fiduciary or other implied duties, all of which are hereby waived by the Borrower.

(c) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person, the Borrower or any of the Borrower' s Affiliates or Subsidiaries) (each, a "***Participant***") in all or a portion of such Lender' s rights and/or obligations under this Agreement (including all or a portion of its Commitments and/or the Advances owing to it); provided that (i) such Lender' s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower and the Lender Parties shall continue to deal solely and directly with such Lender Party in connection with such Lender Party' s rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (a) – (d) of Section 9.2, Section 9.6 or clauses (a) or (b) of this Section 9.7 (that adversely affects such Participant). Subject to paragraph (d) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of, and subject to the requirements of, Section 2.11, Section 2.12 and Section 2.14 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (a) of this Section. Each Lender that sells a participation agrees, at the Borrower' s request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.15 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 7.4 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13(f) as though it were a Lender.

Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register in the United States on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant' s interest in the Obligations under the Credit Documents (the "***Participant Register***") and no Lender shall have any obligation to disclose any information contained in any Participant Register (including the identity of any Participant or any information relating to the Participant' s interests under this Agreement) except to the extent that such disclosure is necessary to ensure that the rights and obligations reflected in such register, or in any Register, are in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The

entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register. The Borrower hereby agrees that each Lender acting as its agent solely for the purpose set forth above in this clause (c), shall not subject such Lender to any fiduciary or other implied duties, all of which are hereby waived by the Borrower.

(d) Limitations upon Participant Rights. A Participant (i) shall agree to be subject to the provisions of Section 2.15 as if it were an assignee under paragraph (a) of this Section and (ii) shall not be entitled to receive any greater payment under Sections 2.12 or 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower' s prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.14 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of such Borrower, to comply with Section 2.14(g), in which case Section 2.14 shall be applied as if such Participant had become a Lender and had acquired its interest by assignment pursuant to paragraph (a) of this Section; provided that, in no event shall such Participant be entitled to receive any greater payment under Section 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 9.8 Confidentiality. Each Lender Party agrees to keep confidential any information furnished or made available to it by any Credit Party pursuant to this Agreement; provided that nothing herein shall prevent any Lender Party from disclosing such information (a) to any other Lender Party or any Affiliate of any Lender Party, or any officer, director, employee, agent, or advisor of any Lender Party or Affiliate of any Lender Party for purposes of administering, negotiating, considering, processing, implementing, syndicating, assigning, or evaluating the credit facilities provided herein and the transactions contemplated hereby, (b) to any other Person if directly incidental to the administration of the credit facilities provided herein, (c) as required by any Legal Requirement, (d) upon the order of any court or administrative agency, (e) upon the request or demand of any regulatory agency or authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (f) that is or becomes available to the public or that is or becomes available to any Lender Party other than as a result of a disclosure by any other Lender Party prohibited by this Agreement, (g) in connection with any litigation relating to this Agreement or any other Credit Document to which such Lender Party or any of its Affiliates may be a party, (h) to the extent necessary in connection with the exercise of any right or remedy under this Agreement or any other Credit Document, and (i) to any actual or proposed participant or assignee, in each case, subject to provisions similar to those contained in this Section 9.8. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, nothing in this Agreement shall (a) restrict any Lender Party from providing information to any bank or other regulatory or Governmental Authorities, including the Federal Reserve Board and its supervisory staff; (b) require or permit any Lender Party to disclose to any Credit Party that any information will be or was provided to the Federal Reserve Board or any of its supervisory staff; or (c) require or permit any Lender Party to inform any Credit Party of a current or upcoming Federal Reserve Board examination or any nonpublic Federal Reserve Board supervisory initiative or action. Any Person required to maintain the confidentiality of information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such information as such Person would accord to its own confidential information.

Section 9.9 Notices, Etc.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows: (i) if to the Borrower or any other Credit Party, at the applicable address (or facsimile numbers) set forth on Schedule II; (ii) if to the Administrative Agent or Issuing Lender, at the applicable address (or facsimile numbers) set forth on Schedule II; and (iii) if to a Lender, to it at its address (or facsimile number) set forth in its Administrative Questionnaire. Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications.

(i) The Borrower and the Lenders agree that the Administrative Agent may make any material delivered by the Borrower to the Administrative Agent, as well as any amendments, waivers, consents, and other written information, documents, instruments and other materials relating to the Borrower, any of its Subsidiaries, or any other materials or matters relating to this Agreement, the Notes or any of the transactions contemplated hereby (collectively, the "***Communications***") available to the Lenders by posting such notices on an electronic delivery system (which may be provided by the Administrative Agent, an Affiliate of an Administrative Agent, or any Person that is not an Affiliate of an Administrative Agent), such as IntraLinks, Debt Domain, Syndtrak or a substantially similar electronic system (the "***Platform***"). The Borrower acknowledges that (i) the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution, (ii) the Platform is provided "as is" and "as available" and (iii) none of the Administrative Agent nor any of its Affiliates warrants the accuracy, completeness, timeliness, sufficiency, or sequencing of the Communications posted on the Platform. The Administrative Agent and its Affiliates expressly disclaim with respect to the Platform any liability for errors in transmission, incorrect or incomplete downloading, delays in posting or delivery, or problems accessing the Communications posted on the Platform and any liability for any losses, costs, expenses or liabilities that may be suffered or incurred in connection with the Platform. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by the Administrative Agent or any of its Affiliates in connection with the Platform. In no event shall the Administrative Agent or any of its Related Parties have any liability to the Borrower or the other Credit Parties, any Lender Party or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower' s, any Credit Party' s or any Lender Party' s transmission of communications through the Platform.

(ii) Each Lender agrees that notice to it (as provided in the next sentence) (a "***Notice***") specifying that any Communication has been posted to the Platform shall for purposes of this Agreement constitute effective delivery to such Lender of such information, documents or other materials comprising such Communication. Each Lender agrees (i) to notify, on or before the date such Lender becomes a party to this Agreement, the Administrative Agent in writing of such Lender' s e-mail address to which a Notice may be sent (and from time to time thereafter to ensure that the Agent has on record an effective e-mail address for such Lender) and (ii) that any Notice may be sent to such e-mail address.

(c) Change of Address, Etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

Section 9.10 Usury Not Intended. It is the intent of each Credit Party and each Lender Party in the execution and performance of this Agreement and the other Credit Documents to contract in strict compliance with applicable usury laws, including conflicts of law concepts, governing the Advances of each Lender including such applicable Legal Requirements of the State of New York, if any, and the United States of America from time to time in effect and any other jurisdiction whose laws may be mandatorily applicable to such Lender notwithstanding the other provisions of this Agreement. In furtherance thereof, the Lender Parties and the Credit Parties stipulate and agree that none of the terms and provisions contained in this Agreement or the other Credit Documents shall ever be construed to create a contract to pay, as consideration for the use, forbearance or detention of money, interest at a rate in excess of the Maximum Rate and that for purposes of this Agreement "interest" shall include the aggregate of all charges which constitute interest under such laws that are contracted for, charged or received under this Agreement; and in the event that, notwithstanding the foregoing, under any circumstances the aggregate amounts taken, reserved, charged, received or paid on the Advances, include amounts which by applicable Legal Requirement are deemed interest which would exceed the Maximum Rate, then such excess shall be deemed to be a mistake and each Lender receiving same shall credit the same on the principal of its Obligations (or if such Obligations shall have been paid in full, refund said excess to the Borrower). In the event that the maturity of the Obligations are accelerated by reason of any election of the holder thereof resulting from any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest may never include more than the Maximum Rate, and excess interest, if any, provided for in this Agreement or otherwise shall be canceled automatically as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited on the applicable Obligations (or, if the applicable Obligations shall have been paid in full, refunded to the Borrower of such interest). In determining whether or not the interest paid or payable under any specific contingencies exceeds the Maximum Rate, the Credit Parties and the Lender Parties shall to the maximum extent permitted under applicable law amortize, prorate, allocate and spread in equal parts during the period of the full stated term of the Obligations all amounts considered to be interest under applicable law at any time contracted for, charged, received or reserved in connection with the Obligations. The provisions of this Section shall control over all other provisions of this Agreement or the other Credit Documents which may be in apparent conflict herewith.

Section 9.11 Usury Recapture. In the event the rate of interest chargeable under this Agreement or any other Credit Document at any time is greater than the Maximum Rate, the unpaid principal amount of the Advances shall bear interest at the Maximum Rate until the total amount of interest paid or accrued on the Advances equals the amount of interest which would have been paid or accrued on the Advances if the stated rates of interest set forth in this Agreement or applicable Credit Document had at all times been in effect. In the event, upon payment in full of the Advances, the total amount of interest paid or accrued under the terms of this Agreement and the Advances is less than the total amount of interest which would have been paid or accrued if the rates of interest set forth in this

Agreement had, at all times, been in effect, then the Borrower shall, to the extent permitted by applicable Legal Requirement, pay the Administrative Agent for the account of the applicable Lenders an amount equal to the difference between (i) the lesser of (A) the amount of interest which would have been charged on its Advances if the Maximum Rate had, at all times, been in effect and (B) the amount of interest which would have accrued on its Advances if the rates of interest set forth in this Agreement had at all times been in effect and (ii) the amount of interest actually paid under this Agreement on its Advances. In the event the Lenders ever receive, collect or apply as interest any sum in excess of the Maximum Rate, such excess amount shall, to the extent permitted by applicable Legal Requirement, be applied to the reduction of the principal balance of the Advances, and if no such principal is then outstanding, such excess or part thereof remaining shall be paid to the Borrower.

Section 9.12 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to any Lender Party, or any Lender Party exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by any Lender Party in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the Issuing Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect, in the applicable currency of such recovery or payment. The obligations of the Lenders, the Swingline Lender and the Issuing Lender under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

Section 9.13 Governing Law. This Agreement, the Notes and the other Credit Documents (other than such Credit Documents which expressly provide otherwise) shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations Law of the State of New York). Each Letter of Credit shall be governed by either (i) the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600, or (ii) the ISP, in either case, including any subsequent revisions thereof approved by a Congress of the International Chamber of Commerce and adhered to by the Issuing Lender.

Section 9.14 Submission to Jurisdiction. EACH PARTY TO THIS AGREEMENT IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LEGAL REQUIREMENT. NOTHING IN THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY LENDER PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AGAINST THE CREDIT PARTIES OR THEIR PROPERTIES IN THE COURTS OF ANY JURISDICTION.

Section 9.15 Waiver of Venue. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY COURT REFERRED TO IN SECTION 9.14. EACH OF THE PARTIES HERETO HEREBY AGREES THAT SECTIONS 5-1401 AND 4-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS AGREEMENT AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

Section 9.16 Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.9. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable Legal Requirement.

Section 9.17 Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Credit Party to honor all of its obligations under this Agreement in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 9.17 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 9.17, or otherwise under this Agreement, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the termination of all Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the Issuing Lender have been made). Each Qualified ECP Guarantor intends that this Section 9.17 constitute, and this Section 9.17 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Credit Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

Section 9.18 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or by e-mail "PDF" copy shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 9.19 Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 9.20 Waiver of Jury. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.21 Confirmation of Flood Policies and Procedures. Wells Fargo has adopted internal policies and procedures that address requirements placed on federally regulated lenders under the National Flood Insurance Reform Act of 1994 and related legislation (the "***Flood Laws***"). Wells Fargo, as administrative agent, will post on the applicable electronic platform (or otherwise distribute to each Lender) documents that it receives in connection with the Flood Laws; however, Wells Fargo reminds each Lender and Participant in the Facilities that, pursuant to the Flood Laws, each federally regulated Lender (whether acting as a Lender or Participant in the facilities) is responsible for assuring its own compliance with the flood insurance requirements.

Section 9.22 USA Patriot Act. Each Lender that is subject to the Patriot Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Credit Party that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies such Credit Party, which information includes the name and address of such Credit Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Credit Party in accordance with the Patriot Act.

Section 9.23 Integration. **THIS AGREEMENT AND THE CREDIT DOCUMENTS, AS DEFINED IN THIS AGREEMENT, REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES WITH RESPECT TO THE SUBJECT MATTERS SET FORTH HEREIN AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.**

[Remainder of this page intentionally left blank. Signature pages follow.]

EXECUTED as of the date first above written.

BORROWER:

BECKMAN PRODUCTION SERVICES, INC.

By: _____
Name:
Title:

ADMINISTRATIVE AGENT/LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Issuing Lender, Swingline Lender, and Lender

By: _____

Name: _____

Title: _____

ZB, N.A. dba AMEGY BANK
as an Issuing Lender and a Lender

By: _____
Name: _____
Title: _____

Signature Page to Credit Agreement

COMERICA BANK
as a Lender

By: _____
Name: _____
Title: _____

Signature Page to Credit Agreement

HSBC BANK USA, NATIONAL ASSOCIATION
as a Lender

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Signature Page to Credit Agreement

REGIONS BANK
as a Lender

By: _____
Name: _____
Title: _____

Signature Page to Credit Agreement

SCHEDULE I
Pricing Schedule

From the period commencing with the Amendment No. 4 Effective Date until the delivery of the Compliance Certificate in connection with the financial statements most recently delivered pursuant to Section 5.2 for the fiscal quarter ending June 30, 2017, the Applicable Margin with respect to Commitment Fees and Advances (including, if applicable, Swingline Advances but not including Tranche B Term Advances) shall be determined in accordance with the following Table A:

Table I

Eurodollar Advances	Base Rate Advances	Commitment Fee
425.0 bps	325.0 bps	75.0 bps

The Applicable Margin with respect to Commitment Fees and Advances (including, if applicable, Swingline Advances but not including Tranche B Term Advances) shall be determined in accordance with the following Table II based on the Borrower' s Leverage Ratio as reflected in the Compliance Certificate delivered in connection with the financial statements most recently delivered pursuant to Section 5.2, commencing with the fiscal quarter ending June 30, 2017. Adjustments, if any, to such Applicable Margin shall be effective on the date the Administrative Agent receives the applicable financial statements and corresponding Compliance Certificate as required by the terms of this Agreement. Subject to the following sentence, if the Borrower fails to deliver the quarter-end or year-end financial statements and corresponding Compliance Certificate to the Administrative Agent at the time required pursuant to Section 5.2, then effective as of the date such financial statements and Compliance Certificate were required to be delivered pursuant to Section 5.2, the Applicable Margin with respect to Commitment Fees and Advances (including, if applicable, Swingline Advances but not including Tranche B Term Advances) shall be determined at Level IV and shall remain at such level until the date such financial statements and corresponding Compliance Certificate are so delivered by the Borrower. For the avoidance of doubt, Table I above shall apply until the Borrower delivers to the Administrative Agent the financial statements and corresponding Compliance Certificate for the fiscal quarter ending June 30, 2017. Notwithstanding anything to the contrary contained herein, the determination of the Applicable Margin for any period shall be subject to the provisions of Section 2.9(d). For the avoidance of doubt, the levels on the pricing grid set forth below are set forth from lowest (Level I) to the highest (Level IV).

Table II

	Leverage Ratio	Eurodollar Advances	Base Rate Advances	Commitment Fee
Level I	<2.00x	275.0 bps	175.0 bps	50.0 bps
Level II	>2.00x; <2.50x	300.0 bps	200.0 bps	50.0 bps
Level III	>2.50x; <3.00x	325.0 bps	225.0 bps	50.0 bps
Level IV	>3.00x	350.0 bps	250.0 bps	75.0 bps

The Applicable Margin with respect to Tranche B Term Advances shall be determined in accordance with the following Table III:

Eurodollar Advances	Base Rate Advances
575.0 bps	475.0 bps

SCHEDULE II
Commitments, Contact Information

ADMINISTRATIVE AGENT/ISSUING LENDER/SWINGLINE LENDER

Wells Fargo Bank, National Association

Address: 1000 Louisiana Street
9th Floor
Houston, Texas 77002
Attn: Philip C. Lauinger III
Telephone: (713) 319-1313
Facsimile: (713) 739-1087
E-mail: lauingpc@wellsfargo.com

CREDIT PARTIES

Borrower/Guarantors

Address: Beckman Production Services, Inc.
c/o SCF Partners, L.P.
600 Travis, Suite 6600
Houston, Texas 77002
Attn: Ryan S. Liles
Fax: 713-227-7850

Lender	Commitment (including the funded portion thereof represented by Tranche B Term Advances)	Tranche B Term Advances Outstanding on Amendment No. 4 Effective Date
Wells Fargo Bank, National Association	$ 43,191,489.36	$ 3,723,404.25
ZB, N.A. dba Amegy Bank	$ 27,765,957.45	$ 2,393,617.02
HSBC Bank USA, National Association	$ 22,829,787.23	$ 1,968,085.11
Comerica Bank	$ 19,744,680.85	$ 1,702,127.66
Regions Bank	$ 19,744,680.85	$ 1,702,127.66
IBERIABANK	$ 11,723,404.26	$ 1,010,638.30
Total:	**$ 145,000,000**	**$ 12,500,000**

Schedule 5.7

Requirements for New Subsidiaries

Within 14 days (or within 30 days with respect to any Foreign Subsidiary) or, in any event, such longer time period as consented to by the Administrative Agent in its sole discretion of creating a new Subsidiary or acquiring a new Subsidiary, the Administrative Agent shall have received each of the following to the extent applicable:

(a) Guaranty. A joinder and supplement to the Guaranty executed by such Subsidiary;

(b) Security Agreement. Each of the following, to the extent required by the Administrative Agent in order to create and perfect an Acceptable Security Interest in the Collateral as required by Section 5.6: (i) a joinder and/or supplement to the Security Agreement executed by such new Subsidiary and any other Credit Party that owns Equity Interests in such new Subsidiary, (ii) in the case of any new Foreign Subsidiary, such other documents or instruments executed by such Foreign Subsidiary or any other Credit Party as may be prepared by foreign counsel, and (iii) if applicable, stock certificates and stock powers executed in blank, UCC-1 financing statements, and any other documents, agreements, or instruments required by Section 5.6;

(c) Real Estate. A Responsible Officer' s certificate from such new Subsidiary certifying a complete listing of all real Property owned or leased by such new Subsidiary and including a notation as to whether such owned real Property is Material Real Property.

(d) Corporate Documents. A secretary' s certificate from such new Subsidiary certifying such Subsidiary' s (i) officers' incumbency, (ii) authorizing resolutions, (iii) organizational documents, (iv) necessary governmental approvals, and (v) certificate of good standing from the state or other applicable jurisdiction in which each such Person is organized dated a date not earlier than 30 days prior to date of delivery or otherwise in effect on the date of delivery;

(e) Patriot Act. All documentation and other information that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act; and

(f) Opinion of Counsel. If reasonably requested by the Administrative Agent, an opinion of counsel (including foreign counsel, if applicable) in form and substance reasonably acceptable to Administrative Agent related to such new Subsidiary and substantially similar to the legal opinions delivered at the Closing Date with respect to the other Subsidiaries in existence on the Closing Date.

Notwithstanding the foregoing, the Borrower shall not be required to furnish any of the foregoing pledges, guaranties, security interests or related documents or instruments with respect to any newly created or acquired Foreign Subsidiary that is not required to become a Guarantor.

Exhibit 10.8

AGREEMENT AND AMENDMENT NO. 5 TO CREDIT AGREEMENT

This AGREEMENT AND AMENDMENT NO. 5 TO CREDIT AGREEMENT ("Agreement") dated as of February 10, 2017 ("Amendment No. 5 Effective Date"), is by and among Beckman Production Services, Inc., a Delaware corporation (the "Borrower"), the subsidiaries of the Borrower party hereto (each a "Guarantor" and collectively, the "Guarantors"), the Lenders (as defined below), and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the "Administrative Agent") for the Lenders, as issuing lender (in such capacity, the "Issuing Lender") and as swingline lender (in such capacity, the "Swingline Lender").

RECITALS

A. The Borrower, the Administrative Agent, the Issuing Lender, the Swingline Lender and the financial institutions party thereto from time to time, as lenders (the "Lenders") are parties to that certain Credit Agreement dated as of May 2, 2014 (as amended by Agreement and Amendment No. 1 to Credit Agreement, dated as of August 26, 2014, as further amended by the Master Assignment, Agreement and Amendment No. 2 to Credit Agreement, dated as of October 16, 2014, as further amended by the Agreement and Amendment No. 3 to Credit Agreement, dated as of November 21, 2014, as further amended by the Agreement and Amendment No. 4 to Credit Agreement, dated as of January 12, 2016, the "Credit Agreement").

B. The Borrower has requested that the Lenders amend the Credit Agreement, in each case, as provided herein and subject to the terms and conditions set forth herein.

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

Section 1. **Defined Terms**. As used in this Agreement, each of the terms defined in the opening paragraph and the Recitals above shall have the meanings assigned to such terms therein. Each term defined in the Credit Agreement and used herein without definition shall have the meaning assigned to such term in the Credit Agreement, unless expressly provided to the contrary.

Section 2. **Other Definitional Provisions**. Article, Section, Schedule, and Exhibit references are to Articles and Sections of and Schedules and Exhibits to this Agreement, unless otherwise specified. The words "hereof", "herein", and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The term "including" means "including, without limitation". Section headings have been inserted in this Agreement as a matter of convenience for reference only and it is agreed that such Section headings are not a part of this Agreement and shall not be used in the interpretation of any provision of this Agreement.

Section 3. **Amendment to Credit Agreement**.

(a) Exhibit D to the Credit Agreement (Compliance Certificate) is hereby deleted in its entirety and replaced with Exhibit D attached hereto.

(b) Exhibit E to the Credit Agreement (Notice of Revolving Borrowing) is hereby deleted in its entirety and replaced with Exhibit E attached hereto.

(c) Exhibit F to the Credit Agreement (Notice of Continuation or Conversion) is hereby deleted in its entirety and replaced with Exhibit F attached hereto.

(d) Exhibit H-1 to the Credit Agreement (Notice of Mandatory Prepayment) is hereby deleted in its entirety and replaced with Exhibit H-1 attached hereto.

(e) Exhibit J to the Credit Agreement (Form of Borrowing Base Certificate) is hereby deleted in its entirety and replaced with Exhibit J attached hereto.

(f) The Credit Agreement and Schedules I (Pricing Schedule), II (Commitments, Notice Information), 4.1 (Organizational Information), and 4.11 (Subsidiaries) thereto are hereby amended as reflected in Annex A attached hereto.

Section 4. **Reduction of Commitments**. This Agreement shall be deemed written notice by the Borrower of a ratable reduction in part of the unused portion of Commitments pursuant to Section 2.1(b)(i) of the Credit Agreement. On the Amendment No. 5 Effective Date, after giving effect to the contemplated reduction herein, (a) the Commitments shall be as set forth on the revised Schedule II attached to Annex I, and (b) each Lender' s Commitment shall be automatically decreased to the amount set forth adjacent to such Lender' s name on such replacement Schedule II.

Section 5. **Representations and Warranties**. Each Credit Party hereby represents and warrants that:

(a) after giving effect hereto, the representations and warranties of the Credit Parties contained in the Credit Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the Amendment No. 5 Effective Date, except that any representation and warranty which by its terms is made as of a specified date shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date;

(b) after giving effect hereto, no Default or Event of Default has occurred and is continuing;

(c) the execution, delivery and performance of this Agreement are within the corporate or limited liability company power and authority of such Credit Party and have been duly authorized by appropriate corporate or limited liability company action and proceedings;

(d) this Agreement constitutes the legal, valid, and binding obligation of such Credit Party enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the rights of creditors generally and general principles of equity;

(e) there are no governmental or other third party consents, licenses and approvals required in connection with the execution, delivery, performance, validity and enforceability of this Agreement; and

(f) Liens under the Credit Documents are valid and subsisting and secure the Credit Parties' obligations under such Credit Documents.

Section 6. **Conditions to Effectiveness**. This Agreement shall become effective on the Amendment No. 5 Effective Date and enforceable against the parties hereto upon the occurrence of the following conditions which may occur prior to or concurrently with the closing of this Agreement:

(a) Agreement. The Administrative Agent shall have received this Agreement executed by duly authorized officers of the Borrower, the Guarantors, the Administrative Agent, and the Majority Lenders;

(b) Cash Equity Issuance Proceeds. The Borrower shall have (i) received Equity Issuance Proceeds or capital contributions, in any event, on account of common Equity Interests and in cash of no less than $15,000,000 at or immediately prior to the Amendment No. 5 Effective Date and (ii) applied such proceeds or contributions to (A) prepay the outstanding Revolving Tranche A Advances pursuant to Section 2.6(b) of the Credit Agreement in an amount equal to $10,000,000, and (B) prepay the outstanding Tranche B Term Advances pursuant to Section 2.6(b) of the Credit Agreement in an amount equal to $5,000,000 with $3,875,000 of such prepayment being applied as a prepayment of the scheduled amortization payments of the Tranche B Term Advances due from March 31, 2017 through and including March 31, 2018 under Section 2.7(b) of the Credit Agreement, it being understood that the three Business Days' notice requirement under Section 2.6(b) is hereby waived with respect to each repayment required under this Section 6(b).

(c) Borrowing Base Certificate. The Borrower shall have delivered a completed and executed Borrowing Base Certificate, as amended hereby, in form and substance acceptable to the Administrative Agent calculating the Borrowing Base to be in effect on the Amendment No. 5 Effective Date and calculated for the month ending at least 30 days prior to the Amendment No. 5 Effective Date.

(d) Payment of Fees. The Borrower shall have paid the fees and expenses required to be paid as of or on the Amendment No. 5 Effective Date by Section 9.1 of the Credit Agreement or any other provision of a Credit Document to the extent invoiced prior to the Amendment No. 5 Effective Date, including the amendment fee as set forth in Section 7(d) below.

Section 7. **Acknowledgments and Agreements**.

(a) Each Credit Party acknowledges that on the date hereof all outstanding Obligations are payable in accordance with their terms and each Credit Party waives any defense, offset, counterclaim or recoupment with respect thereto.

(b) The Borrower, each Guarantor, the Administrative Agent, the Issuing Lender, the Swingline Lender and each Lender party hereto does hereby adopt, ratify, and confirm the Credit Agreement, as amended hereby, and acknowledges and agrees that the Credit Agreement, as amended hereby, is and remains in full force and effect, and the Borrower and Guarantors acknowledge and agree that their respective liabilities and obligations under the Credit Agreement, as amended hereby, the Guaranty, and the other Credit Documents, are not impaired in any respect by this Agreement.

(c) Nothing herein shall constitute a waiver or relinquishment of (i) any Default or Event of Default under any of the Credit Documents, (ii) any of the agreements, terms or conditions contained in any of the Credit Documents, (iii) any rights or remedies of the Administrative Agent or any Lender with respect to the Credit Documents, or (iv) the rights of the Administrative Agent, the Issuing Lender, the Swingline Lender or any Lender to collect the full amounts owing to them under the Credit Documents.

(d) In consideration of the agreements of the Lenders set forth in this Agreement, the Borrower agrees to pay to the Administrative Agent, for the account of each Lender that delivers its executed signature page hereto to the Administrative Agent by 11:00am (Central time) on February 10, 2017, an amendment fee in an amount equal to 0.20% of such Lender' s Commitment, after giving effect to this Agreement (which Commitment amount, for the avoidance of doubt, includes (x) the unused Commitment amount, (y) the outstanding Tranche B Term Advances owed to such Lender on the date hereof, and (z) the outstanding Tranche C Term Advances (as defined in Annex A to this Agreement) owed to such Lender on the date hereof, in each case, after giving effect to this Agreement). Each such amendment fee as to such Lender (i) is payable in U.S. dollars in immediately available funds, free and clear of, and without deduction for, any and all present or future applicable taxes, levies, imposts, deductions, charges or withholdings and all liabilities with respect thereto (with appropriate gross-up for withholding taxes), (ii) is not refundable under any circumstances, (iii) will not be subject to counterclaim, defense, setoff or otherwise affected, (iv) is deemed fully earned by such Lender once its signature page is delivered as provided above and the Amendment No. 5 Effective Date has occurred, and (v) is due and payable on the Amendment No. 5 Effective Date.

(e) From and after the Amendment No. 5 Effective Date, all references to the Credit Agreement and the Credit Documents shall mean the Credit Agreement and such Credit Documents, as amended by this Agreement.

(f) This Agreement is a Credit Document for the purposes of the provisions of the other Credit Documents.

Section 8. **Reaffirmation of Security Documents**. Each Credit Party (a) represents and warrants that, as of the Amendment No. 5 Effective Date, it has no defenses to the enforceability of any Security Document to which it is a party, (b) reaffirms the terms of and its obligations (and the security interests granted by it) under each Security Document to which it is a party, and agrees that each such Security Document will continue in full force and effect to secure the Secured Obligations as the same may be amended, supplemented, or otherwise modified from time to time, and (c) acknowledges, represents, warrants and agrees that the liens and security interests granted by it pursuant to the Security Documents are valid and subsisting and create a security interest to secure the Secured Obligations.

Section 9. **Reaffirmation of the Guaranty**. Each Guarantor hereby ratifies, confirms, acknowledges and agrees that its obligations under the Guaranty are in full force and effect and that such Guarantor continues to unconditionally and irrevocably guarantee the full and punctual payment, when due, whether at stated maturity or earlier by acceleration or otherwise, all of the Guaranteed Obligations (as defined in the Guaranty), as such Guaranteed Obligations may have been amended by this Agreement, and its execution and delivery of this Agreement does not indicate or establish an approval or consent requirement by such Guarantor under the Guaranty, in connection with the execution and delivery of amendments, consents or waivers to the Credit Agreement or any of the other Credit Documents.

Section 10**. RELEASE. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Credit Party hereby, for itself and its successors and assigns, fully and without reserve, releases, acquits, and forever discharges each Secured Party, its respective successors and assigns, officers, directors, employees, representatives, trustees, attorneys, agents and affiliates (collectively the "Released Parties" and individually a "Released Party") from any and all actions, claims, demands, causes of action, judgments, executions, suits, debts, liabilities, costs, damages, expenses or other obligations of any kind and nature whatsoever, direct and/or indirect, at law or in equity, whether now existing or hereafter asserted, whether absolute or contingent, whether due or to become due, whether disputed or undisputed, whether known or unknown (INCLUDING, WITHOUT LIMITATION, ANY OFFSETS, REDUCTIONS, REBATEMENT, CLAIMS OF USURY OR CLAIMS WITH RESPECT TO THE NEGLIGENCE OF ANY RELEASED PARTY) (collectively, the "Released Claims"), for or because of any matters or things occurring, existing or actions done, omitted to be done, or suffered to be done by any of**

the Released Parties, in each case, on or prior to the Amendment No. 5 Effective Date and are in any way directly or indirectly arising out of or in any way connected to any of this Agreement, the Credit Agreement, any other Credit Document, or any of the transactions contemplated hereby or thereby (collectively, the "Released Matters"); provided, that the Released Matters shall not include any of the Lenders' obligations to fund under their Commitments to the Credit Agreement after the date hereof in accordance therewith. Each Credit Party, by execution hereof, hereby acknowledges and agrees that the agreements in this Section 10 are intended to cover and be in full satisfaction for all or any alleged injuries or damages arising in connection with the Released Matters herein compromised and settled. Each Credit Party hereby further agrees that it will not sue any Released Party on the basis of any Released Claim released, remised and discharged by the Credit Parties pursuant to this Section 10. In entering into this Agreement, each Credit Party consulted with, and has been represented by, legal counsel and expressly disclaim any reliance on any representations, acts or omissions by any of the Released Parties and hereby agrees and acknowledges that the validity and effectiveness of the releases set forth herein do not depend in any way on any such representations, acts and/or omissions or the accuracy, completeness or validity hereof. The provisions of this Section 10 shall survive the termination of this Agreement, the Credit Agreement and the other Credit Documents and payment in full of the Obligations.

Section 11. **Lender Hold Harmless and Release**. Each Lender hereby acknowledges and agrees that (a) as part of the Credit Agreement, as amended hereby, Wells Fargo Bank, National Association ("WFB") may forward to such Lender, from time to time, copies of certain appraisals, field exam reports, collateral audits and other collateral reports (collectively, "Reports"), (b) such Reports were prepared, or will be prepared, for WFB for its own internal purposes and if provided, are being, or will be, provided to such Lender on a confidential basis and such Reports shall not be reproduced, disseminated or discussed by such Lender except to its director, officer, employee and agents in connection with the Credit Agreement or as required under applicable Legal Requirement without WFB' s express written consent, (c) if provided, such Reports are being, or will be, provided without any representation or warranty, expressed or implied, by WFB as to its accuracy or completeness, (d) WFB is making no representation or warranty of any kind related to or in connection with such Reports and WFB assumes no responsibility to make any such representation or warranty, (e) if provided, such Reports are being, or will be, provided solely for such Lender' s convenience, and (f) WFB does not have any responsibility for the creditworthiness or financial conditions of the Borrower or any Affiliate thereof. Furthermore, each Lender hereby acknowledges and agrees that in making decisions under this Agreement and in the other Credit Documents, including the Credit Agreement, as amended hereby, such Lender is making its own credit analysis and decisions independently and without reliance on any Report or on WFB. Without limiting the generality of Section 8.4 of the Credit Agreement, each Lender hereby severally agrees to, and hereby does, indemnity and hold harmless Wells Fargo & Company, WFB and each of the foregoing' s affiliates and each of the foregoing' s respective Related Parties (each of the foregoing being an "WFB Indemnitee"), ratably according to the respective principal amounts of the Advances then held by each of them (or if no principal amount of the Advances is at the time outstanding, ratably according to the respective applicable Commitments held by each of them immediately prior to the termination, expiration or full reduction of each such Commitment) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever (including but not limited to attorneys' fees) which may be imposed on or incurred by any WFB Indemnitee or asserted against any WFB Indemnitee by any third party, any Lender, the Borrower or any Affiliate thereof or any other Person, and in any way relating to or arising out of any Report (including as a result of such WFB Indemnitee' s own negligence regardless of whether such negligence is sole or contributory, active or passive, imputed, joint or technical) but not including to the extent found in a final, non-appealable judgment by a court of competent jurisdiction to have result from such WFB Indemnitee' s gross negligence or willful misconduct. The terms of this Section 11 are solely for the benefit of the WFB Indemnitees and their respective successors and assigns and no other Person shall have or be entitled to assert rights or benefits under this Section 11.

Section 12. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which, taken together, constitute a single instrument. This Agreement may be executed by facsimile signature or by electronic mail (including via any ".pdf" or other similar electronic means) and all such signatures shall be effective as originals.

Section 13. **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted pursuant to the Credit Agreement.

Section 14. **Invalidity**. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement.

Section 15. **Governing Law**. This Agreement shall be deemed a contract under, and shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to conflicts of laws principles (other than Sections 5-1401 and 5-1402 of the General Obligations Law of the State of New York).

Section 16**. Entire Agreement. THIS AGREEMENT, THE CREDIT AGREEMENT AS AMENDED BY THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND SUPERSEDE ALL PRIOR UNDERSTANDINGS AND AGREEMENTS, WHETHER WRITTEN OR ORAL, RELATING TO THE TRANSACTIONS PROVIDED FOR HEREIN AND THEREIN. ADDITIONALLY, THIS AGREEMENT, THE CREDIT AGREEMENT AS AMENDED BY THIS AGREEMENT, THE NOTES, AND THE OTHER CREDIT DOCUMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.**

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

BORROWER:

BECKMAN PRODUCTION SERVICES, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President, Chief Financial Officer,
Treasurer and Secretary

GUARANTORS:

REDZONE HOLDCO, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President, Chief Financial Officer,
Treasurer and Secretary

BECKMAN PRODUCTION SERVICES, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

NORTHERN PRODUCTION COMPANY, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

R&S WELL SERVICE, INC.

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

SJL WELL SERVICE, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

J & R WELL SERVICE, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

FIRST CALL WELL SERVICE, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

REDZONE COIL TUBING, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President

BIG LAKE SERVICES HOLDCO, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Vice President, Chief Financial Officer,
Treasurer and Secretary

BIG LAKE SERVICES, LLC

By: /s/ Ryan Liles
Name: Ryan Liles
Title: Manager

ADMINISTRATIVE AGENT/LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Issuing Lender, Swingline Lender and a Lender

By: /s/ Whitney Wall
Name: Whitney Wall
Title: Director

ZB, N.A. dba AMEGY BANK, as an Issuing Lender and a Lender

By: /s/ Rachel Pletcher
Name: Rachel Pletcher
Title: Vice President

Signature Page to Agreement and Amendment No. 5 to Credit Agreement
(Beckman Production Services, Inc.)

COMERICA BANK, as a Lender

By: /s/ Gary Culbertson
Name: Gary Culbertson
Title: Vice President

Signature Page to Agreement and Amendment No. 5 to Credit Agreement
(Beckman Production Services, Inc.)

HSBC BANK USA, NATIONAL ASSOCIATION
as a Lender

By: /s/ John P. Northington
Name: John P Northington
Title: SVP

Signature Page to Agreement and Amendment No. 5 to Credit Agreement
(Beckman Production Services, Inc.)

REGIONS BANK,
as a Lender

By: /s/ Lynn Johnston
Name: Lynn Johnston
Title: SVP

Signature Page to Agreement and Amendment No. 5 to Credit Agreement
(Beckman Production Services, Inc.)

IBERIABANK,
as a Lender

By: /s/ Robert S. Martin
Name: Robert S. Martin
Title: SVP

Signature Page to Agreement and Amendment No. 5 to Credit Agreement
(Beckman Production Services, Inc.)

ANNEX A
TO
AMENDMENT NO. 5 TO CREDIT AGREEMENT

CREDIT AGREEMENT

dated as of May 2, 2014

among

BECKMAN PRODUCTION SERVICES, INC.,
as Borrower,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent, Issuing Lender and Swingline Lender,

and

THE LENDERS PARTY HERETO FROM TIME TO TIME
as Lenders

$127,300,000

WELLS FARGO SECURITIES, LLC,
as Joint Lead Arranger and Sole Bookrunner

and

ZB, N.A. dba AMEGY BANK,
as Joint Lead Arranger and Syndication Agent

and

HSBC BANK USA, NATIONAL ASSOCIATION,
as Documentation Agent

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(continued)

EXHIBITS:

SCHEDULES:

CREDIT AGREEMENT

This Credit Agreement dated as of May 2, 2014 (this "***Agreement***") is among **Beckman Production Services, Inc.**, a Delaware corporation (the "***Borrower***"), the Lenders (as defined below), and **Wells Fargo Bank, National Association**, as Administrative Agent (as defined below) for the Lenders, as Issuing Lender (as defined below) and as Swingline Lender (as defined below).

In consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

Section 1.1 Certain Defined Terms. As used in this Agreement, the defined terms set forth in the recitals above shall have the meanings set forth above and the following terms shall have the following meanings (unless otherwise indicated, such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"***Acceptable Security Interest***" means a security interest which (a) exists in favor of the Administrative Agent for its benefit and the ratable benefit of the Secured Parties, (b) is superior to all other security interests (other than the Permitted Liens and other than as to Excluded Perfection Collateral; provided that, no intention to subordinate the Lien of the Administrative Agent and the Secured Parties pursuant to the Security Documents is to be hereby implied or expressed by the permitted existence of such Permitted Liens), (c) secures the Secured Obligations, (d) is enforceable against the Credit Party which created such security interest and (e) except as to Excluded Perfection Collateral, is perfected.

"***Account Control Agreement***" means, as to any deposit account of any Credit Party held with a bank, an agreement or agreements in form and substance reasonably acceptable to the Administrative Agent, among the Credit Party owning such deposit account, the Administrative Agent and such other bank providing the Administrative Agent with control over such deposit account for purposes of the UCC.

"***Account Debtor***" means an account debtor as defined in the UCC.

"***Acquisition***" means the purchase by any Credit Party of any business, division or enterprise, including (i) the purchase of associated assets or operations of, or (ii) the purchase of Equity Interests, or merger or consolidation with, any Person; provided, however, that the purchase of Equity Interests of DIT shall not constitute an "Acquisition" for purposes of this Agreement until such time as any one or more of the Credit Parties have purchased a majority of the Equity Interests of DIT in the aggregate.

"***Additional Lender***" shall have the meaning assigned to such term in Section 2.16(a).

"***Adjusted Base Rate***" means, for any day, the fluctuating rate per annum of interest equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Rate in effect on such day plus ½ of 1.00% and (iii) a rate determined by the Administrative Agent equal to the Daily One-Month LIBOR plus 1.00%. Any change in the Adjusted Base Rate due to a change in the Prime Rate, Daily One-Month LIBOR or the Federal Funds Rate shall be effective on the effective date of such change in the Prime Rate, Daily One-Month LIBOR or the Federal Funds Rate.

"***Adjusted EBITDA***" means (a) for the calculations to be made for the fiscal quarter ending December 31, 2016, EBITDA for the four-fiscal quarter period then ended; (b) for the calculations to be made for the fiscal quarter ending December 31, 2017, EBITDA for such fiscal quarter multiplied by four; (c) for the calculations to be made for the fiscal quarter ending March 31, 2018, EBITDA for the two-fiscal quarter period then ended multiplied by two; (d) for the calculations to be made for the fiscal quarter ending June 30, 2018, EBITDA for the three-fiscal quarter period then ended multiplied by 4/3; and (e) for the calculations to be made for each fiscal quarter ending on or after September 30, 2018, EBITDA for the four-fiscal quarter period then ended.

"***Administrative Agent***" means Wells Fargo in its capacity as agent for the Lenders pursuant to Section 8.1, and any successor agent pursuant to Section 8.6.

"***Administrative Agent's Office***" means the Administrative Agent' s address as set forth on Schedule II, or such other address as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

"***Administrative Questionnaire***" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"***Advance***" means any advance by a Lender or the Swingline Lender to the Borrower as a part of a Borrowing.

"***Affiliate***" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"***Amendment No. 1 Effective Date***" means August 26, 2014.

"***Amendment No. 2 Effective Date***" means October 16, 2014.

"***Amendment No. 3 Effective Date***" means November 21, 2014.

"***Amendment No. 4 Effective Date***" means January 12, 2016.

"***Amendment No. 5***" means the Agreement and Amendment No. 5 to Credit Agreement, dated as of the Amendment No. 5 Effective Date, among the Borrower, the Lenders party thereto and the Administrative Agent, which amends this Agreement.

"***Amendment No. 5 Effective Date***" means February 10, 2017.

"***Anti-Corruption Laws***" means all laws, rules, and regulations of any jurisdiction applicable to each Credit Party from to time concerning or relating to bribery or corruption.

"***Applicable Margin***" means, at any time with respect to each Type of Advance, the Letters of Credit and the Commitment Fees, the percentage rate per annum which is applicable at such time with respect to such Advance, Letter of Credit or Commitment Fee as set forth in Schedule I and subject to further adjustments as set forth in Section 2.9(d).

"***Applicable Period***" has the meaning set forth in Section 2.9(d).

"***Assignment and Assumption***" means an Assignment and Assumption executed by a Lender and an Eligible Assignee and accepted by the Administrative Agent, in substantially the form set forth in Exhibit A.

"***AutoBorrow Agreement***" means any agreement providing for automatic borrowing services between the Borrower and the Swingline Lender.

"***Available Cash***" means the aggregate of all funds held in deposit accounts owned by, or held for the benefit of, the Borrower or any Subsidiary of the Borrower (other than (i) the Cash Collateral Account, and (ii) escrow accounts and third party cash pledges or deposits made in the ordinary course of business).

"***Bail-In Action***" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"***Bail-In Legislation***" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"***Banking Services***" means each and any of the following bank services provided to any Credit Party by any Banking Services Provider: (a) commercial credit cards, (b) stored value cards and (c) any other Treasury Management Arrangements.

"***Banking Services Obligations***" means any and all obligations of any Credit Party owing to the Banking Services Providers, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"***Banking Services Provider***" means any Lender (other than a Defaulting Lender) or Affiliate of a Lender (other than a Defaulting Lender) that provides Banking Services to any Credit Party.

"***Base Rate Advance***" means an Advance which bears interest based upon the Adjusted Base Rate.

"***Borrower***" has the meaning set forth in the preamble to this Agreement.

"***Borrowing***" means a Revolving Borrowing or a Swingline Borrowing.

"***Borrowing Base***" means, without duplication, an amount determined as of a month end and calculated as follows, and determined and adjusted as provided in Section 2.18:

(a) 80% of the Eligible Receivables as of such month end, plus

(b) 50% of the value of Eligible Inventory as of such month end, valued at the lower of cost or market value in accordance with GAAP, minus

(c) the Rent Reserve Amount in effect at such time as determined by the Administrative Agent in its Permitted Discretion.

Notwithstanding the foregoing, the Administrative Agent may (but is not obligated to) from time to time modify the advance rate set forth in this definition if it determines, in its Permitted Discretion, that such advance rate should be reduced based upon any field exam or appraisal received pursuant to Section 5.12.

"***Borrowing Base Certificate***" means a certificate executed by any Responsible Officer of the Borrower on behalf of the Borrower in the form of the attached Exhibit J which calculates the Borrowing Base and includes the information detailed in Section 5.2(f).

"***Borrowing Base Deficiency***" means the excess, if any, of (a) the Revolving Tranche A Outstandings over (b) the lesser of (i) the aggregate amount of the Commitments minus the sum of (A) the outstanding Tranche B Term Advances and (B) the outstanding Tranche C Term Advances, and (ii) the Borrowing Base then in effect.

"***Business Day***" means a day (a) other than a Saturday, Sunday, or other day on which the Administrative Agent is authorized to close under the laws of, or is in fact closed in, New York or Texas, and (b) if the applicable Business Day relates to any Eurodollar Advances, on which dealings are carried on by commercial banks in the London interbank market.

"***Capital Expenditures***" means, for any Person and period of its determination, without duplication, the aggregate of all expenditures and costs (whether paid in cash or accrued as liabilities during that period and including that portion of payments under Capital Leases that are capitalized on the balance sheet of such Person) of such Person during such period that, in conformity with GAAP, are required to be included in or reflected as property, plant, equipment or other similar fixed asset accounts on the balance sheet of such Person, but excluding any such expenditure made to restore, replace or rebuild Property to the condition of such Property immediately prior to any damage, loss, destruction or condemnation of such Property, to the extent such expenditure is made with insurance proceeds, condemnation awards or damage recovery proceeds relating to any such damage, loss, destruction or condemnation.

"***Capital Leases***" means, for any Person, any lease of any Property by such Person as lessee which would, in accordance with GAAP, be required to be classified and accounted for as a capital lease on the balance sheet of such Person.

"***Cash Collateral Account***" means a special cash collateral account pledged to the Administrative Agent containing cash deposited pursuant to the terms hereof to be maintained with the Administrative Agent in accordance with the terms hereof.

"***Cash Collateralize***" means, to deposit in a Cash Collateral Account or pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the Issuing Lender, Swingline Lender or Lenders, as collateral for Letter of Credit Obligations or obligations of Lenders to fund participations in respect of Letter of Credit Obligations or Swingline Advances, cash or deposit account balances or, if the Administrative Agent, the Swingline Lender and the Issuing Lender shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent, the Issuing Lender and the Swingline Lender. "***Cash Collateral***" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"***Casualty Event***" means the damage, destruction or condemnation, as the case may be, of property of any Person or any of its Subsidiaries, including by process of eminent domain or any Disposition of property in lieu of condemnation.

"***CERCLA***" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.), as amended, analogous state and local laws, and all rules and regulations and legally enforceable requirements promulgated thereunder, in each case as now or hereafter in effect.

"***Certificated Equipment***" means any equipment the ownership of which is evidenced by, or under applicable Legal Requirement, is required to be evidenced by, a certificate of title.

"***Change in Control***" means the occurrence of any of the following events: (a) prior to the closing of the Offering, (i) SCF ceases to own, directly or indirectly, more than forty percent (40%) of the Voting Securities of the Borrower or (ii) SCF and Prior Owners jointly cease to own, directly or indirectly, more than fifty percent (50%) of the Voting Securities of the Borrower, and (b) after the closing of the Offering (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than SCF becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 33% or more of the equity securities of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right), or (ii) during any period of 12 consecutive months that occurs after the closing of an Offering, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (A) who were members of that board or equivalent governing body on the first day of such period, (B) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (A) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (C) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (A) and (B) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

"***Change in Law***" means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any Legal Requirements, (b) any change in any Legal Requirement or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"***Class***" has the meaning set forth in Section 1.4.

"***Closing Date***" means the date of this Agreement.

"***Closing Date Acquisition Agreement***" means the Membership Interest Purchase Agreement dated May 2, 2014 by and among RedZone Holdco, LLC, the sellers named therein and the Borrower.

"***Closing Date Acquisition***" means the acquisition by the Borrower on the Closing Date, either directly or indirectly, of 100% of the Equity Interests in RedZone.

"***Closing Date EBITDA***" means EBITDA for the twelve month period ended February 28, 2014 after giving pro forma effect to the Closing Date Acquisition.

"***Closing Date Leverage Ratio***" means, the ratio of (a) Funded Debt as of the Closing Date after giving pro forma effect to the Transactions, to (b) Closing Date EBITDA.

"***Code***" means the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereof.

"***Collateral***" means all property of the Credit Parties which is "***Collateral***" or "***Mortgaged Property***" or similar terms used in the Security Documents.

"***Collateral Access Agreement***" means a landlord lien waiver or subordination agreement, bailee letter or any other agreement, in any case, in form and substance reasonably acceptable to the Administrative Agent and executed by the parties thereto.

"***Commitment***" means, for each Lender, the obligation of each Lender to advance to the Borrower the amount set forth opposite such Lender' s name on Schedule II as its Commitment, or if such Lender has entered into any Assignment and Assumption or is an Increasing Lender or an Additional Lender, set forth for such Lender as its Commitment in the Register, as such amount may be reduced pursuant to Section 2.1(b)(i); provided that, after the Maturity Date, the Commitment for each Lender shall be zero. The aggregate Commitments on the Amendment No. 5 Effective Date is $127,300,000.

"***Commitment Fees***" means the fees required under Section 2.8(a).

"***Commitment Increase***" has the meaning set forth in Section 2.16(a).

"***Commodity Exchange Act***" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"***Communications***" shall have the meaning set forth in Section 9.9(b)(i).

"***Compliance Certificate***" means a compliance certificate executed by a Responsible Officer of the Borrower or such other Person as required by this Agreement in substantially the same form as Exhibit D.

"***Connection Income Taxes***" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"***Control***" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise, and the terms "Controlled by" or "under common Control with" shall have the correlative meanings.

"***Controlled Group***" means all members of a controlled group of corporations and all businesses (whether or not incorporated) under common control which, together with the Borrower or any Subsidiary (as applicable), are treated as a single employer under Section 414 of the Code.

"***Convert***", "***Conversion***" and "***Converted***" each refers to a conversion of Advances of one Type into Advances of another Type pursuant to Section 2.5(b) and Section 2.5(c).

"***Credit Documents***" means this Agreement, the Notes, the Letter of Credit Documents, the Guaranty, the Notices of Borrowing, the Notices of Continuation or Conversion, the Security Documents, any AutoBorrow Agreement, the Fee Letter, and each other agreement, instrument, or document executed at any time in connection with this Agreement.

"***Credit Extension***" means an Advance or a Letter of Credit Extension.

"***Credit Parties***" means the Borrower and the Guarantors.

"***Current Maturities of Long Term Debt***" means for the Borrower and its Subsidiaries on a consolidated basis, the principal amount due and payable during the next succeeding twelve month period on Funded Debt, in each case, which have a final maturity more than twelve months from the date on which such Funded Debt was originally incurred, and in each case, without giving effect to any early payments thereof; provided, however, that the final installment of the unpaid principal balance of the Tranche B Term Advances and the Tranche C Term Advances due on the Maturity Date shall not constitute Current Maturities of Long Term Debt.

"***Daily One-Month LIBOR***" means, for any day, the rate of interest equal to the Eurodollar Rate then in effect for delivery for a one (1) month period.

"***Debt***" means, for any Person, without duplication: (a) indebtedness of such Person for borrowed money; (b) to the extent not covered under clause (a) above, obligations under letters of credit and agreements relating to the issuance of letters of credit, bankers' acceptances, bank guaranties, surety bonds and similar instruments; (c) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (d) obligations of such Person under conditional sale or other title retention agreements relating to any Properties purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business); (e) obligations of such Person to pay the deferred purchase price of property or services (such obligations including, without limitation, any earn-out obligations, contingent obligations, or other similar obligations associated with such purchase but excluding any such obligations to make payments in the form of Equity Interests of the Borrower that does not otherwise constitute Debt) but excluding trade accounts payable in the ordinary course of business and, in each case, either not past due for more than 90 days after the date on which such trade account payable was created or being contested in good faith and for which adequate reserves have been made in accordance with GAAP; (f) obligations of such Person as lessee under Capital Leases and obligations of such Person in respect of synthetic leases; (g) obligations of such Person under any Hedging Arrangement; (h) all obligations of such Person to mandatorily purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person on a date certain or upon the occurrence of certain events or conditions, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends (which obligations do not include, for the avoidance of doubt, any obligations to issue Equity Interests in respect of warrants), excluding the obligation to buyback common Equity Interests held by any present or former employee in connection with any severance agreement with such Person; (i) the Debt of any partnership or unincorporated joint venture in which such Person is a general partner or a joint venturer, but only to the extent to which there is recourse to such Person for the payment of such Debt; (j) obligations of such Person under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) of such Person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (a) through (i) above; and (k) indebtedness or obligations of others of the kinds referred to in clauses (a) through (j) secured by any Lien on or in respect of any Property of such Person, but if recourse is only to such Property, then only to the extent of the lesser of the amount of the Debt secured thereby and the fair market value of the Property subject to such Lien.

"***Debt Incurrence***" means any issuance or sale by the Borrower or any of its Subsidiaries of any Debt after the Closing Date other than Permitted Debt.

"***Debt Incurrence Proceeds***" means, with respect to any Debt Incurrence, all cash and cash equivalent investments received by the Borrower or any of its Subsidiaries from such Debt Incurrence after payment of, or provision for, all underwriter fees and expenses, original issue discount, SEC and blue sky fees, printing costs, fees and expenses of accountants, lawyers and other professional advisors, brokerage commissions and other out-of-pocket fees and expenses actually incurred in connection with such Debt Incurrence; provided that, an original issue discount shall not reduce the amount of such Debt Incurrence Proceeds unless such discount is due and payable at or immediately following the closing of such Debt Incurrence and such discount has not already been taken into account to reduce the amount of proceeds received by the Borrower or such Subsidiary from such Debt Incurrence.

"***Debtor Relief Laws***" means (a) the Bankruptcy Code of the United States, and (b) all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"***Default***" means (a) an Event of Default or (b) any event or condition which with notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"***Default Rate***" means a per annum rate equal to (a) in the case of principal of any Advance, 2.00% plus the rate otherwise applicable to such Advance as provided in Section 2.9(a), Section 2.9(b), or Section 2.9(c), and (b) in the case of any other Obligation other than letter of credit fees, 2.00% plus the non-default rate applicable to Tranche B Term Advances that are Base Rate Advances as provided in Section 2.9(a), and (c) when used with respect to letter of credit fees, a rate equal to the Applicable Margin for Revolving Tranche A Advances that are Eurodollar Advances plus 2.00% per annum.

"***Defaulting Lender***" means, subject to Section 2.17, any Lender that (a) (except, with regards to the funding of Swingline Advances, the Swingline Lender) has failed to (i) fund all or any portion of its Advances within two Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender' s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied or waived, or (ii) pay to the Administrative Agent, the Issuing Lender, the Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Advances) within two Business Days of the date when due, (b) (except, with regards to the funding of Swingline Advances, the Swingline Lender) has notified the Borrower, the Administrative Agent or the Issuing Lender or the Swingline Lender in writing, or has made a public statement to the effect, that it does not intend to comply with its funding obligations hereunder (unless such writing or public statement relates to such Lender' s obligation to fund an Advance hereunder and states that such position is based on such Lender' s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this

clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower in form and substance satisfactory to the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-in Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.17) upon delivery of written notice of such determination to the Borrower, the Issuing Lender, the Swingline Lender and each Lender.

"***Disposition***" means any sale, lease, transfer, assignment, conveyance, or other disposition of any Property; "***Dispose***" or similar terms shall have correlative meanings.

"***DIT***" means Deep Imaging Technologies, Inc., a Texas corporation.

"***Dollars***" and "***$***" means lawful money of the United States.

"***Domestic Subsidiary***" means any Subsidiary that is not a Foreign Subsidiary.

"***EBITDA***" means, for any period, without duplication, (a) the Borrower' s consolidated Net Income for such period plus (b) to the extent deducted in determining such consolidated Net Income for such period, Interest Expense, Federal, state, local and foreign income taxes (including Texas franchise taxes), depreciation, amortization and other non-cash charges for such period (including any provision for the reduction in the carrying value of assets recorded in accordance with GAAP and including non-cash charges resulting from the requirements of ASC 410, 718 and 815) for such period plus (c) to the extent deducted in determining such consolidated Net Income for such period, any cash charges or other expenses incurred in connection with the Transactions during such period, plus (d) to the extent deducted in determining such consolidated Net Income for such period, any cash charges or other expenses incurred in connection with the Amendment No. 4 and Amendment No. 5 during such period, plus (e) to the extent deducted in determining such consolidated Net Income for such period, any cash charges or other expenses incurred in connection with the Nine Acquisition during such period, plus (f) to the extent deducted in determining such consolidated Net Income for such period, reasonable non-recurring cash charges and expenses incurred in connection with Permitted Acquisitions during such period; plus (g) to the extent deducted in determining such consolidated Net Income for such period, non-cash equity-based compensation paid for such period; plus (h) to the extent deducted in determining such consolidated Net Income for such period, restructuring and other non-recurring expenses incurred during such period, including severance costs, costs associated with office or plant openings or closings and consolidation or relocation fees for such period; minus (i) all non-cash items of income which were included in determining such consolidated Net Income (including non-cash income resulting from the requirements of ASC 410, 718 and 815); provided that such EBITDA shall be subject to pro forma adjustments for Acquisitions (including the Closing Date Acquisition) and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be made in a manner reasonably acceptable to the Administrative Agent and with supporting documentation reasonably acceptable to the Administrative Agent;

provided further, that, for purposes of calculating "EBITDA" the aggregate amounts added back pursuant to clause (e) above shall not exceed $2,500,000 in the aggregate and the aggregate amounts added back pursuant to clauses (f) and (h) above (excluding any such amounts added back to EBITDA prior to January 1, 2016) shall not exceed an amount equal to the greater of (x) $1,000,000 for any four fiscal quarter period beginning with the fiscal quarter ending on March 31, 2016 and (y) five percent (5%) of EBITDA (without giving effect to clauses (f) and (h) above) for any four fiscal quarter period unless otherwise agreed to by the Administrative Agent. For the avoidance of doubt, such amounts added back pursuant to such clauses (e), (f) and (h) above may occur in any incremental amount for any fiscal quarter so long as the aggregate amounts added back during any four-fiscal quarter period which includes such fiscal quarter do not exceed the cap set forth in the immediately preceding proviso.

"***EEA Financial Institution***" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent;

"***EEA Member Country***" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"***EEA Resolution Authority***" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"***Eligible Assignee***" means any Person that meets the requirements to be an assignee under Section 9.7(a)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 9.7(a)(iii)).

"***Eligible Inventory***" means with respect to any Credit Party, Inventory that is of a type customarily held as Inventory in the respective Credit Parties' business as being conducted on the Amendment No. 4 Effective Date, but specifically excluding Inventory which meets any of the following conditions or descriptions:

(a) Inventory in which the Administrative Agent does not have an Acceptable Security Interest;

(b) Inventory with respect to which a claim exists disputing applicable Credit Party' s title to or right to possession;

(c) obsolete or slow moving Inventory for which a reserve has been booked by the applicable Credit Party in accordance with GAAP;

(d) rejected, spoiled or damaged Inventory, or otherwise not readily saleable or usable in its present state for the use for which it was processed or purchased;

(e) Inventory that has been shipped or delivered to a customer on consignment, on a sale or return basis, or on the basis of any similar understanding;

(f) Inventory which is in transit (provided that, "in transit" shall be deemed not to include any situation or circumstance where each of the following conditions are met: (i) the Inventory is "in transit" between Credit Parties, and (ii) a Credit Party retains title to such Inventory);

(g) Inventory held for lease;

(h) Inventory (i) which is located on premises owned or operated by the customer that is to purchase such Inventory or (ii) which is located at any Third Party Location that is not subject to a Collateral Access Agreement other than, as to any determination of the Borrowing Base, such premises described in this clause (h)(ii) which are covered under the Rent Reserve Amount for such Borrowing Base in Administrative Agent' s Permitted Discretion;

(i) Inventory that does not comply with any Legal Requirement or the standards imposed by any Governmental Authority having authority over such Inventory or such applicable Credit Party with respect to its manufacture, use, or sale;

(j) Inventory that is bill and hold goods or deferred shipment;

(k) Inventory evidenced by any negotiable document of title unless such document of title has been delivered to the Administrative Agent, duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Administrative Agent;

(l) Inventory produced in violation of the Fair Labor Standards Act or that is subject to the "hot goods" provisions contained in Title 29 U.S.C. §215;

(m) Inventory that is subject to any agreement which would, in any material respect, restrict Administrative Agent' s ability to sell or otherwise dispose of such Inventory;

(n) Inventory that is located in a jurisdiction outside the United States (other than Canada and any province or territory of Canada), any state thereof or in any territory or possession of the United States that has not adopted Article 9 of the UCC;

(o) Inventory that is subject to any third party' s Lien (including Permitted Liens) which would be superior to the Lien of Administrative Agent created under the Credit Documents (other than Liens permitted under Section 6.2(b) which are covered under the Rent Reserve Amount for such Borrowing Base in Administrative Agent' s Permitted Discretion and Liens permitted under Section 6.2(d) for taxes that are not yet due and payable);

(p) Inventory that would constitute raw materials, work in process or supplies or materials consumed in the business of any Credit Party or Subsidiary thereof, other than coil tubing and backup Inventory;

(q) Inventory that would constitute a custom made or specialized inventory for a specific customer which cannot be sold to any other customer without requiring additional processing in any material respect; or

(r) Inventory that is otherwise deemed ineligible by the Administrative Agent in its Permitted Discretion.

Inventory which is at any time Eligible Inventory but which subsequently fails to meet any of the foregoing requirements shall forthwith cease to be Eligible Inventory at the time of submission of the next Borrowing Base Certificate (other than in the event the Borrowing Base is redetermined under the proviso in Section 2.18(a)) until such time as the foregoing requirements are met with respect to such Inventory. Notwithstanding the foregoing, Administrative Agent may, from time to time, change the criteria for Eligible Inventory based on either: (i) an event, condition or other circumstance arising after the Amendment No. 5 Effective Date, or (ii) an event, condition or other circumstance existing on the Amendment No. 5 Effective Date to the extent the Administrative Agent has no written notice thereof from any Credit Party prior to the Amendment No. 5 Effective Date or is not otherwise reflected in any appraisals, reports or other similar written information received by the Administrative Agent in connection with this Agreement prior to the Amendment No. 5 Effective Date, in either case under clause (i) or (ii) which adversely affects (other than in a *de minimis* manner) or, could reasonably be expected to adversely affect (other than in a *de minimis* manner), the Inventory, as determined by the Administrative Agent in its Permitted Discretion. If any Inventory is deemed ineligible solely as a result of clause (r) above or as a result of a change in criteria permitted in the previous sentence, then the Administrative Agent shall notify the Borrower of such ineligibility or such change in criteria.

"***Eligible Receivables***" means on a consolidated basis and without duplication, all Receivables of such Persons, in each case reflected on its books in accordance with GAAP which conform to the representations and warranties in Article IV hereof and in the Security Documents to the extent such provisions are applicable to the Receivables, and each of which meets all of the following criteria on the date of any determination:

(a) such Receivable is subject to an Acceptable Security Interest in favor of the Administrative Agent;

(b) such Credit Party has good and marketable title to such Receivable,

(c) such Receivable has been billed substantially in accordance with billing practices of such Credit Party in effect on the Amendment No. 4 Effective Date and such Receivable is not unpaid for more than 90 days from the date of the invoice (or such longer period for certain specific Receivables or specific Account Debtors as may otherwise be permitted by the Administrative Agent in its sole discretion);

(d) such Receivable was created in the ordinary course of business of any Credit Party (x) from the performance by such Credit Party of services which have been fully and satisfactorily performed (and not a progress billing or contingent upon any further performance), (y) from the absolute sale on open account (and not on consignment, on approval or on a "sale or return" basis) by such Credit Party of goods (i) in which such Credit Party had sole and complete ownership and (ii) which have been shipped or delivered to the Account Debtor, evidencing which such Credit Party has possession of shipping or delivery receipts, or (z) from the rental by any Credit Party as the lessor of goods owned by such Credit Party;

(e) such Receivable represents a legal, valid and binding payment obligation of the Account Debtor thereof enforceable in accordance with its terms and arises from an enforceable contract;

(f) such Receivable is not due from an Account Debtor that has more than 20% of its aggregate Receivables owed to any Credit Party more than 90 days past the invoice date;

(g) such Receivable is owed by an Account Debtor that any Credit Party deems to be creditworthy and is not owed by an Account Debtor which has (i) applied for, suffered, or consented to the appointment of any receiver, custodian, trustee, or liquidator of its assets, (ii) has had possession of all or a material part of its property taken by any receiver, custodian, trustee or liquidator, (iii) filed, or had

filed against it, any request or petition for liquidation, reorganization, arrangement, adjustment of debts, adjudication as bankrupt, winding-up, or voluntary or involuntary case under any Debtor Relief Laws, (iv) has admitted in writing its inability to, or is generally unable to, pay its debts as they become due, (v) become insolvent, or (vi) ceased operation of its business;

(h) the Account Debtor on such Receivable is not a Credit Party, an Affiliate of a Credit Party, nor a director, officer or employee of a Credit Party or of an Affiliate of Credit Party (other than with respect to a portfolio company of SCF and its related funds);

(i) such Receivable is evidenced by an invoice and not evidenced by any chattel paper, promissory note or other instrument;

(j) such Receivable, together with all other Receivables due from the same Account Debtor does not comprise more than 25% of the aggregate Receivables of all Credit Parties with respect to all Account Debtors (provided, however, that the amount of any such Receivable excluded pursuant to this clause (j) shall only be the excess of such amount);

(k) such Receivable is not subject to any set-off, counterclaim, defense, allowance or adjustment and there has been no dispute, objection or complaint by the Account Debtor concerning its liability for such Receivable or a claim for any such set-off, counterclaim, defense, allowance or adjustment by the Account Debtor thereof (provided, however, that the amount of any such Receivable excluded pursuant to this clause (k) shall only be the amount of such set-off, counterclaim, allowance or adjustment or claimed set-off, counterclaim, allowance or adjustment);

(l) such Receivable is owed in Dollars and is due from an Account Debtor organized under applicable law of the United States or any state of the United States;

(m) such Receivable is not due from the United States government, or any department, agency, public corporation, or instrumentality thereof, unless the Federal Assignment of Claims Act of 1940, as amended (31 U.S.C. § 3727 et seq. and 41 U.S.C. § 15 et seq.), and any other steps necessary to perfect the Lien of the Administrative Agent in such Receivable has been complied with to the Administrative Agent' s satisfaction;

(n) such Receivable is not owed by an Account Debtor that is a Sanctioned Person or a Sanctioned Entity;

(o) such Receivable is not the result of (i) work-in-progress, (ii) finance or service charges (other than, for the avoidance of doubt, oil field services rendered by any Credit Party in the ordinary course of business), or (iii) payments of interest;

(p) such Receivable has not been written off the books of any Credit Party or otherwise designated as uncollectible by any Credit Party;

(q) such Receivable is not subject to any reduction thereof, other than discounts and adjustments given in the ordinary course of business and deducted from such Receivable;

(r) such Receivable is not a newly created Receivable resulting from the unpaid portion or credit balance of a partially paid Receivable;

(s) such Receivable is not subject to any third party' s rights (including Permitted Liens other Liens permitted under Section 6.2(d) for taxes that are not yet due and payable) which would be superior to the Lien of the Administrative Agent created under the Credit Documents; and

(t) such Receivable is not otherwise deemed ineligible by the Administrative Agent in its Permitted Discretion.

In the event that a Receivable which was previously an Eligible Receivable ceases to be an Eligible Receivable hereunder, the Borrower shall notify the Administrative Agent thereof on and at the time of submission to the Administrative Agent of the next Borrowing Base Certificate. In determining the amount of an Eligible Receivable, the face amount of such Receivable shall be reduced by, without duplication, to the extent not reflected in such face amount, (i) the amount of all accrued and actual discounts, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges or other allowances, payables or obligations to the Account Debtor (including any amount that any Credit Party may be obligated to rebate to an Account Debtor pursuant to the terms of any agreement or understanding (written or oral)), (ii) all taxes, duties or other governmental charges included in such Receivable, and (iii) the aggregate amount of all cash received in respect of such Receivable but not yet applied by any Credit Party to reduce the amount of such Receivable.

Notwithstanding the foregoing, the Administrative Agent may, from time to time, in the exercise of its Permitted Discretion, change the criteria for Eligible Receivables based on either: (A) an event, condition or other circumstance arising after the Amendment No. 5 Effective Date or (B) an event, condition or other circumstance existing on the Amendment No. 5 Effective Date to the extent the Administrative Agent has no written notice thereof from any Credit Party prior to the Amendment No. 5 Effective Date or is not otherwise reflected in any appraisals, field exams, reports or other similar written information received by the Administrative Agent in connection with this Agreement prior to the Amendment No. 5 Effective Date, in either case under clause (A) or (B) which adversely affects (other than in a de minimis manner) or could reasonably be expected to adversely affect (other than in a de minimis manner), the Receivables as determined by the Administrative Agent in its Permitted Discretion. If any Receivable is deemed ineligible solely as a result of clause (t) above or as a result of a change in criteria permitted in the previous sentence, then the Administrative Agent shall notify the Borrower of such ineligibility or such change in criteria.

"***Environment***" or "***Environmental***" shall have the meanings set forth in 42 U.S.C. 9601(8).

"***Environmental Claim***" means any third party (including any Governmental Authority) action, lawsuit, claim, demand, regulatory action or proceeding, order, decree, consent agreement or written notice of potential or actual responsibility or violation which seeks to impose liability under any Environmental Law.

"***Environmental Law***" means all federal, state, and local laws, rules, regulations, ordinances, orders, decisions, enforceable agreements, and other Legal Requirements, including duties imposed under common law, now or hereafter in effect and relating to, or in connection with the Environment, including without limitation CERCLA, relating to (a) pollution, contamination, injury, destruction, loss, protection, cleanup, reclamation or restoration of the air, surface water, groundwater, land surface or subsurface strata, or other natural resources; (b) solid, gaseous or liquid waste generation, treatment, processing, recycling, reclamation, cleanup, storage, disposal or transportation; (c) exposure to pollutants, contaminants, hazardous, or toxic substances, materials or wastes; or (d) the manufacture, processing, handling, transportation, distribution in commerce, use, storage or disposal of hazardous, or toxic substances, materials or wastes.

"***Environmental Permit***" means any permit, license, order, approval, registration or other authorization required or issued under Environmental Law.

"***Equipment***" of any Person means (a) all equipment (as defined in the UCC) owned by such Person, wherever located, and (b) all rental tools and other goods (other than consumer goods) customarily held for rent in the oilfield service industry consistent with the past practices and which are considered "equipment" on such Person' s books for purposes of GAAP.

"***Equity Funded Acquisition***" means any Acquisition that is fully funded solely with Equity Issuance Proceeds and were not applied in increasing EBITDA for purposes of Section 7.7.

"***Equity Funded Capital Expenditure***" means Capital Expenditures that are fully funded solely with Equity Issuance Proceeds and were not applied in increasing EBITDA for purposes of Section 7.7.

"***Equity Interest***" means with respect to any Person, any shares, interests, participation, or other equivalents (however designated) of corporate stock, membership interests or partnership interests (or any other ownership interests) of such Person.

"***Equity Issuance***" means any issuance of equity securities or any other Equity Interests (including any preferred equity securities) by the Borrower, including any such issuance upon the exercise of warrants to purchase equity by the holders thereof.

"***Equity Issuance Proceeds***" means (a) with respect to any Equity Issuance, all cash proceeds and Liquid Investments received by the Borrower from such Equity Issuance (other than from any other Credit Party) after payment of, or provision for, all underwriter fees and expenses, SEC and blue sky fees, printing costs, fees and expenses of accountants, lawyers and other professional advisors, brokerage commissions and other out-of-pocket fees and expenses actually incurred in connection with such Equity Issuance, and (b) with respect to existing Equity Interests, cash contributions made to the Borrower from the holders of its Equity Interests on account of common equity.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"***EU Bail-In Legislation Schedule***" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"***Eurocurrency Liabilities***" has the meaning assigned to that term in Regulation D of the Federal Reserve Board as in effect from time to time.

"***Eurodollar Advance***" means an Advance that bears interest based upon the Eurodollar Rate (other than Advances that bear interest based upon the Daily One-Month LIBOR).

"***Eurodollar Base Rate***" means (a) in determining Eurodollar Rate for purposes of the "Daily One-Month LIBOR", the rate per annum for Dollar deposits quoted by the Administrative Agent for the purpose of calculating effective rates of interest for loans making reference to the "Daily One-Month LIBOR" or the "LIBOR Market Index Rate" or other words of similar import, as the inter-bank offered rate in effect from time to time for delivery of funds for one (1) month in amounts approximately equal to the principal amount of the applicable Advances; provided that, the Administrative Agent may base its quotation of the inter-bank offered rate upon such offers or other market indicators of the inter-bank market as the Administrative Agent in its reasonable discretion deems appropriate including, but not limited to, the rate determined under the following clause (b), and (b) in determining Eurodollar Rate for

all other purposes, the rate per annum (rounded upward to the nearest whole multiple of 1/100 of 1%) equal to the interest rate per annum set forth on the Reuters Reference LIBOR01 page (or on any successor or substitute page of such service, or any successor to or substitute for such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) as the London Interbank Offered Rate, for deposits in Dollars at 11:00 a.m. (London, England time) two Business Days prior to the first day of such Interest Period and for a period equal to such Interest Period; provided that, if such quotation is not available for any reason, then for purposes of this clause (b), Eurodollar Base Rate shall then be the rate determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in immediately available funds in the approximate amount of the Advances being made, continued or Converted by the Lenders and with a term equivalent to such Interest Period would be offered by the Administrative Agent' s London Branch (or other branch or Affiliate of the Administrative Agent, or in the event that the Administrative Agent does not have a London branch, the London branch of a Lender chosen by the Administrative Agent) to major banks in the London or other offshore inter-bank market for Dollars at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period;

provided further that, in any event, if the applicable interest rate as determined under any of the preceding provisions of this definition is less than 0%, then "Eurodollar Base Rate" shall be deemed to be equal to 0% for such determination.

"***Eurodollar Rate***" means a rate per annum determined by the Administrative Agent pursuant to the following formula:

$$\text{Eurodollar Rate} = \frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

Where,

"***Eurodollar Reserve Percentage***" means, as of any day, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to liabilities or assets consisting of or including Eurocurrency Liabilities. The Eurodollar Rate for each outstanding Advance shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

"***Event of Default***" has the meaning specified in Section 7.1.

"***Excepted Certificated Equipment***" means (a) all Certificated Equipment owned by a Credit Party (that is not subject to a Permitted Lien securing purchase money Debt or Capital Leases which are permitted hereunder) with an individual net book value of less than $35,000 but only to the extent that the aggregate net book value of Certificated Equipment constituting Excepted Certificated Equipment under this clause (a) does not exceed $2,000,000 (it being understood that all such Certificated Equipment equal to or in excess of $2,000,000 shall not be Excepted Certificated Equipment regardless of its individual net book value) and (b) all Certificated Equipment to the extent such equipment is subject to a Permitted Lien securing purchase money Debt or Capital Leases which are permitted hereunder.

"***Excess Cash Flow***" means, for any period, an amount equal to (a) the Borrower' s consolidated EBITDA for the fiscal year then ended plus (b) any decrease in the Working Capital of the Borrower and its Subsidiaries during such period (measured as the excess of such Working Capital at the beginning of such period over such Working Capital at the end of such period), minus (c) without duplication within such period and without duplication of any amounts used in calculating Excess Cash Flow for any previous period, the sum of:

(i) Taxes actually paid in cash by the Borrower and the other Credit Parties during such twelve month period,

(ii) permitted Capital Expenditures (excluding Equity Funded Capital Expenditures and any Capital Expenditures funded with proceeds of Debt) of the Borrower and the other Credit Parties actually paid during such twelve month period,

(iii) the consolidated Interest Expense of the Borrower actually paid during such twelve month period,

(iv) the aggregate amount of cash charges added back to EBITDA during such period for purposes of calculating EBITDA pursuant to the definition of EBITDA,

(v) principal installment payments and optional prepayments of Tranche B Term Advances and Tranche C Term Advances made during such twelve month period (other than payments required under Section 2.6(c)(vi)),

(vi) other principal payments on Funded Debt (other than Revolving Tranche A Advances or any other Funded Debt of a revolving nature) made during such twelve month period,

(vii) cash payments made in respect of Investments permitted under Section 6.3 of this Agreement and Permitted Acquisitions during such twelve month period, and

(viii) any increase in the Working Capital of the Borrower and its Subsidiaries during such period (measured as the excess of such Working Capital at the end of such period over such Working Capital at the beginning thereof).

"***Excluded Perfection Collateral***" means, unless otherwise elected by the Administrative Agent during the continuance of an Event of Default, collectively (a) Excepted Certificated Equipment, (b) deposit accounts, commodities accounts and securities accounts to the extent an Account Control Agreement is not required under this Agreement, and (c) any other Property with respect to which the Administrative Agent has determined, in its reasonable discretion that the cost of perfecting a security interest in such Property is excessive in relation to the value of the Lien to be afforded thereby.

"***Excluded Properties***" means all (a) Excluded Real Property, (b) commercial tort claims, (c) letter of credit rights, (d) "Excluded Collateral" as defined in the Security Agreement, and (e) all property of any Foreign Subsidiary that is not a Guarantor.

"***Excluded Real Property***" means (a) all leasehold interests held by any Credit Party in leased premises, including leased buildings, building improvements, storage facilities and storage lots, and (b) all other real property owned by a Credit Party with an individual net book value of less than $250,000 but only to the extent that the aggregate net book value of real property constituting Excluded Real Property under this clause (b) does not exceed $2,000,000 (it being understood that all such real property equal to or in excess of $2,000,000 shall not be Excluded Real Property regardless of its individual net book value).

"***Excluded Swap Obligation***" means, with respect to any Guarantor, any Hedge Obligation if, and to the extent that, all or a portion of the guaranty of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Hedge Obligation (or any guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor' s failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guaranty of such Guarantor or the grant of such security interest becomes effective with respect to such Hedge Obligation. If a Hedge Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Hedge Obligation that is attributable to swaps for which such guaranty or security interest is or becomes illegal.

"***Excluded Taxes***" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Advance or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.15) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.14, additional amounts with respect to such Taxes were payable either to such Lender' s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient' s failure to comply with Section 2.14(g), and (d) any U.S. federal withholding Taxes imposed under FATCA.

"***Executive Officer***" means any Responsible Officer of a Subsidiary who is, as part of his/her employment with such Subsidiary, in contact with any Responsible Officer of the Borrower regarding the business and operations of such Subsidiary on a regular basis.

"***Existing Beckman Credit Agreement***" means that certain Credit Agreement, dated as of July 31, 2012, by and among the Borrower, the financial institutions from time to time party thereto as lenders, and ZB, N.A. dba Amegy Bank (fka Amegy Bank National Association), as agent for such lenders, as amended from time to time prior to the Closing Date.

"***Existing Credit Agreements***" means, collectively, the Existing Beckman Credit Agreement and the Existing RedZone Credit Agreement.

"***Existing Letter of Credit***" means that certain standby letter of credit no. SC 8357 in the stated amount of $450,000 issued on July 25, 2013 by ZB, N.A. dba Amegy Bank (fka Amegy Bank National Association), in favor of Zurich American Insurance Company for the account of the Borrower.

"Existing RedZone Credit Agreement" means that certain Credit Agreement, dated as of June 5, 2013, by and among RedZone, the financial institutions from time to time party thereto as lenders, and Wells Fargo Bank, National Association, as agent for such lenders, as amended from time to time prior to the Closing Date.

"***Extraordinary Receipts***" means any proceeds resulting from a Casualty Event, including any insurance proceeds.

"***Facility***" means, collectively, (a) the revolving credit facility described in Section 2.1(a), (b) the Swingline subfacility provided by the Swingline Lender described in Section 2.4 and (c) the letter of credit subfacility provided by the Issuing Lender described in Section 2.3.

"***FATCA***" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to such intergovernmental agreement.

"***FCPA***" means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.

"***Federal Funds Rate***" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to the Administrative Agent (in its individual capacity) on such day on such transactions as determined by the Administrative Agent; provided further that, if the rate determined hereunder is less than zero, then the "Federal Funds Rate" shall be deemed to be zero for such determination.

"***Federal Reserve Board***" means the Board of Governors of the Federal Reserve System or any of its successors.

"***Fee Letter***" means, collectively, (i) that certain engagement letter dated as of April 7, 2014, among the Borrower and the Joint Lead Arrangers, (ii) that certain fee letter dated as of April 7, 2014 between the Borrower and Wells Fargo, (iii) that certain fee letter dated as of August 14, 2014 between the Borrower and Wells Fargo Securities, LLC, (iv) that certain fee letter dated as of September 30, 2014 between the Borrower and Wells Fargo Securities, LLC, (v) that certain fee letter dated as of November 6, 2014 between the Borrower and Wells Fargo Securities, LLC and (vi) that certain amendment engagement letter dated as of November 23, 2015 between the Borrower and Wells Fargo Securities, LLC.

"***First Tier Foreign Subsidiary***" means any Foreign Subsidiary the Equity Interests of which are held directly by the Borrower or a Domestic Subsidiary.

"***Fixed Charge Coverage Ratio***" means, as of the last day of any fiscal quarter, the ratio of (a) an amount equal to EBITDA for such fiscal quarter to (b) Fixed Charges.

"***Fixed Charges***" means, with respect to the calculations to be made as of the last day of any fiscal quarter, without duplication, the sum of (a) cash Interest Expense required to be paid during such fiscal quarter plus (b) the originally scheduled amount of principal payments of Funded Debt required to be paid during such fiscal quarter (after giving effect to any amendments to such principal amounts as agreed in writing by the applicable parties but not giving effect to any actual payments thereof regardless of when such payments are made).

"***Flood Laws***" shall have the meaning set forth in Section 9.21.

"***Foreign Lender***" means, with respect to the Borrower, any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"***Foreign Subsidiary***" means any Subsidiary of a Borrower that is not a United States person within the meaning of Section 7701(a)(30) of the Code, provided, however that any Subsidiary that is disregarded for U.S. Federal income tax purposes and the Equity Interests of which are held directly by the Borrower or a Domestic Subsidiary shall be deemed not to be a "Foreign Subsidiary".

"***Fronting Exposure***" means, at any time there is a Defaulting Lender, (a) with respect to the Issuing Lender, such Defaulting Lender' s Pro Rata Share of the outstanding Letter of Credit Exposure other than Letter of Credit Exposure as to which such Defaulting Lender' s participation obligation has been funded by it, reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swingline Lender, such Defaulting Lender' s Pro Rata Share of outstanding Swingline Advances other than Swingline Advances as to which such Defaulting Lender' s participation obligation has been funded by it or reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"***Funded Debt***" means, as to the Borrower and its consolidated Subsidiaries, without duplication:

(a) all Debt of such Person of the type described in clauses (a), (b), (c), (d) and (f) of the definition of "Debt" but excluding any Debt permitted under Section 6.1(j);

(b) all Debt of such Person of the type described in clause (e) of the definition of "Debt" other than (i) trade accounts payable incurred in the ordinary course of business, and (ii) contingent obligations of such Person to pay the deferred purchase price of property to the extent, and only to the extent, (A) such obligations are contingent and (B) with respect to earn-out obligations, the amount of such earn-out obligations is not known and payable;

(c) all Debt of such Person of the type described in clause (h) of the definition of "Debt";

(d) all Debt of such Person of the type described in clause (i) of the definition of "Debt", but only to the extent such Debt is of the type included in clause (a) - (c) above;

(e) all Debt of such Person of the type described in clause (j) of the definition of "Debt" but only in respect of Debt of any other Person (other than the Borrower or a Subsidiary) of the type included in clauses (a) - (d) above; and

(f) all Debt of others of the type included in clauses (a) - (e) above secured by any Lien on or in respect of any Property of such Person, but if recourse is only to such Property, then only to the extent of the lesser of the amount of the Debt secured thereby and the fair market value of the Property subject to such Lien.

"***GAAP***" means United States generally accepted accounting principles as in effect from time to time, applied on a basis consistent with the requirements of Section 1.3.

"***G&A Payments***" means (a) prior to the Nine Acquisition, cash payments to SCF for payment of (i) any Credit Party' s contractually allocable share of the accounting, insurance, legal and other general and administrative expenses incurred in the ordinary course of business by SCF as a result of the general and administrative functions performed or paid on behalf of any Credit Party, (ii) management fees, and (iii) reimbursement for third-party cash charges or other third-party expenses incurred on behalf of the Borrower or any Guarantor in connection with the Transactions or any Acquisition and (b) following the Nine Acquisition and for so long as the Borrower is a wholly-owned Subsidiary of Nine, cash payments to Nine for payment of (i) any Credit Party' s contractually allocable share of the accounting, insurance, legal and other general and administrative expenses incurred in the ordinary course of business by Nine as a result of the general and administrative functions performed or paid on behalf of any Credit Party, and (ii) reimbursement for third-party cash charges or other third-party expenses incurred on behalf of the Borrower or any Guarantor in connection with the Transactions or any Acquisition.

"***Governmental Authority***" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"***Guarantors***" means any Person that now or hereafter executes the Guaranty or a joinder or supplement to the Guaranty, including each of the Subsidiaries of the Borrower as of the Closing Date; provided, that a Foreign Subsidiary will only become a Guarantor if such guarantee would not have an adverse federal income tax consequence for the Borrower.

"***Guaranty***" means the Guaranty Agreement, substantially in the form of Exhibit C, among the Guarantors and the Administrative Agent for the benefit of the Secured Parties.

"***Hazardous Substance***" means any substance or material identified as hazardous or extremely hazardous pursuant to CERCLA and those regulated as hazardous or toxic under any other Environmental Law, including without limitation pollutants, contaminants, petroleum, petroleum products, radionuclides, and radioactive materials.

"***Hazardous Waste***" means any substance or material regulated or designated as a hazardous waste pursuant to any Environmental Law.

"***Hedge Obligation***" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"***Hedging Arrangement***" means a hedge, call, swap, collar, floor, cap, option, forward sale or purchase or other contract or similar arrangement (including any obligations to purchase or sell any commodity or security at a future date for a specific price) which is entered into to reduce or eliminate or otherwise protect against the risk of fluctuations in prices or rates, including interest rates, foreign exchange rates, commodity prices and securities prices, including any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"***Increase Date***" shall have the meaning assigned to such term in Section 2.16(b).

"***Increasing Lender***" shall have the meaning assigned to such term in Section 2.16(a).

"***Indemnified Taxes***" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Credit Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"***Indemnitees***" has the meaning specified in Section 9.1(b).

"***Interest Expense***" means, for any period, total cash interest expense net of gross interest income of the Borrower and its Subsidiaries for such period, letter of credit fees and other fees and expenses incurred by such Person in connection with any Debt for such period whether paid or accrued (including that attributable to obligations which have been or should be, in accordance with GAAP, recorded as Capital Leases; provided that, notwithstanding any changes in GAAP resulting from the implementation of lease accounting rules after the Closing Date, no lease payments shall be treated as "Interest Expense" to the extent that such lease payments would not have been treated as "Interest Expense" prior to such change in GAAP), including, without limitation, all commissions, discounts, and other fees and charges owed with respect to letters of credit and bankers' acceptance financing, fees owed with respect to the Secured Obligations, and net costs under Hedging Arrangements entered into addressing interest rates, all as determined in conformity with GAAP. For the avoidance of doubt, Interest Expense shall exclude amortization of financing fees, the accretion or accrual of discounted liabilities, and other non-cash interest.

"***Interest Period***" means for each Eurodollar Advance comprising part of the same Borrowing, the period commencing on the date such Eurodollar Advance is made or deemed made and ending on the last day of the period selected by the Borrower pursuant to the provisions below and Section 2.5, and thereafter, each subsequent period commencing on the day following the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below and Section 2.5. The duration of each such Interest Period shall be one, three, or six months, in each case as the Borrower may select, provided that:

(a) the Borrower shall select Interest Periods so that it is not necessary to repay any portion of any Tranche B Term Advance or any Tranche C Term Advance prior to the last day of the applicable Interest Period in order to make a mandatory scheduled repayment required pursuant to Section 2.7(a);

(b) Interest Periods commencing on the same date for Advances comprising part of the same Borrowing shall be of the same duration;

(c) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day;

(d) any Interest Period which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month in which it would have ended if there were a numerically corresponding day in such calendar month; and

(e) the Borrower may not select any Interest Period for any Advance which ends after the Maturity Date.

"***Inventory***" of any Person means (a) all inventory (as defined in the UCC) owned by such Person, wherever located and whether or not in transit, which is held for sale and (b) other goods which are held for use in the ordinary course of business and which are considered "inventory" on such Person' s books for purposes of GAAP.

"***Investment***" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, or purchase or other acquisition of any Debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"***IP Rights***" has the meaning set forth in Section 4.21.

"***IRS***" means the United States Internal Revenue Service.

"***ISP***" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

"***Issuing Lender***" means, as the case may be, (i) Wells Fargo in its capacity as a Lender that issues Letters of Credit for the account of any Credit Party pursuant to the terms of this Agreement and (ii) solely with respect to the Existing Letter of Credit, ZB, N.A. dba Amegy Bank.

"***Joint Lead Arrangers***" means Wells Fargo Securities, LLC and ZB, N.A. dba Amegy Bank, in their respective capacities as Joint Lead Arrangers.

"***Joint Venture***" means, with respect to any Person (the "***holder***") at any date, any incorporated, formed or organized corporation, limited liability company, partnership, association or other entity, a less than a majority of whose outstanding Voting Securities shall at any time be owned by the holder or one more Subsidiaries of the holder. Unless expressly provided otherwise, all references herein to any "Joint Venture" or "Joint Ventures" means a Joint Venture or Joint Ventures of the Borrower.

"***Legal Requirement***" means any law, statute, treaty ordinance, decree, requirement, order, judgment, rule, regulation (or official interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority, including, but not limited to, Regulations T, U, and X.

"***Lender Parties***" means Lenders, the Issuing Lender, the Swingline Lender and the Administrative Agent.

"***Lenders***" means the Persons listed on the signature pages hereto as Lenders, any other Person that shall have become a Lender hereto pursuant to Section 2.15 or Section 2.16, and any other Person that shall have become a Lender hereto pursuant to an Assignment and Assumption, but in any event, excluding any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" references the Revolving Lenders and the Swingline Lender.

"***Lending Office***" means, as to any Lender, the office or offices of such Lender described as such in such Lender' s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

"***Letter of Credit***" means any standby or commercial letter of credit issued by the Issuing Lender for the account of the Borrower or any Guarantor pursuant to the terms of this Agreement, in such form as may be agreed by the Borrower and the Issuing Lender.

"***Letter of Credit Application***" the Issuing Lender' s standard form letter of credit application for standby or commercial letters of credit which has been executed by the Borrower and any applicable Subsidiary and accepted by the Issuing Lender in connection with the issuance of a Letter of Credit.

"***Letter of Credit Documents***" means all Letters of Credit, Letter of Credit Applications, the Letter of Credit Reimbursement Agreements, and amendments thereof, and agreements, documents, and instruments entered into in connection therewith or relating thereto.

"***Letter of Credit Exposure***" means, at the date of its determination by the Administrative Agent, the aggregate outstanding undrawn amount of Letters of Credit plus the aggregate unpaid amount of all of the Borrower' s payment obligations under drawn Letters of Credit.

"***Letter of Credit Extension***" means, with respect to any Letter of Credit, the issuance thereof, extension of the expiry date thereof, or the increase of the amount thereof.

"***Letter of Credit Maximum Amount***" means $2,500,000; provided that, on and after the Maturity Date, the Letter of Credit Maximum Amount shall be zero.

"***Letter of Credit Obligations***" means any obligations of the Borrower under this Agreement in connection with the Letters of Credit.

"***Letter of Credit Reimbursement Agreement***" means the Issuing Lender' s standard form letter of credit reimbursement agreement for standby or commercial letters of credit which has been executed by the Borrower and accepted by such Issuing Lender in connection with the issuance of a Letter of Credit.

"***Letter of Credit Termination Date***" means the 5th Business Day prior to the Maturity Date.

"***Leverage Ratio***" means, as of each fiscal quarter end, the ratio of (a) the Funded Debt as of the last day of such fiscal quarter to (b) Adjusted EBITDA.

"***Lien***" means any mortgage, lien, pledge, charge, deed of trust, security interest, or encumbrance to secure or provide for the payment of any obligation of any Person, whether arising by contract, operation of law, or otherwise (including the interest of a vendor or lessor under any conditional sale agreement, Capital Lease, or other title retention agreement).

"***Liquid Investments***" means (a) readily marketable direct full faith and credit obligations of the United States of America or obligations unconditionally guaranteed by the full faith and credit of the United States of America; (b) commercial paper issued by (i) any Lender or any Affiliate of any Lender or (ii) any commercial banking institutions or corporations rated at least P-1 by Moody' s or A-1 by S&P; (c) certificates of deposit, time deposits, and bankers' acceptances issued by (i) any of the Lenders or (ii) any other commercial banking institution which is a member of the Federal Reserve System and has a combined capital and surplus and undivided profits of not less than $250,000,000.00 and rated Aa by Moody' s or AA by S&P; (d) repurchase agreements which are entered into with any of the Lenders or any major money center banks included in the commercial banking institutions described in clause (c) and which are secured by readily marketable direct full faith and credit obligations of the government of the United States of America or any agency thereof; (e) investments in any money market fund which holds investments substantially of the type described in the foregoing clauses (a) through (d); and (f) other investments made through the Administrative Agent or its Affiliates. All the Liquid Investments described in clauses (a) through (d) above shall have maturities of not more than 365 days from the date of issue.

"***Liquidity***" means, as of a date of determination, the sum of (a) an amount equal to (i) the aggregate Commitments in effect on such date, minus (ii) the Revolving Outstandings on such date, plus (b) readily and immediately available cash held in deposit accounts of any Credit Party in the United States (other than the Cash Collateral Account) on such date; provided that, such deposit accounts and the funds therein shall be unencumbered and free and clear of all Liens and other third party rights other than a Lien in favor of the Administrative Agent pursuant to Security Documents and the Liens described in Section 6.2(h).

"***Majority Lenders***" means (a) other than as provided in clause (b) or (c) below, three or more Revolving Lenders holding greater than 50% of the sum of (i) the aggregate unfunded Commitments at such time plus (ii) the aggregate unpaid principal amount of the Revolving Advances (with the aggregate amount of each Lender' s risk participation and funded participation in the Letter of Credit Exposure (including any such Letter of Credit Exposure that has been reallocated pursuant to Section 2.17) and Swingline Advances being deemed "held" by such Lender for purposes of this definition); (b) at any time where there are only two Revolving Lenders, both Revolving Lenders; and (c) at any time when there is only one Revolving Lender, such Revolving Lender; provided that, in any event, if there are two or more Revolving Lenders, the Commitment of, and the portion of the Advances and Letter of Credit Exposure held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Majority Lenders unless all Revolving Lenders are Defaulting Lenders.

"***Material Adverse Change***" means any event, development or circumstance that has had or would reasonably be expected to have a material adverse effect on (a) the business, operations, property or financial condition of the Borrower and its Subsidiaries, taken as a whole, or (b) on the validity or enforceability of any Credit Document or any right or remedy of any Secured Party under any Credit Document.

"***Maturity Date***" means the earlier of (a) June 30, 2018, and (b) the earlier termination in whole of the Commitments pursuant to Section 2.1(b)(i) or Article VII.

"***Maximum Exposure Amount***" means, at any time for each Lender, the sum of (a) the unfunded Commitment held by such Lender at such time; plus (b) the Revolving Outstandings held by such Lender at such time (with the aggregate amount of such Lender' s risk participation and funded participation in the Letter of Credit Exposure (including any such Letter of Credit Exposure that has been reallocated pursuant to Section 2.17) and Swingline Advances being deemed "held" by such Lender for purposes of this definition).

"***Maximum Rate***" means the maximum nonusurious interest rate under applicable Legal Requirements.

"***Minimum Collateral Amount***" means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to the sum of (i) 105% of the Fronting Exposure of the Issuing Lender with respect to Letters of Credit issued and outstanding at such time and (ii) 100% of the Fronting Exposure of the Swingline Lender with respect to Swingline Sublimit Amount, and (b) otherwise, an amount determined by the Administrative Agent and the Issuing Lender in their reasonable discretion.

"***Moody's***" means Moody' s Investors Service, Inc. and any successor thereto which is a nationally recognized statistical rating organization.

"***Mortgage***" means each mortgage or deed of trust in form reasonably acceptable to the Administrative Agent executed by any Credit Party to secure all or a portion of the Secured Obligations.

"***Multiemployer Plan***" means a "***multiemployer plan***" as defined in Section 4001(a)(3) of ERISA to which the Borrower or any member of the Controlled Group is making or accruing an obligation to make contributions.

"***Net Capital Expenditures***" means, for any Person and period of its determination, without duplication, (a) the amount of Capital Expenditures of such Person (other than Equity Funded Capital Expenditures and Capital Expenditures that constitute a Permitted Acquisition) minus (b) the aggregate Net Cash Proceeds resulting from sales, conveyances and other dispositions of Property (other than Nonordinary Course Asset Sales) and received by such Person during such period; provided that, the aggregate amount of Net Cash Proceeds under this clause (b) may not exceed $5,000,000 in any fiscal year.

"***Net Cash Proceeds***" means, with respect to any Disposition, all cash and Liquid Investments received from such Disposition after (a) payment of, or provision for, all brokerage commissions and other reasonable out of pocket fees and expenses actually incurred in connection with such Disposition; (b) payment of any outstanding obligations relating to the Property that is being Disposed of pursuant to such Disposition; (c) all Taxes paid or payable by such Person in connection with such Disposition; and (d) the amount of reserves recorded in accordance with GAAP for indemnity or similar obligations of the Person making such Disposition and its Affiliates directly related to such Disposition.

"***Net Income***" means, for any period and with respect to any Person, the net income for such period for such Person after taxes as determined in accordance with GAAP, excluding, however, (a) extraordinary items, including (i) any net non-cash gain or loss during such period arising from the sale, exchange, retirement or other Disposition of capital assets (such term to include all fixed assets and all securities), and (ii) any write-up or write-down of assets and (b) the cumulative effect of any change in GAAP. For the avoidance of doubt, in determining net income, gross interest income shall be applied to increase income or decrease interest expense but not both.

"***Nine***" means Nine Energy Service, Inc., a Delaware corporation.

"***Nine Acquisition***" means the acquisition of the Borrower by a direct or indirect Subsidiary of Nine.

"***Nine Credit Agreement***" means the Amended and Restated Credit Agreement, dated as of June 30, 2014, among Nine, Nine Energy Canada Inc., a corporation organized under the laws of the Province of Alberta, Canada, the lenders party thereto, HSBC Bank USA, N.A., as US administrative agent and as US issuing lender, HSBC Bank Canada, as Canadian issuing lender and as Canadian administrative agent, and Wells Fargo Bank, National Association, as swingline lender, as amended, restated, supplemented or otherwise modified from time to time.

"***NOLV***" means with respect to any fixed assets of any Credit Party permanently located in the United States and any machinery, parts, equipment and other fixed assets acquired by a Credit Party the net orderly liquidation value thereof (taking into account any loss, destruction, damage, condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, confiscation, or the requisition, of such Property and after taking into account all soft costs associated with the liquidation

thereof, including but not limited to, delivery fees, interest charges, finance fees, taxes, installation fees and professional fees) as established by (a) the written appraisal received as a condition to the closing of the Amendment No. 4, and (b) a written appraisal initiated by the Administrative Agent under Section 5.11 and conducted by an industry recognized third party appraiser acceptable to the Administrative Agent,.

"***Non-Consenting Lender***" means any Lender who does not agree to a consent, waiver or amendment which (a) requires the agreement of all Lenders or all affected Lenders in accordance with the terms of Section 9.2 and (b) has been approved by the Majority Lenders.

"***Non-Defaulting Lender***" means any Lender that is not a Defaulting Lender at such time.

"***Nonordinary Course Asset Sale***" means any Disposition made by the Borrower or any Subsidiary (a) of any division of the Borrower or any Subsidiary, (b) of an Equity Interest in any Subsidiary by the Borrower or any Subsidiary or (c) outside the ordinary course of business of any assets of the Borrower or any Subsidiary, whether in a single transaction or related series of transactions.

"***Notes***" means the Revolving Notes and the Swingline Note.

"***Notice***" shall have the meaning set forth in Section 9.9(b)(ii).

"***Notice of Borrowing***" means a Notice of Borrowing signed by the Borrower in substantially the same form as Exhibit E.

"***Notice of Continuation or Conversion***" means a notice of continuation or conversion signed by the Borrower in substantially the same form as Exhibit F.

"***Notice of Mandatory Payment***" means a notice of payment signed by a Responsible Officer of the Borrower in substantially the same form as Exhibit H-1.

"***Notice of Optional Payment***" means a notice of payment signed by a Responsible Officer of the Borrower in substantially the same form as Exhibit H-2.

"***Obligations***" means all principal, interest (including post-petition interest), fees, reimbursements, indemnifications, and other amounts now or hereafter owed by any of the Credit Parties to the Lenders, the Swingline Lender, the Issuing Lender, or the Administrative Agent under this Agreement and the Credit Documents, including the Letter of Credit Obligations and any increases, extensions, and rearrangements of those obligations under any amendments, supplements, and other modifications of the documents and agreements creating those obligations.

"***OFAC***" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"***Offering***" means an initial public offering and sale of Equity Interests in the Borrower or, following the Nine Acquisition, in Nine (or its direct parent), in a public offering pursuant to a registration statement that has been declared effective by the Securities and Exchange Commission under the Securities Act (other than a registration statement on Form S-4 or Form S-8 or otherwise relating to Equity Interests issuable under any employee benefit plan), pursuant to which such Equity Interests will be listed on the Nasdaq National Market, The New York Stock Exchange or other similar national securities exchange.

"***Other Connection Taxes***" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Advance or Credit Document).

"***Other Taxes***" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.15).

"***Participant***" has the meaning assigned to such term in Section 9.7(c).

"***Participant Register***" has the meaning assigned to such term in Section 9.7(c).

"***Patriot Act***" means the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"***PBGC***" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"***Permitted Acquisition***" means an Acquisition that is permitted under Section 6.4.

"***Permitted Debt***" has the meaning set forth in Section 6.1.

"***Permitted Discretion***" means, with respect to the Administrative Agent, a determination or judgment made in good faith by such Person exercising reasonable credit or business judgment (from the perspective of a secured asset-based lender).

"***Permitted Disposition***" means any Disposition that is permitted under Section 6.8.

"***Permitted Investments***" has the meaning set forth in Section 6.3.

"***Permitted Liens***" has the meaning set forth in Section 6.2; provided that, no intention to subordinate the priority of the Lien granted in favor of the Administrative Agent and the Secured Parties is to be hereby implied or expressed by the permitted existence of any Permitted Liens.

"***Person***" means any natural person, partnership, corporation (including a business trust), joint stock company, trust, limited liability company, unlimited liability company, limited liability partnership, unincorporated association, joint venture, or other entity, or Governmental Authority, or any trustee, receiver, custodian, or similar official.

"***Plan***" means an employee benefit plan (other than a Multiemployer Plan) maintained for employees of the Borrower or any member of the Controlled Group and covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code.

"***Platform***" shall have the meaning set forth in Section 9.9(b)(i).

"***Prime Rate***" means the per annum rate of interest established from time to time by the Administrative Agent at its principal office in Houston, Texas as its prime rate, which rate may not be the lowest rate of interest charged by such Lender to its customers.

"***Prior Owners***" means Winston/Bradford, LLC, Donald F. Schuh, Justin J. Schuh and Andrea D. Schuh.

"***Property***" of any Person means any property or assets (whether real, personal, or mixed, tangible or intangible) of such Person.

"***Pro Rata Share***" means, at any time with respect to any Revolving Lender, (i) the ratio (expressed as a percentage) of such Lender' s Commitment at such time to the aggregate Commitments at such time, or (ii) if all of the Commitments have been terminated, the ratio (expressed as a percentage) of such Lender' s aggregate outstanding Revolving Advances at such time to the total aggregate outstanding Revolving Advances at such time.

"***Qualified ECP Guarantor***" means, in respect of any Swap Obligation, each Guarantor that has total assets exceeding $10,000,000 at the time the relevant guaranty or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"***Receivables***" of any Person means, at any date of determination thereof, the unpaid portion of the obligation, as stated on the respective invoice or other writing, of a customer of such Person in respect of goods sold or services rendered by such Person, including the unpaid portion of an "account" or "account receivable" as defined in the UCC, if applicable.

"***Recipient***" means (a) the Administrative Agent, (b) any Lender and (c) the Issuing Lender, as applicable.

"***RedZone***" means RedZone Coil Tubing, LLC, a Texas limited liability company.

"***Register***" has the meaning set forth in Section 9.7(b).

"***Regulations T, U, and X***" means Regulations T, U, and X of the Federal Reserve Board, as each is from time to time in effect, and all official rulings and interpretations thereunder or thereof. Each of Regulations T, U, or X may be referred to individually as Regulation T, Regulation U, or Regulation X herein.

"***Related Parties***" means, with respect to any Person, such Person' s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, and advisors of such Person and of such Person' s Affiliates.

"***Release***" shall have the meaning set forth in CERCLA or under any other applicable Environmental Law.

"***Removal Effective Date***" has the meaning set forth in Section 8.6(b).

"***Rent Reserve Amount***" means as to any Third Party Location located in the United States, the maximum amount of rent, fees and other charges for a period of three months that a landlord, third party warehouse, trailer storage or other self-storage facility, bailee, or such third party, as applicable, would be legally entitled to recover from the personal property located at such Third Party Location and that is subject to a Lien in favor of such third parties, regardless of whether such Lien arises by operation of law, under contract or otherwise. The Rent Reserve Amount shall not include rent, fees and other charges for Third Party Locations where no Inventory is located.

"***Reportable Event***" means any of the events set forth in Section 4043(c) of ERISA (other than any such event not subject to the provision for 30-day notice to the PBGC under the regulations issued under such section).

"***Resignation Effective Date***" has the meaning set forth in Section 8.6(a).

"***Response***" shall have the meaning set forth in CERCLA or under any other applicable Environmental Law.

"***Responsible Officer***" means (a) with respect to any Person that is a corporation, such Person' s chief executive officer, president, chief financial officer, chief operating officer, general counsel, director of finance, controller, or vice president, (b) with respect to any Person that is a limited liability company, if such Person has officers, then such Person' s chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president, and if such Person is managed by members, then a chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president of such Person' s managing member, and if such Person is managed by managers, then a manager (if such manager is an individual) or a chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president of such manager (if such manager is an entity), and (c) with respect to any Person that is a general partnership, limited partnership or a limited liability partnership, the chief executive officer, president, chief financial officer, chief operating officer, general counsel, or vice president of such Person' s general partner or partners.

"***Restricted Payment***" means, with respect to any Person, any direct or indirect dividend or distribution (whether in cash, securities or other Property) or any direct or indirect payment of any kind or character (whether in cash, securities or other Property) in consideration for or otherwise in connection with any retirement, purchase, redemption or other acquisition of any Equity Interest of such Person, or any options, warrants or rights to purchase or acquire any such Equity Interest of such Person; provided that the term "Restricted Payment" shall not include any dividend or distribution payable solely in Equity Interests of such Person or warrants, options or other rights to purchase such Equity Interests.

"***Revolving Advance***" means any advance by a Lender to the Borrower as part of a Revolving Borrowing. For the avoidance of doubt, the Revolving Tranche A Advances, the Tranche B Term Advances and the Tranche C Term Advances are "Revolving Advances" for all purposes hereunder.

"***Revolving Borrowing***" means a Borrowing consisting of simultaneous Revolving Advances of the same Type made by the Revolving Lenders pursuant to Section 2.1(a) or Converted by each Revolving Lender to Revolving Advances of a different Type pursuant to Section 2.5(b).

"***Revolving Lenders***" means Lenders having a Commitment or if such Commitments have been terminated, Lenders that are owed Revolving Advances.

"***Revolving Note***" means a promissory note of the Borrower payable to a Lender and its registered assigns in the amount of such Lender' s Commitment, in substantially the same form as Exhibit G-1, evidencing indebtedness of the Borrower to such Lender resulting from Revolving Advances owing to such Lender.

"***Revolving Outstandings***" means, as of any date of determination, the sum of (a) the aggregate outstanding amount of all Revolving Advances plus (b) the Letter of Credit Exposure plus (c) the aggregate outstanding amount of all Swingline Advances.

"***Revolving Tranche A Advances***" means all Revolving Advances other than the Tranche B Term Advances and the Tranche C Term Advances.

"***Revolving Tranche A Outstandings***" means Revolving Outstandings minus the sum of (i) outstanding Tranche B Term Advances and (ii) outstanding Tranche C Term Advances.

"***Sanctioned Entity***" (a) a Sanctioned Person, other than an individual, or (b)(i) a country or a government of a country, (ii) an agency of the government of a country or (iii) an organization directly or indirectly controlled by a country or its government, in each case, that is the subject of Sanctions,

"***Sanctioned Person***" means a Person that is, or is owned or controlled by Persons (individually or in the aggregate) that are (a) the subject of Sanctions or (b) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions.

"***Sanctions***" has the meaning set forth in Section 4.19(b).

"***S&P***" means Standard & Poor' s Rating Agency Group, a division of McGraw-Hill Companies, Inc., or any successor thereof which is a national credit rating organization.

"***SCF***" means SCF-VII, L.P. and SCF-VII(A), L.P., each a Delaware limited partnership.

"***SEC***" means, the United States Securities and Exchange Commission, or any Governmental Authority succeeding to the functions of such Commission.

"***Secured Obligations***" means (a) the Obligations, (b) the Banking Services Obligations and (c) the Swap Obligations (other than Excluded Swap Obligations).

"***Secured Parties***" means the Administrative Agent, the Issuing Lender, the Lenders, the Swap Counterparties and Banking Services Providers.

"***Securities Act***" means the Securities Act of 1933, as amended.

"***Security Agreement***" means the Pledge and Security Agreement among the Credit Parties and the Administrative Agent in substantially the same form as Exhibit B.

"***Security Documents***" means the Security Agreement, any Mortgages, Account Control Agreements and any and all other instruments, documents or agreements, now or hereafter executed by any Credit Party or any other Person to secure the Secured Obligations.

"***Security Termination***" has the meaning set forth in Section 8.7(b).

"***Solvent***" means, as to any Person, on the date of any determination (a) the fair value of the Property of such Person is greater than the total amount of debts and other liabilities (including without limitation, contingent liabilities) of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts and other liabilities (including, without limitation, contingent liabilities) as they become absolute and matured, (c) such Person is able to realize upon its assets and pay its debts and other liabilities

(including, without limitation, contingent liabilities) as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities (including, without limitation, contingent liabilities) beyond such Person' s ability to pay as such debts and liabilities mature, (e) such Person is not engaged in, and is not about to engage in, business or a transaction for which such Person' s Property would constitute unreasonably small capital, and (f) such Person has not transferred, concealed or removed any Property with intent to hinder, delay or defraud any creditor of such Person.

"***Subject Lender***" has the meaning set forth in Section 2.15(b).

"***Subsidiary***" means, with respect to any Person (the "***holder***") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the holder in the holder' s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity, a majority of whose outstanding Voting Securities shall at any time be owned by the holder or one more Subsidiaries of the holder. Unless expressly provided otherwise, all references herein and in any other Credit Document to any "Subsidiary" or "Subsidiaries" means a Subsidiary or Subsidiaries of the Borrower. Notwithstanding the foregoing, DIT shall not be considered a Subsidiary of the Borrower until such time as it is wholly-owned by the Borrower.

"***Swap Counterparty***" means any counterparty to a Hedging Arrangement with any Credit Party; provided that (a) such counterparty is a Lender or an Affiliate of a Lender at the time such Hedging Arrangement is entered into or (b) such Hedging Arrangement was entered into prior to the Closing Date and such counterparty was a Lender or an Affiliate of a Lender on the Closing Date.

"***Swap Obligations***" means the obligations of any Credit Party owing to any Swap Counterparty under any Hedging Arrangement; provided that (a) when any Swap Counterparty assigns or otherwise transfers any interest held by it under any Hedging Arrangement to any other Person pursuant to the terms of such agreement, the obligations thereunder shall constitute Swap Obligations only if such assignee or transferee is also then a Lender or an Affiliate of a Lender and (b) if a Swap Counterparty ceases to be a Lender or an Affiliate of a Lender hereunder, obligations owing to such Swap Counterparty shall be included as Swap Obligations only to the extent such obligations arise from transactions under such individual Hedging Arrangements (and not the Master Agreement between such parties) entered into prior to the time such Swap Counterparty ceases to be a Lender or an Affiliate of a Lender hereunder, without giving effect to any extension, increases, or modifications thereof which are made after such Swap Counterparty ceases to be a Lender or an Affiliate of a Lender hereunder.

"***Swap Termination Value***" means, in respect of any one or more Hedging Arrangements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedging Arrangements, (a) for any date on or after the date such Hedging Arrangements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Hedging Arrangements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Hedging Arrangements (which may include a Lender or any Affiliate of a Lender).

"***Swingline Advance***" means an advance by the Swingline Lender to the Borrower as part of a Swingline Borrowing.

"***Swingline Borrowing***" means the Borrowing consisting of a Swingline Advance made by the Swingline Lender pursuant to Section 2.4 or, if an AutoBorrow Agreement is in effect, any transfer of funds pursuant to such AutoBorrow Agreement.

"***Swingline Lender***" means Wells Fargo or any other Lender that agrees to act as a "Swingline Lender" hereunder at the request of the Borrower so long as either (a) such Lender is also then the Administrative Agent or (b) such new Swingline Lender is appointed pursuant to Section 8.6(d).

"***Swingline Note***" means the promissory note made by the Borrower payable to the Swingline Lender, in substantially the same form as Exhibit G-3, evidencing the indebtedness of the Borrower to the Swingline Lender resulting from Swingline Advances made by the Swingline Lender.

"***Swingline Payment Date***" means (a) if an AutoBorrow Agreement is in effect, the earliest to occur of (i) the date required by such AutoBorrow Agreement, (ii) demand is made by the Swingline Lender in accordance with such Autoborrow Agreement and (iii) the Maturity Date, or (b) if an AutoBorrow Agreement is not in effect, the earlier to occur of (i) three (3) Business Days after demand is made by the Swingline Lender if no Default exists, and otherwise upon demand by the Swingline Lender and (ii) the Maturity Date.

"***Swingline Sublimit Amount***" means $2,500,000; provided that, on and after the Maturity Date, the Swingline Sublimit Amount for all purposes shall be zero.

"***Tangible Net Assets***" means (a) the consolidated net book value of all assets of the Borrower and its consolidated Subsidiaries minus (b) the consolidated net book value of all intangible assets of the Borrower and its consolidated Subsidiaries.

"***Tax Group***" has the meaning set forth in Section 4.13.

"***Taxes***" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"***Termination Event***" means (a) a Reportable Event with respect to a Plan, (b) the withdrawal of the Borrower or any member of the Controlled Group from a Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA, (c) the filing of a notice of intent to terminate a Plan or the treatment of a Plan amendment as a termination under Section 4041(c) of ERISA, (d) the institution of proceedings to terminate a Plan by the PBGC, or (e) any other event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan.

"***Third Party Locations***" means any location which holds, stores or otherwise maintains Collateral, including such locations that are leased locations, trailer storage or self-storage facilities, distribution centers or warehouses, and such locations that are the subject of any bailee arrangement.

"***Tranche B Term Advances***" means the Revolving Advances which are designated as Tranche B Term Advances on the Amendment No. 4 Effective Date as provided under Section 2.1(a).

"***Tranche C Term Advances***" means the Revolving Advances which are designated as Tranche C Term Advances on the Amendment No. 5 Effective Date as provided under Section 2.1(a).

"***Transactions***" means, collectively, (a) the initial borrowings and other extensions of credit under this Agreement, (b) the consummation of the Closing Date Acquisition, (c) the payment in full of all outstanding obligations under the Existing Credit Agreements and (d) the payment of fees, commissions and expenses in connection with any of the foregoing.

"***Treasury Management Arrangement***" means any agreement or other arrangement governing the provision of treasury or cash management services, including deposit accounts, overdraft, credit or debit card, purchase card, funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, return items, controlled disbursement, lockbox, interstate depository network, account reconciliation and reporting and trade finance services and other cash management services.

"***Type***" has the meaning set forth in Section 1.4.

"***UCC***" means the Uniform Commercial Code as in effect in the State of New York from time to time.

"***United States***" means the United States of America.

"***U.S. Person***" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"***U.S. Tax Compliance Certificate***" has the meaning assigned to such term in paragraph (g) of Section 2.14.

"***Voting Securities***" means (a) with respect to any corporation, capital stock of such corporation having general voting power under ordinary circumstances to elect directors of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have special voting power or rights by reason of the happening of any contingency), (b) with respect to any partnership, any partnership interest or other ownership interest having general voting power to elect the general partner or other management of the partnership or other Person, and (c) with respect to any limited liability company, membership certificates or interests having general voting power under ordinary circumstances to elect managers of such limited liability company.

"***Wells Fargo***" means Wells Fargo Bank, National Association.

"***Withholding Agent***" means any Credit Party and the Administrative Agent.

"***Working Capital***" means, at any date, its Current Assets (as defined below) at such date minus its Current Liabilities (as defined below) at such date. For purposes of this definition (a) "**Current Assets**" means, at any time, the consolidated current assets (other than cash and Liquid Investments) of the Borrower and its Subsidiaries, and (b) "**Current Liabilities**" means, at any time, the consolidated current liabilities of the Borrower and its Subsidiaries, but excluding, without duplication, (i) the principal amount of Advances then outstanding, (ii) the Current Maturities of Long Term Debt and (iii) interest and Taxes currently payable.

"***Write-Down and Conversion Powers***" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.2 Computation of Time Periods. In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

Section 1.3 Accounting Terms; Changes in GAAP.

(a) All accounting terms not specifically defined in this Agreement shall be construed in accordance with GAAP applied on a consistent basis with those applied in the preparation of the audited financial statements delivered to the Administrative Agent for the fiscal year ended December 31, 2013 pursuant to Section 3.1(j)(iii), except as provided in Section 6.7.

(b) Unless otherwise indicated, all financial statements of the Borrower, all calculations for compliance with covenants in this Agreement, all determinations of the Applicable Margin, and all calculations of any amounts to be calculated under the definitions in Section 1.1 shall be based upon the consolidated accounts of the Borrower and its Subsidiaries in accordance with GAAP and consistent with the principles of consolidation applied in preparing the financial statements referred to in Section 4.4. For the avoidance of doubt, references in this Agreement or in any other Credit Document to a Person' s consolidated financial statements, financial position, financial condition, liabilities, etc. refer to the consolidated financial statements, financial position, financial condition, liabilities, etc. of such Person and its properly consolidated Subsidiaries (or subset thereof if expressly provided herein) which eliminate offsetting intercompany transactions.

(c) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Credit Document, and either the Borrower or the Majority Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Borrower and the Majority Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

Section 1.4 Classes and Types of Advances. Advances are distinguished by "Class" and "Type". The "Class" of an Advance refers to the determination of whether such Advance is a Revolving Advance or a Swingline Advance. The "Type" of an Advance refers to the determination of whether such Advance is a Base Rate Advance or a Eurodollar Advance.

Section 1.5 Other Interpretive Provisions. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person' s successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any

particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

ARTICLE II
CREDIT FACILITIES

Section 2.1 Commitments.

(a) Commitment. Each Revolving Lender severally agrees, on the terms and conditions set forth in this Agreement, to make Revolving Advances to the Borrower from time to time on any Business Day during the period from the Closing Date until the Business Day immediately preceding the Maturity Date; provided that after giving effect to such Revolving Advances, (x) the Revolving Outstandings shall not exceed the aggregate Commitments in effect at such time, and (y) the Revolving Tranche A Outstandings shall not exceed the Borrowing Base in effect at such time. Each Revolving Borrowing shall (A) if comprised of Base Rate Advances be in an aggregate amount not less than $500,000 and in integral multiples of $100,000 in excess thereof, (B) if comprised of Eurodollar Advances be in an aggregate amount not less than $1,000,000 and in integral multiples of $500,000 in excess thereof, and (C) consist of Revolving Advances of the same Type made on the same day by the Revolving Lenders ratably according to their respective Commitments. Within the limits of each Revolving Lender' s Commitment, the Borrower may from time to time borrow, prepay pursuant to Section 2.6, and reborrow under this Section 2.1(a); provided that, once prepaid or repaid, the Borrower may not reborrow any Tranche B Term Advances or Tranche C Term Advances. On the Amendment No. 4 Effective Date, $12,500,000 of the then outstanding Revolving Advances were designated as and deemed to constitute Tranche B Term Advances. As of the Amendment No. 5 Effective Date, after giving effect to the prepayment of Tranche B Term Advances made in connection with the closing of Amendment No. 5, each Revolving Lender' s pro rata share of the outstanding Tranche B Term Advances is as set forth on Schedule II hereof. As of the Amendment No. 5 Effective Date, $106,300,000 of the outstanding Revolving Advances are hereby designated as and deemed to constitute Tranche C Term Advances and each Revolving Lender' s pro rata share of such Tranche C Term Advances is as set forth on Schedule II hereof.

(b) Reduction of the Commitments.

(i) Commitments. The Borrower shall have the right, upon at least three Business Days' irrevocable (subject to clause (y) below) notice to the Administrative Agent, to terminate in whole or reduce ratably in part the unused portion of the Commitments; provided that (x) each partial reduction shall be in the aggregate amount of $1,000,000 and in integral multiples of $1,000,000 in excess thereof and (y) a notice of complete termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. The Commitments shall automatically and permanently reduce by the amount of any principal prepayment or repayment of the Tranche B Term Advances or the Tranche C Term Advances on the date of such prepayment or repayment. Any reduction or termination of the Commitments pursuant to this Section shall be permanent, with no obligation of the Revolving Lenders to reinstate such Commitments, and the Commitment Fees shall thereafter be computed on the basis of the Commitments, as so reduced.

(ii) Defaulting Lender. At any time when a Lender is then a Defaulting Lender, the Borrower, at the Borrower' s election, may elect to terminate such Defaulting Lender' s Commitment hereunder; provided that (A) such termination must be of the Defaulting Lender' s entire Commitment, (B) the Non-Defaulting Lenders shall each have the option to accept an assignment of the Defaulting Lender' s Commitment pursuant to Section 2.15 in lieu of a termination of Commitments pursuant to this Section 2.1(b)(ii), (C) to the extent that the Non-Defaulting Lenders do not take an assignment as provided in the immediately preceding clause (B), the Borrower shall pay all amounts owed by the Borrower to such Defaulting Lender in such Defaulting Lender' s capacity as a Revolving Lender under this Agreement and under the other Credit Documents (including principal of and interest on the Revolving Advances owed to such Defaulting Lender, accrued Commitment Fees (subject to Section 2.17(a)(iii)), and letter of credit fees (subject to Section 2.17(a)(iii)) but specifically excluding any amounts owing under Section 2.11 as result of such payment of such Advances) and shall deposit with the Administrative Agent into the Cash Collateral Account cash collateral in the amount equal to such Defaulting Lender' s ratable share of the Letter of Credit Exposure (including any such Letter of Credit Exposure that has been reallocated pursuant to Section 2.17), (D) a Defaulting Lender' s Commitment may be terminated by the Borrower under this Section 2.1(b)(ii) if and only if at such time, the Borrower has elected, or is then electing, to terminate the Commitments of all then existing Defaulting Lenders, and (E) such termination shall not be permitted if a Default has occurred and is continuing at the time of such election and termination. Upon written notice to the Defaulting Lender and the Administrative Agent of the Borrower' s election to terminate a Defaulting Lender' s Commitment pursuant to this clause (ii) and the payment and deposit of amounts required to be made by the Borrower under clause (B) and (C) above, (1) such Defaulting Lender shall cease to be a "Revolving Lender" hereunder for all purposes except that such Lender' s rights and obligations as a Revolving Lender under Sections 2.12, 2.14, 8.4 and 9.1 shall continue with respect to events and occurrences occurring before or concurrently with its ceasing to be a "Revolving Lender" hereunder, (2) such Defaulting Lender' s Commitment shall be deemed terminated, and (3) such Defaulting Lender shall be relieved of its obligations hereunder as a "Revolving Lender" except as to its obligations under Section 8.4(b) and Section 9.1 shall continue with respect to events and occurrences occurring before or concurrently with its ceasing to be a "Revolving Lender" hereunder, provided that, any such termination will not be deemed to be a waiver or release of any claim that the Borrower, the Administrative Agent, the Swingline Lender, the Issuing Lender or any Lender may have against such Defaulting Lender. Notwithstanding anything herein to the contrary, the Non-Defaulting Lenders' option to take an assignment as provided in Section 2.1(b)(ii)(B) may be exercised by a Non-Defaulting Lender in its sole and absolute discretion and nothing contained herein shall obligate any Non-Defaulting Lender to take any such assignment.

(iii) All notices for a complete termination under clause (i) above delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by such Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

Section 2.2 Evidence of Indebtedness. The Advances made by each Lender, and the Swingline Advances made by the Swingline Lender, shall be evidenced by one or more accounts or records maintained by such Lender or the Swingline Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent, the Swingline Lender and the Lenders shall be conclusive absent manifest error of the amount of the Advances made by such Lenders and Swingline Lender to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender to the Borrower made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) the applicable Notes which shall evidence such Lender' s Advances to the Borrower in addition to such accounts or records. Upon the request of the Swingline Lender to the Borrower, the Borrower shall execute and deliver to the Swingline Lender a Swingline Note which shall evidence the Swingline Advances to the Borrower in addition to such accounts or records. Each Lender and the Swingline Lender may attach schedules to such Notes and note thereon the date, Type (if applicable), amount, and maturity of its Advances and payments with respect thereto. In addition to the accounts and records referred to in the immediately preceding sentences, each Lender, the Issuing Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender (other than the Issuing Lender) in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. In the event of any conflict among the accounts and records maintained by the Administrative Agent, the accounts and records maintained by an Issuing Lender as to Letters of Credit issued by it, and the accounts and records of any other Lender in respect of such matters, the accounts and records of such Issuing Lender shall control in the absence of manifest error.

Section 2.3 Letters of Credit.

(a) Commitment for Letters of Credit. The Issuing Lender, the Lenders and the Borrower agree that effective as of the Closing Date, the Existing Letter of Credit shall be deemed to have been issued and maintained under, and to be governed by the terms and conditions of, this Agreement as a Letter of Credit. Subject to the terms and conditions set forth in this Agreement and in reliance upon the agreements of the other Lenders set forth in this Section, the Issuing Lender agrees to, from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Termination Date, issue, increase or extend the expiration date of Letters of Credit for the account of any Credit Party or Subsidiary thereof; provided that, in any event, no Letter of Credit will be issued, increased, or extended:

(i) if (x) such issuance, increase, or extension would cause the Letter of Credit Exposure to exceed the Letter of Credit Maximum Amount or (y) such issuance, increase, or extension would cause (1) the Revolving Outstandings to exceed the aggregate Commitments in effect at such time or (2) the Revolving Tranche A Outstandings to exceed the Borrowing Base in effect at such time;

(ii) unless such Letter of Credit has an expiration date not later than the earlier of (A) one year after its issuance or extension and (B) the Letter of Credit Termination Date; provided that, (1) if the Commitments are terminated in whole pursuant to Section 2.1(b), the Borrower shall either (A) deposit into the Cash Collateral

Account cash in an amount equal to 105% of the Letter of Credit Exposure for the Letters of Credit which have an expiry date beyond such termination date or (B) provide a replacement letter of credit (or other security) reasonably acceptable to the Administrative Agent and the Issuing Lender in an amount equal to 105% of the Letter of Credit Exposure and (2) any such Letter of Credit with a one-year tenor (or shorter tenor) may expressly provide for an automatic extension of additional periods up to one additional year so long as such Letter of Credit expressly allows the Issuing Lender, at its sole discretion, to elect not to provide such extension; provided that, in any event, such automatic extension may not result in an expiration date that occurs after the Letter of Credit Termination Date;

(iii) unless such Letter of Credit is (A) a standby letter of credit, or (B) with the consent of the Issuing Lender, a commercial letter of credit;

(iv) unless such Letter of Credit is in form and substance acceptable to the Issuing Lender in its sole discretion;

(v) unless the Borrower has delivered to the Issuing Lender a completed and executed Letter of Credit Application and a Letter of Credit Reimbursement Agreement; provided that, if the terms of any Letter of Credit Application or Letter of Credit Reimbursement Agreement conflict with the terms of this Agreement, the terms of this Agreement shall control;

(vi) unless such Letter of Credit is governed by (A) the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600, or (B) the ISP, in either case, including any subsequent revisions thereof approved by a Congress of the International Chamber of Commerce;

(vii) if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Lender from issuing, increasing or extending such Letter of Credit, or any Legal Requirement applicable to the Issuing Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Lender shall prohibit, or request that the Issuing Lender refrain from, the issuance, increase or extension of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Lender with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Lender is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Lender any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Lender in good faith deems material to it;

(viii) if the issuance, increase or extension of such Letter of Credit would violate one or more policies of the Issuing Lender that are generally applicable to letters of credit;

(ix) if such Letter of Credit is to be denominated in a currency other than Dollars;

(x) if such Letter of Credit supports the obligations of any Person in respect of (A) a lease of real property, or (B) an employment contract if the Issuing Lender reasonably determines that the Borrower' s obligation to reimburse any draws under such Letter of Credit may be limited; or

(xi) any Lender is at such time a Defaulting Lender hereunder, unless the Issuing Lender has entered into satisfactory arrangements with the Borrower or such Lender to eliminate the Issuing Lender' s Fronting Exposure with respect to such Lender.

(b) Requesting Letters of Credit. Each Letter of Credit Extension (other than the issuance of the Existing Letter of Credit which is deemed issued hereunder) shall be made pursuant to a Letter of Credit Application, or if applicable, amendments to such Letter of Credit Applications, given by the Borrower to the Administrative Agent and the Issuing Lender by facsimile or other writing not later than 11:00 a.m. (Houston, Texas time) on the third Business Day before the proposed date of the Letter of Credit Extension. Each Letter of Credit Application, or if applicable, amendments to the Letter of Credit Applications, shall be fully completed and shall specify the information required therein. Each Letter of Credit Application, or if applicable, amendments to the Letter of Credit Applications, shall be irrevocable and binding on the Borrower.

(c) Reimbursements for Letters of Credit; Funding of Participations.

(i) In accordance with the related Letter of Credit Application, the Borrower, with respect to each Letter of Credit, agrees to pay on demand to the Administrative Agent on behalf of the Issuing Lender an amount equal to any amount paid by the Issuing Lender under such Letter of Credit. Upon the Issuing Lender' s demand for payment under the terms of a Letter of Credit Application, the Borrower may, with a written notice, request that the Borrower' s obligations to the Issuing Lender thereunder be satisfied with the proceeds of a Revolving Tranche A Advance in the same amount (notwithstanding any minimum size or increment limitations on individual Revolving Tranche A Advances). If the Borrower does not make such request and does not otherwise make the payments demanded by the Issuing Lender as required under this Agreement or the applicable Letter of Credit Application, then the Borrower shall be deemed for all purposes of this Agreement to have requested such a Revolving Tranche A Advance in the same amount and the transfer of the proceeds thereof to satisfy the Borrower' s obligations to the Issuing Lender, and the Borrower hereby unconditionally and irrevocably authorizes, empowers, and directs the Lenders to make such Revolving Tranche A Advance, to transfer the proceeds thereof to the Issuing Lender in satisfaction of such obligations, and to record and otherwise treat such payments as a Revolving Tranche A Advance to the Borrower. The Administrative Agent and each Lender may record and otherwise treat the making of such Revolving Borrowings as the making of a Revolving Borrowing to the Borrower under this Agreement as if requested by the Borrower. Nothing herein is intended to release any of the Borrower' s obligations under any Letter of Credit Application, but only to provide an additional method of payment therefor. The making of any Revolving Borrowing under this Section 2.3(c) shall not constitute a cure or waiver of any Default or Event of Default, other than the payment Default or Event of Default which is satisfied by the application of the amounts deemed advanced hereunder, caused by the Borrower' s failure to comply with the provisions of this Agreement or the applicable Letter of Credit Application.

(ii) Each Lender (including the Lender acting as Issuing Lender) shall, upon notice from the Administrative Agent that the Borrower has requested or is deemed to have requested a Revolving Tranche A Advance pursuant to Section 2.5 and regardless of whether (A) the conditions in Section 3.2 have been met, (B) such notice complies with Section 2.5, or (C) a Default exists, make funds available to the Administrative Agent for the account of the Issuing Lender in an amount equal to such Lender' s Pro Rata Share of the amount of such Revolving Tranche A Advance not later than 1:00 p.m. (Houston, Texas time) on the Business Day specified in such notice by the Administrative Agent, whereupon each Lender that so makes funds available shall be deemed to have made a Revolving Tranche A Advance to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Issuing Lender.

(iii) If any such Lender shall not have so made its Revolving Advance available to the Administrative Agent pursuant to this Section 2.3, then such Lender agrees to pay interest thereon for each day from such date until the date such amount is paid at the lesser of (A) the Federal Funds Rate for such day for the first three days and thereafter the interest rate applicable to Revolving Tranche A Advances that are Base Rate Advances and (B) the Maximum Rate. Whenever, at any time after the Administrative Agent has received from any Lender such Lender' s Revolving Tranche A Advance, the Administrative Agent receives any payment on account thereof, the Administrative Agent will pay to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender' s Revolving Tranche A Advance was outstanding and funded), which payment shall be subject to repayment by such Lender if such payment received by the Administrative Agent is required to be returned. Each Lender' s obligation to make the Revolving Tranche A Advance pursuant to this Section 2.3 shall be absolute and unconditional and shall not be affected by any circumstance, including (1) any set-off, counterclaim, recoupment, defense or other right which such Lender or any other Person may have against the Issuing Lender, the Administrative Agent or any other Person for any reason whatsoever; (2) the occurrence or continuance of a Default or the termination of the Commitments; (3) any breach of this Agreement by any Credit Party or any other Lender; or (4) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(iv) If at any time, the Commitments shall have expired or been terminated while any Letter of Credit Exposure is outstanding, then each Revolving Lender, at the sole option of the Issuing Lender, shall fund its participation in such Letters of Credit in an amount equal to such Lender' s Pro Rata Share of the unpaid amount of the Borrower' s payment obligations under drawn Letters of Credit. The Issuing Lender shall notify the Administrative Agent, and in turn, the Administrative Agent shall notify each such applicable Lender of the amount of such participation, and such Lender will transfer to the Administrative Agent for the account of the Issuing Lender on the next Business Day following such notice, in immediately available funds, the amount of such participation. At any time after the Issuing Lender has made a payment under any Letter of Credit and has received from any Lender funding of its participation in respect of such payment in accordance with this clause (iv), if the Administrative Agent receives for the account of the Issuing Lender any payment in respect of the related Letter of Credit Exposure or interest thereon (whether directly from the Borrower or otherwise, including proceeds of cash collateral applied thereto by the Administrative Agent), the Administrative Agent shall distribute to such Lender its Pro Rata Share thereof in the same funds as those received by the Administrative Agent.

(v) If any payment received by the Administrative Agent for the account of the Issuing Lender pursuant to this Section 2.3(c) is required to be returned under any of the circumstances described in Section 9.12 (including pursuant to any settlement entered into by such Issuing Lender in its discretion), each Revolving Lender shall pay to the Administrative Agent for the account of the Issuing Lender its Pro Rata Share thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Revolving Lender, at a rate per annum equal to the Federal Funds Rate in effect from time to time. The obligations of the Revolving Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(d) Participations. Upon the date of the issuance or increase of a Letter of Credit (including in the case of the Existing Letter of Credit, the deemed issuance with respect thereto on the Closing Date), the Issuing Lender shall be deemed to have sold to each other Lender and each other Lender shall have been deemed to have purchased from the Issuing Lender a participation in the related Letter of Credit Obligations equal to such Lender' s Pro Rata Share at such date and such sale and purchase shall otherwise be in accordance with the terms of this Agreement. The Issuing Lender shall promptly notify each such participant Lender by facsimile, telephone, or electronic mail (PDF) of each Letter of Credit issued or increased and the actual dollar amount of such Lender' s participation in such Letter of Credit.

(e) Obligations Unconditional. The obligations of the Borrower under this Agreement in respect of each Letter of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, notwithstanding the following circumstances:

(i) any lack of validity or enforceability of any Letter of Credit Documents;

(ii) any amendment or waiver of or any consent to departure from any Letter of Credit Documents;

(iii) the existence of any claim, set-off, defense or other right which any Credit Party may have at any time against any beneficiary or transferee of such Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), the Issuing Lender, any Lender or any other person or entity, whether in connection with this Agreement, the transactions contemplated in this Agreement or in any Letter of Credit Documents or any unrelated transaction;

(iv) any statement or any other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect to the extent the Issuing Lender would not be liable therefor pursuant to the following paragraph (g);

(v) payment by the Issuing Lender under such Letter of Credit against presentation of a draft or certificate which does not comply with the terms of such Letter of Credit; or

(vi) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing;

provided, however, that nothing contained in this paragraph (e) shall be deemed to constitute a waiver of any remedies of the Borrower in connection with the Letters of Credit.

(f) Prepayments of Letters of Credit. In the event that any Letter of Credit shall be outstanding or shall be drawn and not reimbursed on or prior to the Maturity Date, the Borrower shall pay to the Administrative Agent an amount equal to 105% of the Letter of Credit Exposure allocable to such Letter of Credit, such amount to be due and payable on the Maturity Date, and to be held in the Cash Collateral Account and applied in accordance with paragraph (h) below.

(g) Liability of Issuing Lender. The Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit with respect to its use of such Letter of Credit. Neither the Issuing Lender nor any of its officers or directors shall be liable or responsible for:

(i) the use which may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith;

(ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged;

(iii) payment by the Issuing Lender against presentation of documents which do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to the relevant Letter of Credit; or

(iv) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit (**INCLUDING THE ISSUING LENDER' S OWN NEGLIGENCE**);

except that the Borrower shall have a claim against the Issuing Lender, and the Issuing Lender shall be liable to, and shall promptly pay to, the Borrower, to the extent of any direct, as opposed to consequential, damages suffered by the Borrower which a court in a final, non-appealable finding rules were caused by the Issuing Lender' s willful misconduct or gross negligence in determining whether documents presented under a Letter of Credit comply with the terms of such Letter of Credit. In furtherance and not in limitation of the foregoing, the Issuing Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

(h) Cash Collateral Account.

(i) If the Borrower is required to deposit funds in the Cash Collateral Account pursuant to the terms hereof, then the Borrower and the Administrative Agent shall establish the Cash Collateral Account and the Borrower shall execute any documents and agreements, including the Administrative Agent' s standard form assignment of deposit accounts, that the Administrative Agent reasonably requests in connection therewith to establish the Cash Collateral Account and grant the Administrative Agent an Acceptable Security Interest in such account and the funds therein. The Borrower hereby pledges to the Administrative Agent and grants the Administrative Agent a security interest in the Cash Collateral Account, whenever established, all funds held in the Cash Collateral Account from time to time, and all proceeds thereof as security for the payment of the Secured Obligations.

(ii) Funds held in the Cash Collateral Account shall be held as cash collateral for obligations with respect to Letters of Credit and promptly applied by the Administrative Agent at the request of the Issuing Lender to any reimbursement or other obligations under Letters of Credit that exist or occur. To the extent that any surplus funds are held in the Cash Collateral Account above the Letter of Credit Exposure during the existence of an Event of Default the Administrative Agent may (A) hold such surplus funds in the Cash Collateral Account as cash collateral for the Secured Obligations or (B) apply such surplus funds to any Secured Obligations in any manner directed by the Majority Lenders. If no Default exists and no Borrowing Base Deficiency exists, then at the Borrower' s written request, the Administrative Agent shall promptly release any surplus funds held in the Cash Collateral Account above the sum of (x) 105% of the Letter of Credit Exposure and (y) each Defaulting Lender' s Pro Rata Share of outstanding Swingline Advances other than Swingline Advances as to which such Defaulting Lender' s participation obligation has been funded by it or reallocated to other Lenders but only to the extent such funds were provided by the Borrower and not a Defaulting Lender.

(iii) Funds held in the Cash Collateral Account may be invested in Liquid Investments maintained with, and under the sole dominion and control of, the Administrative Agent or in another investment if mutually agreed upon by the Borrower and the Administrative Agent, but the Administrative Agent shall have no obligation to make any investment of the funds therein. The Administrative Agent shall exercise reasonable care in the custody and preservation of any funds held in the Cash Collateral Account and shall be deemed to have exercised such care if such funds are accorded treatment substantially equivalent to that which the Administrative Agent accords its own property, it being understood that the Administrative Agent shall not have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any such funds.

(i) Defaulting Lender. At any time that there shall exist a Defaulting Lender, within three Business Days following the written request of the Administrative Agent or the Issuing Lender (with a copy to the Administrative Agent) the Borrower shall Cash Collateralize the Issuing Lender' s Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 2.17 and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(i) *Grant of Security Interest by Defaulting Lender; Agreement to Provide Cash Collateral*. To the extent cash collateral is provided by any Defaulting Lender, such Defaulting Lender hereby grants to the Administrative Agent, for the benefit of the Issuing Lender, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for such Defaulting Lender' s obligation to fund participations in respect of Letter of Credit Obligations, to be applied pursuant to clause (ii) below. Such Defaulting Lender shall execute any documents and agreements, including the Administrative Agent' s standard form assignment of deposit accounts, that the Administrative Agent requests in connection therewith to establish such cash collateral account and to grant the Administrative Agent a first priority security interest in such account and the funds therein. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and the Issuing Lender as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(ii) *Application*. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 2.3(i) or Section 2.17 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender' s obligation to fund participations in respect of Letter of Credit Exposure (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(iii) *Termination of Requirement*. Cash Collateral (or the appropriate portion thereof) provided to reduce the Issuing Lender' s Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 2.3(i) following (a) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (b) the determination by the Administrative Agent and the Issuing Lender that there exists excess Cash Collateral; provided that, (1) subject to Section 2.17, the Person providing Cash Collateral and the Issuing Lender may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations, and (2) to the extent that such Cash Collateral was provided by the Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to the Credit Documents.

(j) Letters of Credit Issued for any Subsidiary. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, any Subsidiary, the Borrower shall be obligated to reimburse the Issuing Lender hereunder for any and all drawings under such Letter of Credit issued hereunder by the Issuing Lender. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of any Subsidiary inures to the benefit of the Borrower, and that the Borrower' s business (indirectly or directly) derives substantial benefits from the businesses of such other Persons.

Section 2.4 Swingline Advances.

(a) Facility. On the terms and conditions set forth in this Agreement, and if an AutoBorrow Agreement is in effect, subject to the terms and conditions of such AutoBorrow Agreement, the Swingline Lender may, in its sole discretion, from time-to-time on any Business Day during the period from the date of this Agreement until the Business Day immediately preceding the Maturity Date, make Swingline Advances to the Borrower which shall be due and payable on the Swingline Payment Date (except that no Swingline Advance may mature after the Maturity Date), and in an aggregate outstanding principal amount not to exceed the Swingline Sublimit Amount at any time; provided that (i) after giving effect to such Swingline Advance, (y) the Revolving Outstandings shall not exceed the aggregate Commitments in effect at such time, and (z) the Revolving Tranche A Outstandings shall not exceed the Borrowing Base in effect at such time; (ii) no Swingline Advance shall be made by the Swingline Lender if the conditions set forth in Section 3.2 have not been met as of the date of such Swingline Advance, it being agreed by the Borrower that the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of such Swingline Advance shall constitute a representation and warranty by the Borrower that on the date of such Swingline Advance such conditions have been met; and (iii) if an AutoBorrow Agreement is in effect, such additional terms and conditions of such AutoBorrow Agreement shall have been satisfied, and in the event that any of the terms of this Section 2.4(a) conflict with such AutoBorrow Agreement, the terms of the AutoBorrow Agreement shall govern and control. No Lender shall have any rights or obligations under any AutoBorrow Agreement, but each Lender shall have the obligation to purchase and fund risk participations in the Swingline Advances and to refinance Swingline Advances as provided below and as provided in Section 2.17.

(b) Evidence of Indebtedness. The indebtedness of the Borrower to the Swingline Lender resulting from Swingline Advances shall be evidenced as set forth in Section 2.2.

(c) Prepayment. Within the limits expressed in this Agreement, amounts advanced pursuant to Section 2.4(a) may from time to time be borrowed, prepaid without penalty, and reborrowed. If the aggregate outstanding principal amount of the Swingline Advances advanced by the Swingline Lender ever exceeds the Swingline Sublimit Amount, the Borrower shall, upon receipt of written notice of such condition from the Swingline Lender and to the extent of such excess, prepay to the Swingline Lender outstanding principal of the Swingline Advances such that such excess is eliminated. If an AutoBorrow Agreement is in effect, each prepayment of a Swingline Borrowing shall be made as provided in such AutoBorrow Agreement.

(d) Refinancing of Swingline Advances.

(i) With respect to the Swingline Advances and the interest, premium, fees, and other amounts owed by the Borrower to the Swingline Lender in connection with the Swingline Advances, the Borrower agrees to pay to the Swingline Lender such amounts when due and payable to the Swingline Lender under the terms of this Agreement and, if an AutoBorrow Agreement is in effect, in accordance with the terms of such AutoBorrow Agreement. If the Borrower does not pay to the Swingline Lender any such amounts when due and payable to such Swingline Lender, the Swingline Lender may upon notice to the Administrative Agent request the satisfaction of such obligation by the making of a Revolving Borrowing consisting of Revolving Tranche A Advances in the amount of any such amounts not paid when due and payable. Upon such request, the Borrower shall be deemed to have requested the making of a Revolving Borrowing consisting of Revolving Tranche A Advances in the amount of such obligation and the transfer of the proceeds thereof to the Swingline Lender. Such Revolving Borrowing shall bear interest based upon the Adjusted Base Rate plus the Applicable Margin for Revolving Tranche A Advances that are Base Rate Advances. The Administrative Agent shall promptly forward notice of such Revolving Borrowing to the Borrower and the Revolving Lenders, and each Revolving Lender shall, regardless of whether (A) the conditions in Section 3.2 have been met, (B) such notice complies with Section 2.5, or (C) a Default exists, make available such Lender' s ratable share of such Revolving Borrowing to the Administrative Agent, and the Administrative Agent shall promptly deliver the proceeds thereof to the Swingline Lender for application to such amounts owed to the Swingline Lender. The Borrower hereby unconditionally and irrevocably authorizes, empowers, and directs the Swingline Lender to make such requests for Revolving Borrowings on behalf of the Borrower in accordance with this Section, and for the Revolving Lenders to make Revolving Tranche A Advances to the Administrative Agent for the benefit of the Swingline Lender in satisfaction of such obligations. The Administrative Agent and each Revolving Lender may record and otherwise treat the making of such Revolving Borrowings as the making of a Revolving Borrowing to the Borrower under this Agreement as if requested by the Borrower.

Nothing herein is intended to release the Borrower' s obligations with respect to Swingline Advances, but only to provide an additional method of payment therefor. The making of any Revolving Borrowing under this Section 2.4(d) shall not constitute a cure or waiver of any Default or Event of Default, other

than the payment Default or Event of Default which is satisfied by the application of the amounts deemed advanced hereunder, caused by the Borrower' s failure to comply with the provisions of this Agreement, the Swingline Note or any AutoBorrow Agreement.

(ii) If at any time, the Commitments shall have expired or been terminated while any Swingline Advance is outstanding, each Revolving Lender, at the sole option of the Swingline Lender, shall either (A) notwithstanding the expiration or termination of the Commitments, make a Revolving Tranche A Advance as a Base Rate Advance, or (B) be deemed, without further action by any Person, to have purchased from the Swingline Lender a participation in such Swingline Advance, in either case in an amount equal to the product of such Lender' s Pro Rata Share times the outstanding aggregate principal balance of the Swingline Advances made by the Swingline Lender. The Swingline Lender shall notify the Administrative Agent, and in turn, the Administrative Agent shall notify each such Lender of the amount of such Revolving Tranche A Advance or participation, and such Lender will transfer to the Administrative Agent for the account of the Swingline Lender on the next Business Day following such notice, in immediately available funds, the amount of such Revolving Tranche A Advance or participation.

(iii) If any such Revolving Lender shall not have so made its Revolving Tranche A Advance or its percentage participation available to the Administrative Agent pursuant to this Section 2.4, such Lender agrees to pay interest thereon for each day from such date until the date such amount is paid at a per annum rate equal to the lesser of (A) the Federal Funds Rate for such day and for the first three days after such date and thereafter the interest rate applicable to Revolving Tranche A Advances and (B) the Maximum Rate. Whenever, at any time after the Administrative Agent has received from any Revolving Lender such Lender' s Revolving Tranche A Advance or participating interest in a Swingline Advance, the Administrative Agent receives any payment on account thereof, the Administrative Agent will pay to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender' s Revolving Tranche A Advance or participating interest was outstanding and funded), which payment shall be subject to repayment by such Lender if such payment received by the Administrative Agent is required to be returned. Each Revolving Lender' s obligation to make the Revolving Tranche A Advance or purchase such participating interests pursuant to this Section 2.4 shall be absolute and unconditional and shall not be affected by any circumstance, including (1) any set-off, counterclaim, recoupment, defense or other right which such Lender or any other Person may have against the Swingline Lender, the Administrative Agent or any other Person for any reason whatsoever; (2) the occurrence or continuance of a Default or the termination of the Commitments; (3) any breach of this Agreement by the Borrower or any other Lender; or (4) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. Each Swingline Advance, once so participated by any Revolving Lender, shall cease to be a Swingline Advance with respect to that amount for purposes of this Agreement, but shall continue to be Revolving Tranche A Advances.

(e) Method of Borrowing. If an AutoBorrow Agreement is in effect, each Swingline Borrowing shall be made as provided in such AutoBorrow Agreement. Otherwise, and except as provided in the clause (d) above, each request for a Swingline Advance shall be made pursuant to telephone notice to the Swingline Lender given no later than 12:00 noon (Houston, Texas time) (or such later time as accepted by the Swingline Lender) on the date of the proposed Swingline

Advance, promptly confirmed by a completed and executed Notice of Borrowing sent via facsimile, facsimile or, unless otherwise required by the Administrative Agent or Swingline Lender prior to such delivery, electronic mail (PDF), to the Administrative Agent and the Swingline Lender. The Swingline Lender will promptly make the Swingline Advance available to the Borrower at the Borrower' s account with the Swingline Lender.

(f) Interest for Account of Swingline Lender. The Swingline Lender shall be responsible for invoicing the Borrower for interest on the Swingline Advances (provided that any failure of the Swingline Lender to provide such invoice shall not release the Borrower from its obligation to pay such interest). Until each Revolving Lender funds its Revolving Tranche A Advance or risk participation pursuant to clause (d) above, interest in respect of such Lender' s Pro Rata Share of the Swingline Advances shall be solely for the account of the Swingline Lender.

(g) Payments Directly to Swingline Lender. The Borrower shall make all payments of principal and interest in respect of the Swingline Advances directly to the Swingline Lender.

(h) Discretionary Nature of the Swingline Facility. Notwithstanding any terms to the contrary contained herein or in any AutoBorrow Agreement, the Swingline facility provided herein or in any AutoBorrow Agreement (i) is an uncommitted facility and the Swingline Lender may, but shall not be obligated to, make Swingline Advances, and (ii) may be terminated at any time by the Swingline Lender upon written notice to the Borrower.

Section 2.5 Borrowings; Procedures and Limitations.

(a) Notice. Each Borrowing shall be made pursuant to the applicable Notice of Borrowing (other than the Borrowings to be made on the Closing Date and Swingline Advances) and given by the Borrower to Administrative Agent not later than (i) 11:00 a.m. (Houston, Texas time) on the third Business Day before the date of the proposed Borrowing, in the case of a Eurodollar Advance or (ii) 11:00 a.m. (Houston, Texas time) on the Business Day of the proposed Borrowing, in the case of a Base Rate Advance, by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice of such proposed Borrowing, by facsimile or by electronic mail. The Borrowings to be made on the Closing Date shall be made pursuant to the applicable Notices of Borrowing given not later than 11:00 a.m. (Houston, Texas time) on the Closing Date by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice of such proposed Borrowing, by facsimile or by electronic mail. Each Notice of Borrowing shall be by facsimile or by electronic mail (with a PDF file of the executed Notice of Borrowing attached), specifying (i) the requested date of such Borrowing (which shall be a Business Day), (ii) the requested Type and Class of Advances comprising such Borrowing, (iii) the aggregate amount of such Borrowing, and (iv) if such Borrowing is to be comprised of Eurodollar Advances, the requested Interest Period for each such Advance; provided that, all Borrowings to be made on the Closing Date shall consist only of Base Rate Advance which may, subject to the terms of this Agreement, be thereafter Converted into Eurodollar Advances. In the case of a proposed Borrowing comprised of Eurodollar Advances, the Administrative Agent shall promptly notify each Lender of the applicable interest rate under Section 2.9(b). Each Lender shall, before 12:00 noon (Houston, Texas time) on the date of such Borrowing, make available for the account of its applicable Lending Office to the Administrative Agent at its address referred to in Section 9.9, or such other location as the Administrative Agent may specify by notice to the Lenders, in immediately available funds, such Lender' s Pro Rata Share of such Borrowing. Promptly after the Administrative Agent' s receipt of such funds (but in any event, not later than 3:00 p.m. (Houston, Texas time) on the date of the proposed Borrowing) and upon fulfillment of the applicable conditions set forth in Article III, the Administrative Agent will make such funds available to the Borrower at its account with the Administrative Agent or as otherwise directed by the Borrower with written notice to the Administrative Agent.

(b) Conversions and Continuations. In order to elect to Convert or continue a Revolving Advance under this Section, the Borrower shall deliver an irrevocable Notice of Continuation or Conversion to the Administrative Agent at the Administrative Agent' s Office no later than 11:00 a.m. (Houston, Texas time) (i) at least one Business Day in advance of the proposed Conversion date in the case of a Conversion to a Base Rate Advance and (ii) at least three Business Days in advance of the proposed Conversion or continuation date in the case of a Conversion to, or a continuation of, a Eurodollar Advance. Each such continuation or Conversion shall be in writing or by facsimile or by electronic mail (with a PDF file of the executed Notice of Continuation or Conversion attached), specifying (i) the requested Conversion or continuation date (which shall be a Business Day), (ii) the amount, Type, and Class of the Advance to be Converted or continued, (iii) whether a Conversion or continuation is requested and, if a Conversion, into what Type of Advance (including, if applicable, whether such Advance is a Revolving Tranche A Advance, Tranche B Term Advance or a Tranche C Term Advance), and (iv) in the case of a Conversion to, or a continuation of, a Eurodollar Advance, the requested Interest Period. Promptly after receipt of a Notice of Continuation or Conversion under this paragraph, the Administrative Agent shall provide each Lender with a copy thereof and, in the case of a Conversion to or a continuation of a Eurodollar Advance, notify each Lender of the applicable interest rate under Section 2.9(b). For purposes other than the conditions set forth in Section 3.2, the portion of Advances comprising part of the same Borrowing that are Converted to Advances of another Type shall constitute a new Borrowing.

(c) Certain Limitations. Notwithstanding anything in paragraphs (a) and (b) above:

(i) at no time shall there be more than six Interest Periods applicable to outstanding Eurodollar Advances;

(ii) without the consent of all of the Lenders, the Borrower may not select Eurodollar Advances for any Borrowing to be made, Converted or continued if an Event of Default has occurred and is continuing;

(iii) if any Lender shall, at least one Business Day prior to the requested date of any Borrowing comprised of Eurodollar Advances, notify the Administrative Agent and the Borrower that the introduction of or any change in or in the interpretation of any Legal Requirement makes it unlawful, or that any central bank or other Governmental Authority asserts that it is unlawful, for such Lender or its Lending Office to perform its obligations under this Agreement to make Eurodollar Advances or to fund or maintain Eurodollar Advances, (A) any obligation of such Lender to make, continue, or Convert to, Eurodollar Advances, including in connection with such requested Borrowing, shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist; and (B) such Lender agrees to use commercially reasonable efforts (consistent with its internal policies and legal and regulatory restrictions) to designate a different Lending Office if the making of such designation (1) would eliminate the restriction on such Lender described above, and (2) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender;

(iv) if the Administrative Agent is unable to determine the Eurodollar Rate for Eurodollar Advances comprising any requested Borrowing, the right of the Borrower to select Eurodollar Advances for such Borrowing or for any subsequent Borrowing shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be made, Converted or continued as a Base Rate Advance;

(v) if the Majority Lenders shall, at least one Business Day before the date of any requested Borrowing, notify the Administrative Agent that the Eurodollar Rate for Eurodollar Advances comprising such Borrowing will not adequately reflect the cost to such Lenders of making or funding their respective Eurodollar Advances, as the case may be, for such Borrowing, the right of the Borrower to select Eurodollar Advances for such Borrowing or for any subsequent Borrowing shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be a Base Rate Advance;

(vi) if the Borrower shall fail to select the duration or continuation of any Interest Period for any Eurodollar Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.1 and paragraph (a) or (b) above, the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will be made available to the Borrower on the date of such Borrowing as Base Rate Advances and, as to existing Advances, such Advances will be Converted into Base Rate Advances at the end of the Interest Period then in effect; and

(vii) Swingline Advances may not be Converted or continued.

(d) Notices Irrevocable. Each Notice of Borrowing and Notice of Continuation or Conversion delivered by the Borrower hereunder, including its deemed request for borrowing made under Section 2.3 or Section 2.4, shall be irrevocable and binding on the Borrower.

(e) Lender Obligations Several. The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, to make its Advance on the date of such Borrowing. No Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

(f) Funding by Lenders; Administrative Agent' s Reliance. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Advances, or prior to noon on the date of any Borrowing of Base Rate Advances, that such Lender will not make available to the Administrative Agent such Lender' s share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available in accordance with and at the time required in Section 2.5 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then such Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by the Borrower, the Adjusted Base Rate plus the

Applicable Margin for Revolving Tranche A Advances, and (B) in the case of a payment to be made by such Lender, the lesser of (i) the Federal Funds Rate for such day and (ii) the Maximum Rate. If such Lender shall repay to the Administrative Agent such corresponding amount and interest as provided above, such corresponding amount so repaid shall constitute such Lender' s Advance as part of such Borrowing for purposes of this Agreement even though not made on the same day as the other Advances comprising such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent. A notice of the Administrative Agent to any Lender or Borrower with respect to any amount owing under this subsection (f) shall be conclusive, absent manifest error.

Section 2.6 Prepayments.

(a) Right to Prepay. The Borrower shall not have any right to prepay any principal amount of any Advance except as provided in this Section 2.6. All notices given pursuant to this Section 2.6 shall be irrevocable and binding upon the Borrower; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.1(b), then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.1(b)(iii). Each payment of any Advance pursuant to this Section 2.6 shall be made in a manner such that all Advances comprising part of the same Borrowing are paid in whole or ratably in part other than Advances owing to a Defaulting Lender as provided in Section 2.17.

(b) Optional. The Borrower may elect to prepay any Borrowing, in whole or in part, without penalty or premium except as set forth in Section 2.11 and after giving by 11:00 a.m. (Houston, Texas time) (i) in the case of Eurodollar Advances, at least three Business Days' , or (ii) in the case of Base Rate Advances, one Business Day' s prior written notice to the Administrative Agent stating the proposed date and aggregate principal amount of such prepayment. If any such notice is given, such Borrower shall prepay Advances comprising part of the same Borrowing in whole or ratably in part in an aggregate principal amount equal to the amount specified in such notice, together with accrued interest to the date of such prepayment on the principal amount prepaid and amounts, if any, required to be paid pursuant to Section 2.11 as a result of such prepayment being made on such date; provided that (A) each optional prepayment of Eurodollar Advances shall be in a minimum amount not less than $1,000,000 and in multiple integrals of $500,000 in excess thereof, (B) each optional prepayment of Base Rate Advances shall be in a minimum amount not less than $500,000 and in multiple integrals of $100,000 in excess thereof and (C) each optional prepayment of Swingline Advances shall be in a minimum amount not less than $100,000 and in multiple integrals of $50,000 in excess thereof, except as otherwise set forth in any AutoBorrow Agreement. If an AutoBorrow Agreement is in effect, each prepayment of Swingline Advances shall be made as provided in such AutoBorrow Agreement.

(c) Mandatory.

(i) If the Borrower or any Subsidiary receives Debt Incurrence Proceeds other than those resulting from Permitted Debt, then not later than two Business Days following the receipt of such proceeds, the Borrower shall prepay the Tranche B Term Advances in an amount equal to 100% of such Debt Incurrence Proceeds.

(ii) If the Borrower or any Subsidiary completes a Disposition which is not a Permitted Disposition, then the Borrower shall, no later than three Business Days following the completion of such Disposition and in an amount equal to 100% of the Net Cash Proceeds generated from such Disposition *first* prepay the outstanding principal amount of the Tranche B Term Advances until such time as the Tranche B Term Advances are repaid in full, *second* prepay the outstanding principal amount of the Tranche C Term Advances until such time as the Tranche C Term Advances are repaid in full, *third* prepay the outstanding principal amount of the Swingline Advances until such time as such Advances are repaid in full, *fourth* prepay the outstanding principal amount of the Revolving Tranche A Advances until such time as such Advances are repaid in full, and *fifth* if any Borrowing Base Deficiency exists on the date of such Disposition, Cash Collateralize the Letter of Credit Exposure.

(iii) If the Borrower or any Subsidiary receives any Extraordinary Receipts (whether from a single Casualty Event or related series of Casualty Events and whether as one payment or a series of payments) in excess of $1,000,000 in the aggregate since the Amendment No. 4 Effective Date, then the Borrower shall, no later than five Business Days following the receipt of such excess Extraordinary Receipts and in an amount equal to 100% of the amount of such excess Extraordinary Receipts, *first* prepay the outstanding principal amount of the Tranche B Term Advances until such time as the Tranche B Term Advances are repaid in full, *second* prepay the outstanding principal amount of the Tranche C Term Advances until such time as the Tranche C Term Advances are repaid in full, *third* prepay the outstanding principal amount of the Swingline Advances until such Advances are repaid in full, *fourth* prepay the outstanding principal amount of the Revolving Tranche A Advances until such Advances are repaid in full, *fifth*, if any Borrowing Base Deficiency exists on the date of receipt of such Extraordinary Receipts, Cash Collateralize the Letter of Credit Exposure, and in the case of the foregoing *third* and *fourth* clauses, with a corresponding reduction in the Borrowing Base in an amount attributed to any Inventory related to such Casualty Event (to the extent not already excluded from the Borrowing Base then in effect); provided that, (A) if no Default exists or would arise therefrom, then such excess Extraordinary Receipts shall not be required to be so applied on such date to the extent that Borrower shall have delivered a certificate by a Responsible Officer of the Borrower to the Administrative Agent on or prior to such date stating that such Extraordinary Receipts are reasonably expected to be reinvested in fixed or capital assets of any Credit Party within 180 days following the date the Borrower or such Subsidiary received such Extraordinary Receipts (which officer' s certificate shall set forth the estimates of the amounts to be so expended); (B) if all or any portion of such Extraordinary Receipts are not reinvested within such 180-day period as provided in clause (A) above, then 100% of such unused portion shall be applied on the last day of such period in such order as provided under the first through fourth clauses above; and (C) if an Event of Default exists and such Extraordinary Receipts are insurance proceeds, the Borrower shall turn such proceeds over to the Administrative Agent in accordance with Section 5.3(d).

(iv) On any date that a Borrowing Base Deficiency exists as reflected in the Borrowing Base Certificate delivered pursuant to Section 5.2(e) or as notified to the Borrower by the Administrative Agent (with such calculation set forth in reasonable detail which shall be conclusive absent manifest error), the Borrower shall, within three Business Days, to the extent of such deficiency, *first* prepay the outstanding principal amount of the Swingline Advances until such Advances are repaid in full, *second* prepay the outstanding principal amount of the Revolving Tranche A Advances until such Advances are repaid in full, and *third* Cash Collateralize the Letter of Credit Exposure.

(v) On the last Business Day of each calendar month, if Available Cash in accounts held by, or for the benefit of the Borrower or any Subsidiary, exceeds $6,000,000 (excluding any outstanding checks and electronic funds transfers) then, on the immediately following Business Day, the Borrower shall, to the extent of such excess, *first* prepay the outstanding principal amount of the Swingline Advances until such Advances are repaid in full, *second* prepay the outstanding principal amount of the Revolving Tranche A Advances until such Advances are repaid in full, *third* if any Borrowing Base Deficiency exists on such date, Cash Collateralize the Letter of Credit Exposure, *fourth*, prepay the outstanding principal amount of the Tranche B Term Advances until such time as the Tranche B Term Advances are repaid in full and *fifth*, prepay the outstanding principal amount of the Tranche C Term Advances until such time as the Tranche C Term Advances are repaid in full. This clause (v) may be waived, extended or amended by the Majority Lenders and the Borrower.

(vi) On April 30th of each year, commencing with April 30, 2017, the Borrower shall make a prepayment in an amount equal to 75% of the Excess Cash Flow for the fiscal year ending on the immediately preceding December 31st; provided that, the prepayment under this clause (vi) for a fiscal year shall not be required if the Leverage Ratio as of such December 31st is less than or equal to 2.00 to 1.00. The prepayments, if any, required under this clause (vi) shall be applied, *first* to prepay the outstanding principal amount of the Tranche B Term Advances until such Tranche B Term Advances are paid in full and *second*, to prepay the outstanding principal amount of the Tranche C Term Advances until such Tranche C Term Advances are paid in full.

(d) Interest; Costs. Each prepayment pursuant to this Section 2.6 shall be accompanied by accrued interest on the amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.11 as a result of such prepayment being made on such date.

(e) Application of Mandatory Prepayments. Each mandatory prepayment of a Tranche C Term Advance required by Section 2.6(c) shall be applied to the scheduled principal installments of the Tranche C Term Advances (including the installment of Tranche C Term Advances due on the Maturity Date) in the inverse order of maturity until such time as the Tranche C Term Advances are repaid in full.

Section 2.7 Repayment.

(a) Revolving Advances. The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of and ratable benefit of each Lender (i) the aggregate outstanding principal amount of all Revolving Advances on the Maturity Date and (ii) the aggregate outstanding principal amount of the Tranche C Term Advances in quarterly installments due and payable on each March 31st, June 30th, September 30th and December 31st, in the amounts and on the dates set forth below:

Amount:	Quarterly Payment Dates:
$250,000	June 30, 2017
$500,000	September 30, 2017
$750,000	December 31, 2017
$750,000	March 31, 2018

For the avoidance of doubt, the unpaid principal balance of the Tranche C Term Advances shall be due and payable on the Maturity Date.

(b) Swingline Advances. The Borrower hereby unconditionally promises to pay to the Swingline Lender (i) the aggregate outstanding principal amount of all Swingline Advances on each Swingline Payment Date, and (ii) the aggregate outstanding principal amount of all Swingline Advances outstanding on the Maturity Date.

Section 2.8 Fees.

(a) Commitment Fees. The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee on the average daily amount by which (i) such Lender' s Commitment exceeds (ii) the sum of such Lender' s outstanding Revolving Advances plus such Lender' s Pro Rata Share of the Letter of Credit Exposure, at the per annum rate equal to the Applicable Margin for Commitment Fees for such period. Such Commitment Fee is due on a quarterly basis in arrears on March 31, June 30, September 30, and December 31 of each year commencing on June 30, 2014, and on the Maturity Date. For the avoidance of doubt and for purposes of this Section 2.8(a) only, amounts advanced as Swingline Advances shall not reduce the amount of the unused Commitments.

(b) Fees for Letters of Credit. The Borrower agrees to pay the following:

(i) Subject to Section 2.17 and the remaining provisions of this clause (i), the Borrower agrees to pay, to the Administrative Agent for the pro rata benefit of the Revolving Lenders, a per annum letter of credit fee for each Letter of Credit issued hereunder in an amount equal to the Applicable Margin for Revolving Tranche A Advances that are Eurodollar Advances on the face amount of such Letter of Credit for the period such Letter of Credit is outstanding, which fee shall be due and payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, and on the Maturity Date. Notwithstanding the foregoing, (A) upon the occurrence and during the continuance of an Event of Default under Section 7.1(a) or Section 7.1(g), all letter of credit fees under this clause (i) shall accrue, after as well as before judgment, at the Default Rate and (B) upon the occurrence and during the continuance of any Event of Default (including under Section 7.1(a) or Section 7.1(g)), upon the request of the Majority Lenders, all letter of credit fees under this clause (i) shall accrue, after as well as before judgment, at the Default Rate.

(ii) The Borrower agrees to pay to the Issuing Lender, a fronting fee for each Letter of Credit equal to the greater of (A) 0.125% per annum on the face amount of such Letter of Credit and (B) $750.00, which fee shall be due and payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, and on the Maturity Date.

(iii) The Borrower agrees to pay the Issuing Lender such other usual and customary fees associated with any transfers, amendments, drawings, negotiations or reissuances of any Letters of Credit. Such fees shall be due and payable as requested by the Issuing Lender in accordance with the Issuing Lender' s then current fee policy.

The Borrower shall have no right to any refund of letter of credit fees previously paid by the Borrower, including any refund claimed because any Letter of Credit is canceled prior to its expiration date.

(c) Other Fees. The Borrower agrees to pay the fees to the Administrative Agent and the Joint Lead Arrangers as set forth in the Fee Letter.

Section 2.9 Interest.

(a) Base Rate Advances. Each Base Rate Advance shall bear interest at the Adjusted Base Rate in effect from time to time plus the Applicable Margin for Base Rate Advances for such period. The Borrower shall pay to Administrative Agent for the ratable account of each Lender all accrued but unpaid interest on such Lender' s Base Rate Advances, quarterly in arrears, on each March 31, June 30, September 30, and December 31 commencing on June 30, 2014, and on the Maturity Date.

(b) Eurodollar Advances. Each Eurodollar Advance shall bear interest during its Interest Period equal to at all times the Eurodollar Rate for such Interest Period plus the Applicable Margin for Eurodollar Advances for such period. The Borrower shall pay to the Administrative Agent for the ratable account of each Lender all accrued but unpaid interest on each of such Lender' s Eurodollar Advances on the last day of the Interest Period therefor (provided that for Eurodollar Advances with six month Interest Periods, accrued but unpaid interest shall also be due on the day three months from the first day of such Interest Period), on the date any Eurodollar Advance is repaid, and on the Maturity Date.

(c) Swingline Advances. Swingline Advances shall bear interest at the Adjusted Base Rate in effect from time to time plus the Applicable Margin for Revolving Tranche A Advances that are Base Rate Advances or such other per annum rate to be agreed to between the Borrower and the Swingline Lender. The Borrower shall pay all accrued but unpaid interest on each Swingline Advance to the Swingline Lender, quarterly in arrears, on each March 31, June 30, September 30, and December 31 commencing on June 30, 2014, and on the Maturity Date or such dates as otherwise agreed to between the Swingline Lender and the Borrower.

(d) Retroactive Adjustments of Applicable Margin. In the event that any financial statement or Compliance Certificate delivered pursuant to Section 5.2 is shown to be inaccurate (regardless of whether this Agreement or the Commitments are in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period then in effect (an "***Applicable Period***") than the Applicable Margin applied for such Applicable Period, then (i) the Borrower shall promptly deliver to the Administrative Agent a corrected Compliance Certificate for such Applicable Period, (ii) the Applicable Margin shall be determined as if the higher Applicable Margin then in effect that would have applied were applicable for such Applicable Period (and in any event at the highest level set forth in Schedule I if the inaccuracy was the result of intentional dishonesty, fraud or willful misconduct of a Responsible Officer), and (iii) the Borrower shall promptly, without further action by the Administrative Agent, any Lender or the Issuing Lender, pay to the Administrative Agent for the account of the applicable Lenders, the accrued additional interest owing as a result of such increased Applicable Margin for such Applicable Period. This Section 2.9(d) shall not limit the rights of the Administrative Agent and Lenders with respect to the Default Rate of interest as set forth in Section 2.9(e) below or Article VII. The Borrower' s obligations under this Section 2.9(d) shall survive the termination of the Commitments and the repayment of all other Obligations hereunder.

(e) Default Rate. Notwithstanding the foregoing, (i) upon the occurrence and during the continuance of an Event of Default under Section 7.1(a) or Section 7.1(g), all Obligations shall bear interest, after as well as before judgment, at the Default Rate and (ii) upon the occurrence and during the continuance of any Event of Default (including under Section 7.1(a) or Section 7.1(g)), upon the request of the Majority Lenders, all Obligations shall bear interest, after as well as before judgment, at the Default Rate. Interest accrued pursuant to this Section 2.9(e) and all interest accrued but unpaid on or after the Maturity Date shall be due and payable on demand, and if no express demand is made, then due and payable on such other dates as required herein.

Section 2.10 Illegality. If any Lender shall notify the Borrower that the introduction of or any change in or in the interpretation of any Legal Requirement makes it unlawful, or that any central bank or other Governmental Authority asserts that it is unlawful, for such Lender or its Lending Office to perform its obligations under this Agreement to make, maintain, or fund any Eurodollar Advances of such Lender then outstanding hereunder, (a) the Borrower shall, no later than 11:00 a.m. (Houston, Texas, time) (i) if not prohibited by law, on the last day of the Interest Period for each outstanding Eurodollar Advance or (ii) if required by such notice, on the second Business Day following its receipt of such notice, prepay all of the Eurodollar Advances of such Lender then outstanding, together with accrued interest on the principal amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.11 as a result of such prepayment being made on such date, (b) such Lender shall simultaneously make a Base Rate Advance to the Borrower on such date in an amount equal to the aggregate principal amount of the Eurodollar Advances prepaid to such Lender, and (c) the right of the Borrower to select Eurodollar Advances from such Lender for any subsequent Borrowing shall be suspended until such Lender shall notify the Borrower that the circumstances causing such suspension no longer exist. Each Lender agrees to use commercially reasonable efforts (consistent with its internal policies and legal and regulatory restrictions) to designate a different Lending Office if the making of such designation would avoid the effect of this paragraph and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

Section 2.11 Breakage Costs. Within 5 Business Days of demand made by any Lender to the Borrower (with a copy to the Administrative Agent) from time to time, such Borrower shall compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment (including any deemed payment or repayment and any reallocated repayment to Non-Defaulting Lenders provided for in Section 2.17) of any Advance other than a Base Rate Advance on a day other than the last day of the Interest Period for such Advance (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make an Advance) to prepay, borrow, continue or Convert any Advance other than a Base Rate Advance on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Advance on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 2.15;

including any loss of anticipated profits, any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Advance, from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing. For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 2.11, the requesting Lender shall be deemed to have funded the Eurodollar Advances made by it at the Eurodollar Base Rate used in determining the Eurodollar Rate for

such Advance by a matching deposit or other borrowing in the offshore interbank market for Dollars for a comparable amount and for a comparable period, whether or not such Eurodollar Advance was in fact so funded. Any notice delivered by the Administrative Agent (including on behalf of any Lender providing such notice to the Administrative Agent) setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.11 shall be delivered to Borrower and shall be conclusive and binding absent manifest error.

Section 2.12 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (or its applicable Lending Office) (except any reserve requirement included in the Eurodollar Rate) or the Issuing Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender (or its applicable Lending Office) or on the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Advances made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender (or its applicable Lending Office) or such other Recipient of making, Converting to, continuing or maintaining any loan or of maintaining its obligation to make or accept and purchase any such loan, or to increase the cost to such Lender , the Issuing Lender or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender (or its applicable Lending Office), the Issuing Lender or such other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Issuing Lender or such other Recipient, the Borrower will pay to such Lender, the Issuing Lender or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, the Issuing Lender or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or Issuing Lender determines that any Change in Law affecting such Lender or Issuing Lender or any Lending Office of such Lender or such Lender' s or Issuing Lender' s holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender' s or Issuing Lender' s capital or on the capital of such Lender' s or Issuing Lender' s holding company or any corporation controlling such Lender or the Issuing Lender, if any, as a consequence of this Agreement, the Commitments of such Lender or the Advances made by, or participations in Letters of Credit or Swingline Advances held by, such Lender, or the Letters of Credit issued by the Issuing Lender, to a level below that which such Lender, the Issuing Lender, the corporation controlling such Lender or the Issuing Lender, or such Lender' s or Issuing Lender' s holding

company could have achieved but for such Change in Law (taking into consideration such Lender' s or Issuing Lender' s policies, the policies of the corporation controlling such Lender or the Issuing Lender, and the policies of such Lender' s or Issuing Lender' s holding company with respect to capital adequacy or liquidity), then from time to time upon written demand by such Lender or the Issuing Lender, as the case may be, the Borrower will pay to such Lender or Issuing Lender, such additional amount or amounts as will compensate such Lender or the Issuing Lender, the corporation controlling such Lender or the Issuing Lender, or such Lender' s or Issuing Lender' s holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or Issuing Lender setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or Issuing Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods. The Borrower shall pay such Lender or Issuing Lender, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or Issuing Lender to demand compensation pursuant to this Section 2.12 shall not constitute a waiver of such Lender' s or such Issuing Lender' s right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or Issuing Lender pursuant to this Section 2.12 for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender or Issuing Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender' s or Issuing Lender' s intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Designation of a Different Lending Office. If any Lender requests compensation under this Section 2.12 then such Lender shall use commercially reasonable efforts to designate a different Lending Office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to this Section 2.12 in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

Section 2.13 Payments and Computations.

(a) Payments. All payments of principal, interest, and other amounts to be made by the Borrower under this Agreement and other Credit Documents shall be made to the Administrative Agent in Dollars and in immediately available funds, without setoff, deduction, or counterclaim.

(b) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Lender hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Lender, as the case may

be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Lender, in immediately available funds with interest thereon (which interest shall not be borne by the Borrower), for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the lesser of (i) the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (ii) the Maximum Rate. For the avoidance of doubt, the Borrower shall continue to be obligated to pay the otherwise applicable interest on such amounts as and when due under this Agreement. A notice of the Administrative Agent to any Lender or Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Payment Procedures. The Borrower shall make each payment under this Agreement and under any other Credit Document not later than 11:00 a.m. (Houston, Texas time) on the day when due in Dollars to the Administrative Agent at the Administrative Agent' s Lending Office (or such other location as the Administrative Agent shall designate in writing to the Borrower) in immediately available funds and, as to payments of principal, accompanied by a Notice of Optional Payment or Notice of Mandatory Payment, as applicable, from the Borrower, with appropriate insertions and executed by a Responsible Officer of the Borrower. The Administrative Agent will promptly thereafter, and in any event prior to the close of business on the day any timely payment is made, cause to be distributed like funds relating to the payment of principal, interest or fees ratably (other than amounts payable solely to the Administrative Agent or a specific Lender Party pursuant to Sections 2.4, 2.10, 2.11, 2.12, 2.14, 2.15, 8.4 and 9.1 and such other provisions herein which expressly provide for payments to a specific Lender Party, but after taking into account payments effected pursuant to Section 2.13(f)) in accordance with each Lender' s Pro Rata Share to the Lenders for the account of their respective applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon receipt of other amounts due solely to a specific Lender Party, the Administrative Agent shall distribute such amounts to the appropriate party to be applied in accordance with the terms of this Agreement. Subject to the limitations in this clause (c) and other than as expressly provided otherwise under this Agreement, optional prepayments of any Borrowing, including without limitation, any optional prepayments funded with Equity Issuance Proceeds or capital contributions (other than in connection with an equity cure pursuant to Section 7.7) may be applied by the Borrower to the Borrowings in such manner as the Borrower may specify.

(d) Non-Business Day Payments. Whenever any payment shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be; provided that if such extension would cause payment of interest on or principal of Eurodollar Advances to be made in the next following calendar month, such payment shall be made on the immediately preceding Business Day.

(e) Computations. All computations of interest and fees shall be made by the Administrative Agent on the basis of a year of 365/366 days for Base Rate Advances based on the Adjusted Base Rate (other than Base Rate Advances based on the Federal Funds Rate or a Daily One-Month LIBOR) and a year of 360 days for all other interest and fees, in each case for the actual number of days (including the first day, but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Administrative Agent of an amount of interest or fees shall be conclusive and binding for all purposes, absent manifest error.

(f) Sharing of Payments, Etc. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Advances or other Obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Advances and accrued interest thereon or other such Obligations greater than its Pro Rata Share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Advances and such other Obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Advances and other amounts owing them; provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Advances or participations in Letter of Credit Exposure to any assignee or participant, other than to the Borrower or any Subsidiary, or any Affiliate of any of the foregoing (as to which the provisions of this paragraph shall apply).

Each Credit Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Legal Requirements, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Credit Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Credit Party in the amount of such participation.

Section 2.14 Taxes.

(a) Issuing Lender. For purposes of this Section 2.14, the term "Lender" includes the Issuing Lender and the term "applicable Legal Requirement" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Credit Party under any Credit Document shall be made without deduction or withholding for any Taxes, except as required by applicable Legal Requirement. If any applicable Legal Requirement (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Legal Requirement and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by Credit Parties. The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Legal Requirement, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by Credit Parties. The Credit Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided that no Credit Party shall be required to indemnify any Recipient pursuant to this Section 2.14(d) for any Indemnified Taxes unless such Recipient makes written demand on the applicable Credit Party for indemnification no later than one year after the later of (i) the date on which the relevant Governmental Authority makes written demand upon such Recipient for payment of such Indemnified Taxes, and (ii) the date on which such Recipient has made payment of such Indemnified Taxes; provided further that, if the Indemnified Taxes imposed or asserted giving rise to such claims are retroactive, then the one-year period referred to above shall be extended to include the period of retroactive effect thereof. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so), (ii) any Taxes attributable to such Lender' s failure to comply with the provisions of Section 9.7(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Credit Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 2.14, such Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Legal Requirement or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.14(g)(ii)(A) and (ii)(B) below) shall not be required if in the Lender' s reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable: (i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Credit Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Credit Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty; (ii) executed originals of IRS Form W-8ECI; (iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit I-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "***U.S. Tax Compliance Certificate***") and (y) executed originals of IRS Form W-8BEN; or (iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-2 or Exhibit I-3, IRS Form W-9, and/or other certification documents from each beneficial owner,

as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable Legal Requirement as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Legal Requirement to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Recipient under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Recipient were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Recipient shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by Legal Requirement and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable Legal Requirement (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Recipient has complied with such Recipient' s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.14 (including by the payment of additional amounts pursuant to this Section 2.14), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such

Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party' s obligations under this Section 2.14 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

Section 2.15 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 2.14 or the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall (at the request of the Borrower) use commercially reasonable efforts to designate a different Lending Office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.14, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If (i) any Lender requests compensation under Section 2.12 or a Borrower is required to pay additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, (ii) any Lender suspends its obligation to continue, or Convert Advances into, Eurodollar Advances pursuant to Section 2.5(c)(iii) or Section 2.10, (iii) any Lender is a Non-Consenting Lender, or (iv) any Lender is a Defaulting Lender (any such Lender described in the preceding clauses (i) – (iv), a "***Subject Lender***"), then (x) in the case of a Defaulting Lender, the Administrative Agent may, upon notice to the Subject Lender and the Borrower, require such Defaulting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.7), all of its interests, rights and obligations under this Agreement and the related Credit Documents as a Lender to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment) and (y) in the case of any Subject Lender, the Borrower may, upon notice to the Subject Lender and the Administrative Agent and at the Borrower' s sole cost and expense, require such Subject Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.7), all of its interests, rights and obligations under this Agreement and the related Credit Documents to an Eligible Assignee that shall assume such obligations (which Eligible Assignee may be another Lender, if a Lender accepts such assignment), provided that, in any event:

(A) as to assignments required by the Borrower, the Borrower shall have paid to the Administrative Agent the assignment processing and recordation fee specified in Section 9.7(a)(iv);

(B) such Subject Lender shall have received payment of an amount equal to the outstanding principal of its Advances and participations in outstanding Letter of Credit Obligations and funded participations in outstanding Swingline Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Credit Documents (including any amounts under Section 2.11 other than in the case of a Defaulting Lender) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(C) in the case of any such assignment resulting from a claim for compensation under Section 2.12 or payments required to be made pursuant to Section 2.14, such assignment will result in a reduction in such compensation or payments thereafter;

(D) such assignment does not conflict with applicable Legal Requirements; and

(E) in the event such Subject Lender is a Non-Consenting Lender, each assignee shall consent, at the time of such assignment, to each matter in respect of which such Subject Lender was a Non-Consenting Lender.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower or the Administrative Agent to require such assignment and delegation cease to apply. Solely for purposes of effecting any assignment involving a Defaulting Lender under this Section 2.15 and to the extent permitted under applicable Legal Requirements, each Lender hereby designates and appoints the Administrative Agent as true and lawful agent and attorney-in-fact, with full power and authority, for and on behalf of and in the name of such Lender to execute, acknowledge and deliver the Assignment and Assumption required hereunder if such Lender is a Defaulting Lender and such Lender shall be bound thereby as fully and effectively as if such Lender had personally executed, acknowledged and delivered the same. In lieu of the Borrower or the Administrative Agent replacing a Defaulting Lender as provided in this Section 2.15, the Borrower may terminate such Defaulting Lender' s applicable Commitments as provided in Section 2.1(b)(ii).

Section 2.16 Increase in Commitments.

(a) At any time after the Amendment No. 4 Effective Date but prior to the Business Day immediately preceding the Maturity Date, the Borrower may effectuate one or more increases in the Commitments (each such increase being a "***Commitment Increase***"), by designating either one or more of the existing Lenders (each of which, in its sole discretion, may determine whether and to what degree to participate in such Commitment Increase) or one or more other Eligible Assignees that at the time agree, in the case of any such Eligible Assignee that is an existing Lender to increase its Commitment as such Lender shall so select (an "***Increasing Lender***") and, in the case of any other Eligible Assignee that is not an existing Lender (an "***Additional Lender***"), to become a party to this Agreement as a Lender; provided, however, that (i) each such Commitment Increase shall be equal to at least $10,000,000, (ii) all Commitments and Advances provided pursuant to a Commitment Increase shall be available on the same terms as those applicable to the corresponding type of Commitments and Advances except as to upfront fees which may be as agreed to between the Borrower and such Increasing Lender or Additional Lender, as the case may be, and (iii) the aggregate of all such Commitment

Increases shall not exceed $20,000,000. The Borrower shall provide prompt notice of such proposed Commitment Increase pursuant to this Section 2.16 to the Administrative Agent and the Lenders. This Section 2.16 shall not be construed to create any obligation on the Administrative Agent or any Lender to advance or to commit to advance any credit to the Borrower or to arrange for any other Person to advance or to commit to advance any credit to the Borrower.

(b) The Commitment Increase shall become effective on the date (the "***Increase Date***") on or prior to which each of following conditions shall have been satisfied: (i) the receipt by the Administrative Agent of (A) an agreement in form and substance reasonably satisfactory to the Administrative Agent signed by the Borrower, each Increasing Lender and/or each Additional Lender, setting forth the Commitments, if any, of each such Increasing Lender and/or Additional Lender and, if applicable, setting forth the agreement of each Additional Lender to become a party to this Agreement and to be bound by all the terms and provisions hereof binding upon each Lender, and (B) such evidence of appropriate authorization on the part of the Borrower with respect to such Commitment Increase and such legal opinions as the Administrative Agent may reasonably request, (ii) the funding by each Increasing Lender and Additional Lender of the Advances to be made by each such Lender to effect the prepayment requirement set forth in Section 2.6(c), (iii) receipt by the Administrative Agent of a certificate of an authorized officer of the Borrower certifying (A) both before and after giving effect to such Commitment Increase, no Default has occurred and is continuing, (B) all representations and warranties made by the Borrower in this Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), unless such representation or warranty relates to an earlier date which remains true and correct in all material respects as of such earlier date (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), and (C) the pro forma compliance with the covenant in Section 6.16, after giving effect to such Commitment Increase, and (iv) receipt by the Increasing Lender or Additional Lender, as applicable, of all such fees as agreed to between such Increasing Lender and/or Additional Lender and the Borrower.

(c) Notwithstanding any provision contained herein to the contrary, from and after the date of such Commitment Increase, all calculations and payments of interest on the Advances shall take into account the actual Commitments of each Lender and the principal amount outstanding of each Advance made by such Lender during the relevant period of time.

(d) On any Increase Date, each Revolving Lender' s share of the applicable Letter of Credit Exposure on such date shall automatically be deemed to equal such Revolving Lender' s Pro Rata Share of such Letter of Credit Obligations (such Pro Rata Share for such Revolving Lender to be determined as of the Increase Date after giving effect to such Commitment Increase) without further action by any party.

Section 2.17 Defaulting Lender Provisions.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Legal Requirement:

(i) Waivers and Amendments. Such Defaulting Lender' s right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Majority Lenders".

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 7.4 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Lender or Swingline Lender hereunder; third, to Cash Collateralize the Issuing Lender' s Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.3(i) and the Swingline Lender' s Fronting Exposure, if any, with respect to such Defaulting Lender; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender' s current or potential future funding obligations with respect to Advances under this Agreement and (y) Cash Collateralize the Issuing Lender' s future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.3(i) and the Swingline Lender' s Fronting Exposure with respect to such Defaulting Lender with respect to future Swingline Advances; sixth, to the payment of any amounts owing to the Lenders, the Issuing Lender or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Lender or Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender' s breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender' s breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Advances or Letter of Credit Obligations in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 3.2 were satisfied or waived, such payment shall be applied solely to pay the Advances of, and Letter of Credit Obligations owed to, all Non-Defaulting Lenders on the applicable pro rata basis prior to being applied to the payment of any Advances of, or Letter of Credit Obligations owed to, such Defaulting Lender until such time as all Advances and funded and unfunded participations in Letter of Credit Obligations and Swingline Advances are held by the Revolving Lenders pro rata in accordance with the applicable Commitments without giving effect to Section 2.17(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.17(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) No Defaulting Lender shall be entitled to receive fees under Section 2.8(b)(i) or (ii), for any period during which that Lender is a Defaulting Lender, except to the extent allocable to its Pro Rata Share of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.3(i).

(C) With respect to any fee under Section 2.8(b)(i) or (ii) not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender' s participation in Letter of Credit Exposure that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the Issuing Lender and the Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to the Issuing Lender' s or Swingline Lender' s Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender' s participation in Letter of Credit Obligations and Swingline Advances shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Pro Rata Shares (calculated without regard to such Defaulting Lender' s Commitment) but only to the extent that (x) the conditions set forth in Section 3.2 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Outstandings of any Non-Defaulting Lender to exceed such Non-Defaulting Lender' s Commitment. Subject to Section 9.23, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender' s increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swingline Advances. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under any Legal Requirement, (x) first, within two Business Days, prepay Swingline Advances in an amount equal to the Swingline Lender' s Fronting Exposure and (y) second, within three Business Days, Cash Collateralize the Issuing Lender' s Fronting Exposure in accordance with the procedures set forth in Section 2.3(i).

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swingline Lender and the Issuing Lender agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Revolving Advances of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Advances and funded and unfunded participations in Letters of Credit and Swingline Advances to be held

pro rata by the Lenders in accordance with the applicable Commitments (without giving effect to Section 2.17(a)(iv), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender' s having been a Defaulting Lender. Notwithstanding the above, the Borrower' s and the Administrative Agent' s right to replace a Defaulting Lender pursuant to this Agreement shall be in addition to, and not in lieu of, all other rights and remedies available to the Borrower or the Administrative Agent against such Defaulting Lender under this Agreement, at law, in equity or by statute.

Section 2.18 Borrowing Base Adjustments.

(a) Borrowing Base. Subject to clause (b) below, any change in the Borrowing Base shall be effective on the date the Administrative Agent receives the Borrowing Base Certificate and accompanying information and reports, in each case, as required by the terms of this Agreement; provided that, should the Borrower fail to deliver the Administrative Agent the Borrowing Base Certificate or any accompanying information or reports as required under Section 5.2(e), the Administrative Agent may nonetheless redetermine the Borrowing Base from time-to-time thereafter in its sole discretion until the Administrative Agent receives the required Borrowing Base Certificate and accompanying information and reports, whereupon the Administrative Agent shall redetermine the Borrowing Base based on such Borrowing Base Certificate and the other terms hereof. In any event, the Borrowing Base shall not at any time exceed the aggregate Commitments less the amount of any Tranche B Term Advances and any Tranche C Term Advances outstanding at such time.

(b) Asset Sales/Sale Leasebacks. If a Triggering Event (as defined below) occurs the Borrower shall, within three Business Days thereafter (or such longer period accepted by the Administrative Agent), deliver notice thereof to the Administrative Agent. Upon receipt of such notice (or if the Administrative Agent otherwise has actual knowledge thereof, then at the Administrative Agent' s election exercised in its sole discretion), the Administrative Agent shall recalculate the then effective Borrowing Base by subtracting therefrom the value, if any, attributed to the Borrowing Base for the asset Disposed of under the Triggering Event; provided that, if such notice is received on or about the time such Borrowing Base is to be redetermined pursuant to clause (a) above or otherwise, then the Administrative Agent may elect to forego the reduction provided for in this clause (b) at its sole discretion. The Administrative Agent shall promptly provide written notice of such reduced Borrowing Base to the Borrower and to the Lenders. Such redetermined Borrowing Base shall be effective on the date the Administrative Agent delivers such notice to the Borrower and the Lenders. "***Triggering Event***" means (i) a Disposition of any Inventory or Receivables that is not permitted under the terms of this Agreement, (ii) a Disposition of any Inventory or Receivables as part of a sale and leaseback transaction permitted under the terms of this Agreement, and (iii) a Casualty Event which results in a prepayment of Revolving Advances and Swingline Advances as provided in Section 2.6(c)(iii). Notwithstanding anything herein to the contrary, neither the provisions in this Section 2.18(b) nor any adjustment of the Borrowing Base required herein are intended to be and shall not constitute, or otherwise be deemed to constitute, a consent to any Disposition of Property that is otherwise prohibited under this Agreement.

ARTICLE III
CONDITIONS PRECEDENT

Section 3.1 Conditions Precedent to Initial Borrowings and the Initial Letter of Credit. The obligations of each Lender to make the initial Advance and for the Issuing Lender to issue the initial Letters of Credit shall be subject to the conditions precedent that:

(a) Documentation. The Administrative Agent shall have received the following, duly executed by all the parties thereto, in form and substance reasonably satisfactory to the Administrative Agent and the Lenders:

(i) this Agreement and all attached Exhibits and Schedules and the Notes payable to each Lender requesting a Note;

(ii) the Guaranty executed by the Borrower and all Subsidiaries existing on the Closing Date;

(iii) the Security Agreement executed by the Borrower and each Subsidiary existing on the Closing Date, together with (A) appropriate UCC-1 financing statements and intellectual property security agreements, if any, necessary for filing with the appropriate authorities, (B) certificates, together with undated, blank stock powers for each such certificate, representing all of the issued and outstanding Equity Interests of each of the Borrower' s Subsidiaries required in connection with the Security Agreement, and (C) any other documents, agreements, or instruments necessary to create, perfect or maintain an Acceptable Security Interest in the Collateral;

(iv) appropriate UCC and intellectual property search reports for the Borrower and its Subsidiaries reflecting no prior Liens (other than Permitted Liens) encumbering the properties of the Borrower and its Subsidiaries;

(v) certificates of insurance naming the Administrative Agent as loss payee with respect to property insurance, or additional insured with respect to liability insurance, and covering the Borrower' s and its Subsidiaries' Properties with such insurance carriers, for such amounts and covering such risks as required by Section 5.3;

(vi) a certificate from an authorized officer of the Borrower dated as of the Closing Date stating that as of such date (A) all representations and warranties of the Borrower set forth in this Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), (B) no Default has occurred and is continuing; and (C) all conditions precedent set forth in this Section 3.1 have been met or waived;

(vii) a secretary' s certificate from each Credit Party certifying such Person' s (A) officers' incumbency, (B) authorizing resolutions, (C) organizational documents, and (D) governmental approvals, if any, with respect to the Credit Documents to which such Person is a party;

(viii) certificates of good standing for each Credit Party in the state in which each such Person is organized, which certificates shall be (A) dated a date not earlier than 30 days prior to Closing Date or (B) otherwise effective on the Closing Date;

(ix) legal opinions of (A) Vinson & Elkins LLP, as special counsel to the Credit Parties, (B) Miller, Canfield, Paddock and Stone, P.L.C., as Michigan counsel to the Credit Parties, (C) Hall, Estill, Hardwick, Gable, Golden & Nelson, P.C., as Oklahoma counsel to the Credit Parties, and (D) Dray, Dyekman, Reed & Healey P.C., as Wyoming counsel to the Credit Parties, each in form and substance reasonably acceptable to the Administrative Agent; and

(x) such other documents, governmental certificates, agreements, and lien searches as any Lender Party may reasonably request.

(b) Consents; Authorization; Conflicts. The Borrower shall have received any consents, permits, licenses and approvals of any Governmental Authority or any other Person and required in accordance with applicable Legal Requirement, or in accordance with any document, agreement, instrument or arrangement to which any Credit Party is a party, in connection with the execution, delivery, performance, validity and enforceability of this Agreement and the other Credit Documents other than immaterial consents, licenses or approvals the absence of which would not reasonably be expected to be adverse to any Secured Party. In addition, the Borrower and the Subsidiaries shall have all such material consents, licenses and approvals required in connection with the continued operation of the Borrower and the Subsidiaries, and such approvals shall be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on this Agreement and the actions contemplated hereby.

(c) Representations and Warranties. The representations and warranties contained in Article IV and in each other Credit Document shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the Closing Date before and after giving effect to the initial Borrowing or issuance of Letters of Credit and to the application of the proceeds from such Borrowing, as though made on and as of such date.

(d) Payment of Fees. The Borrower shall have paid the fees and expenses required to be paid as of the Closing Date by Section 2.8(c) and Section 9.1(a) (other than legal fees) or any other provision of a Credit Document. The Borrower shall have paid the legal fees for the Administrative Agent' s counsel as required under Section 9.1 to the extent such fees have been invoiced at least two Business Days prior to the Closing Date.

(e) Other Proceedings. No action, suit, investigation or other proceeding by or before any arbitrator or any Governmental Authority shall be threatened or pending and no preliminary or permanent injunction or order by a state or federal court shall have been entered in connection with this Agreement, any other Credit Document, or any of the Transactions.

(f) Other Reports. The Administrative Agent shall have received, in form and substance reasonably satisfactory to it, all environmental reports, and such other reports, audits or certifications as it may reasonably request.

(g) Material Adverse Change. Since December 31, 2013, there shall not have occurred any event or circumstance that could reasonably be expected to result in a Material Adverse Change.

(h) No Default. No Default shall have occurred and be continuing.

(i) Solvency. The Administrative Agent shall have received a certificate in form and substance reasonably satisfactory to the Administrative Agent from the chief financial officer or such other officer acceptable to the Administrative Agent of the Borrower certifying that, after giving effect to the initial Borrowings made hereunder on the Closing Date and the other Transactions, the Credit Parties, taken as a whole, are Solvent.

(j) Delivery of Financial Statements; Projections. The Administrative Agent shall have received (i) audited financial statements of RedZone for the fiscal years ending December 31, 2012 and December 31, 2013, (ii) audited consolidated financial statements of the Borrower for the fiscal year ending December 31, 2013, and (iii) unaudited financial statements of each of RedZone and the Borrower for each month of 2014 through February. The Administrative Agent shall have also received projections prepared by management of balance sheets, income statements and cashflow statements of the Borrower and its Subsidiaries, after giving pro forma effect to the Transactions, which shall be quarterly for the first year after the Closing Date and annually thereafter through December 31, 2018.

(k) Notice of Borrowing. The Administrative Agent shall have received a Notice of Borrowing from the Borrower, with appropriate insertions and executed by an authorized Responsible Officer of the Borrower.

(l) Payment in Full of Existing Debt. Prior to, or concurrently with, the making of the initial Advances hereunder, all Debt, including Debt under the Existing Credit Agreements, of the Borrower and its Subsidiaries other than Permitted Debt shall have been paid in full and the Administrative Agent shall have received a "pay-off" letter (or such other evidence) in form and substance reasonably satisfactory to the Administrative Agent with respect to all such Debt being refinanced with the initial Advances to be made hereunder; and arrangements satisfactory to the Administrative Agent shall have been made with any Person holding any Lien securing any such Debt for the release and delivery of such UCC (or equivalent) termination statements, mortgage releases, releases of assignments of leases and rents, and other instruments, in each case in proper form for recording or filing, as the Administrative Agent shall have requested to release and terminate of record the Liens securing such Debt.

(m) USA Patriot Act. The Administrative Agent and the Lenders shall have received all documentation and other information that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act.

(n) Closing Date Leverage Ratio. The Closing Date Leverage Ratio shall be no greater than 2.75 to 1.00 and the Administrative Agent shall have received a duly completed certificate executed by a Responsible Officer of the Borrower setting forth a calculation of such Closing Date Leverage Ratio, in form and substance satisfactory to the Administrative Agent (including a reasonably detailed calculation of Closing Date EBITDA).

(o) Pro Forma Structure. The pro forma capital and ownership structure and the equityholder arrangements of the Borrower and its Subsidiaries (and all agreements relating thereto), after giving pro forma effect to the Transactions, will be reasonably satisfactory to the Administrative Agent and the Lenders.

(p) Compliance with Law. The Borrower and its Subsidiaries shall be in compliance with all Legal Requirements which are applicable to such Persons, including the operations, business or Property of such Persons, except in any case where the failure to be in compliance could not reasonably be expected to result in a Material Adverse Change or affect the consummation or the legality of the Transactions.

(q) Liquidity. The Administrative Agent shall have received evidence satisfactory to it that, after giving effect to the Transactions, Liquidity is greater than or equal to $15,000,000.

(r) Material Contracts. The Administrative Agent shall have received copies of, and be reasonably satisfied with its review of, all material contracts of the Borrower and its Subsidiaries (including RedZone and its Subsidiaries, if any).

(s) Closing Date Acquisition; Closing Date Acquisition Agreement. The Closing Date Acquisition shall have been, or shall contemporaneously with the Closing Date be, consummated in accordance with the terms and conditions of the Closing Date Acquisition Agreement without giving effect to any waiver, modification or consent by any party thereunder that is materially adverse to the interest of the Lenders (as reasonably determined by the Administrative Agent) unless approved by the Administrative Agent. The Administrative Agent shall have received (i) a copy of the Closing Date Acquisition Agreement and all exhibits and schedules thereto, certified by a Responsible Officer of the Borrower as being true, correct and complete copies thereof, and (ii) evidence in form and substance reasonably satisfactory to the Administrative Agent that all consents and approvals required pursuant to the terms of the Closing Date Acquisition Agreement have been obtained.

Section 3.2 Conditions Precedent to Each Credit Extension. The obligation of each Lender to make any Credit Extension on the occasion of each Borrowing (including the initial Borrowing), the obligation of each Issuing Lender to make any Credit Extension, the obligation of each Swingline Lender to make Swingline Advances, and any reallocation provided in Section 2.17, in each case, shall be subject to the further conditions precedent that on the date of such Borrowing, such Credit Extension or such reallocation:

(a) Representations and Warranties. As of the date of the making of such Credit Extension, Borrowing or reallocation, the representations and warranties made by any Credit Party or any officer of any Credit Party contained in the Credit Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on such date, except that any representation and warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date and each request for the making of any Borrowing, Credit Extension or reallocation, and the making of such Borrowing, Credit Extension or reallocation shall be deemed to be a reaffirmation of such representations and warranties. Each of the giving of the applicable Notice of Borrowing or Letter of Credit Application, the acceptance by the Borrower of the proceeds of such Borrowing or such Credit Extension, or the benefits of any reallocation, shall constitute a representation and warranty by the Borrower that on the date of such Borrowing, Credit Extension or reallocation, as applicable, the foregoing condition has been met.

(b) Event of Default. As of the date of each Borrowing, Credit Extension or reallocation, no Default or Event of Default shall exist, and the making of such Borrowing, Credit Extension, or reallocation would not cause a Default or Event of Default. Each of the giving of the applicable Notice of Borrowing or Letter of Credit Application, the acceptance by the Borrower of the proceeds of such Borrowing or such Credit Extension or the benefits of any reallocation, shall constitute a representation and warranty by the Borrower that on the date of such Borrowing, Credit Extension or reallocation, as applicable, the foregoing condition has been met.

(c) Notice of Borrowing; Letter of Credit. The Administrative Agent shall have received a Notice of Borrowing in accordance with Section 2.5(a) or the Administrative Agent and the Issuing Lender shall have received a Letter of Credit Application in accordance with Section 2.3(b), as the case may be.

Section 3.3 Determinations Under Section 3.1 and Section 3.2. For purposes of determining compliance with the conditions specified in Section 3.1 and Section 3.2, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Administrative Agent responsible for the transactions contemplated by the Credit Documents shall have received written notice from such Lender prior to the Credit Extensions hereunder specifying its objection thereto and such Lender shall not have made available to the Administrative Agent such Lender' s Credit Extensions.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants as follows:

Section 4.1 Organization. The Borrower and each of its Subsidiaries are duly and validly organized and existing and in good standing under the laws of its jurisdiction of incorporation or formation. The Borrower and each of its Subsidiaries are authorized to do business and is in good standing in all jurisdictions in which such qualifications or authorizations are necessary except where the failure to be so qualified or authorized could not reasonably be expected to result in a Material Adverse Change. As of the Amendment No. 5 Effective Date, each Credit Party' s type of organization and jurisdiction of incorporation or formation are set forth on Schedule 4.1.

Section 4.2 Authorization. The execution, delivery, and performance by each Credit Party of each Credit Document to which such Credit Party is a party and the consummation of the transactions contemplated thereby (a) are within such Credit Party' s organizational powers, (b) have been duly authorized by all necessary corporate, limited liability company or partnership action, as applicable, of such Credit Party, (c) do not contravene any articles or certificate of incorporation or bylaws, partnership or limited liability company agreement, as applicable, binding on or affecting such Credit Party, (d) do not contravene any Legal Requirement or any contractual restriction binding on or affecting such Credit Party except for immaterial laws or contractual restrictions the noncompliance with which would not reasonably be expected to be adverse to any Secured Party, (e) do not result in or require the creation or imposition of any Lien prohibited by this Agreement, and (f) do not require any authorization or approval or other action by, or any notice or filing with, any Governmental Authority except for immaterial authorizations, approvals, other actions, notices or filings the failure to obtain of which would not reasonably be expected to be adverse to any Secured Party. At the time of each Credit Extension, such Credit Extension and the use of the proceeds of such Credit Extension are within the Borrower' s corporate powers, have been duly authorized by all necessary action, do not contravene (i) the Borrower' s certificate of incorporation, bylaws or other organizational documents, or (ii) any Legal Requirement or any contractual restriction binding on or affecting the Borrower, will not result in or require the creation or imposition of any Lien prohibited by this Agreement, and do not require any authorization or approval or other action by, or any notice or filing with, any Governmental Authority.

Section 4.3 Enforceability. The Credit Documents have each been duly executed and delivered by each Credit Party that is a party thereto and each Credit Document constitutes the legal, valid, and binding obligation of each Credit Party that is a party thereto enforceable against such Credit Party in accordance with its terms, except as limited by applicable Debtor Relief Laws or similar laws at the time in effect affecting the rights of creditors generally and by general principles of equity whether applied by a court of law or equity.

Section 4.4 Financial Condition.

(a) The Borrower has delivered to the Lenders the financial statements identified in Section 3.1(j) and such financial statements were prepared in accordance with GAAP (except as otherwise noted therein) and fairly present, in all material respects, the financial condition of the Persons covered thereby as of the respective dates thereof for the periods covered therein, subject, in the case of unaudited financial statements, to normal year-end adjustments and the absence of footnotes. As of the Closing Date, there were no material contingent obligations, liabilities for taxes, unusual forward or long-term commitments, or unrealized or anticipated losses of the applicable Persons, except as disclosed in the most recent financial statements identified in Section 3.1(j) and for which adequate reserves have been made in accordance with GAAP or arising from the Transactions.

(b) Since the Closing Date, after giving pro forma effect to the Transactions, no event or condition has occurred that could reasonably be expected to result in a Material Adverse Change.

Section 4.5 Ownership and Liens; Real Property. Each Credit Party (a) has good and marketable fee simple title to, or a valid leasehold interest or easement in, all real property (other than Excluded Real Property), and good title to all material personal Property used in its business, and (b) none of the Property owned by the Borrower or a Subsidiary is subject to any Lien except Permitted Liens. As of the Amendment No. 4 Effective Date, the Credit Parties do not own any real property other than that listed on Schedule 4.5 and all equipment owned by the Credit Parties and used in the Credit Parties' business is located at real Property owned by the Credit Parties or is located at the locations listed on Schedule 4.5 (other than office equipment or equipment located on job sites or in transit).

Section 4.6 True and Complete Disclosure. All written factual information (whether delivered before or after the date of this Agreement) prepared by or on behalf of the Borrower and its Subsidiaries and furnished to any Lender Party for purposes of or in connection with this Agreement or any other Credit Document, taken as a whole, does not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein not misleading as of the date such information is dated or certified. There is no fact known to any Responsible Officer of any Credit Party on the date of this Agreement that has not been disclosed to the Administrative Agent that could reasonably be expected to result in a Material Adverse Change. All projections, estimates, budgets, and pro forma financial information furnished by the Borrower or any of its Subsidiaries (or on behalf of the Borrower or any such Subsidiary), were prepared on the basis of assumptions, data, information, tests, or conditions (including current and reasonably foreseeable business conditions) believed to be reasonable at the time such projections, estimates, and pro forma financial information were furnished (it being recognized by the Lender Parties, however, that projections as to future events are not to be viewed as facts and that results during the period(s) covered by such projections may differ from the projected results and that such differences may be material and that the Credit Parties make no representation that such projections will be realized).

Section 4.7 Litigation. There are no actions, suits, or proceedings pending or, to any Credit Party' s knowledge, threatened against the Borrower or any Subsidiary, at law, in equity, or in admiralty, or by or before any Governmental Authority, which could reasonably be expected to result in a Material Adverse Change. Additionally, except as disclosed in writing to the Administrative Agent, there is no pending or, to the knowledge of any Credit Party, threatened action or proceeding instituted against the Borrower or any Subsidiary which seeks to adjudicate the Borrower or any Subsidiary as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any Debtor Relief Law, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its Property.

Section 4.8 Compliance with Agreements.

(a) Neither the Borrower nor any of its Subsidiaries is a party to any indenture, loan or credit agreement or any lease or any other types of agreement or instrument or subject to any charter or corporate restriction or provision of applicable Legal Requirements the performance of or compliance with which could reasonably be expected to result in a Material Adverse Change. Neither the Borrower nor any of its Subsidiaries is in default under or with respect to any contract, agreement, lease or any other types of agreement or instrument to which the Borrower or such Subsidiary is a party and which could reasonably be expected to result in a Material Adverse Change. To the knowledge of the Credit Parties, neither the Borrower nor any of its Subsidiaries is in default under, or has received a notice of default under, any contract, agreement, lease or any other document or instrument to which the Borrower or its Subsidiaries is a party which is continuing and which, if not cured, could reasonably be expected to result in a Material Adverse Change.

(b) No Default has occurred and is continuing.

Section 4.9 Pension Plans. (a) Except for matters that could not reasonably be expected to result in a Material Adverse Change, all Plans are in compliance with all applicable provisions of ERISA, (b) no Termination Event has occurred with respect to any Plan that would result in an Event of Default under Section 7.1(j), and, except for matters that could not reasonably be expected to result in a Material Adverse Change, each Plan has complied with and been administered in accordance with applicable provisions of ERISA and the Code, (c) no "accumulated funding deficiency" (as defined in Section 302 of ERISA) has occurred with respect to any Plan, and for plan years after December 31, 2007, no unpaid minimum required contribution exists with respect to any Plan, and there has been no excise tax imposed under Section 4971 of the Code with respect to any Plan, (d) the present value of all benefits vested under each Plan (based on the assumptions used to fund such Plan) did not, as of the last annual valuation date applicable thereto, exceed the value of the assets of such Plan allocable to such vested benefits in an amount that could reasonably be expected to result in a Material Adverse Change, (e) neither the Borrower nor any member of the Controlled Group has had a complete or partial withdrawal from any Multiemployer Plan for which there is any unsatisfied withdrawal liability that could reasonably be expected to result in a Material Adverse Change or an Event of Default under Section 7.1(i), and (f) neither the Borrower nor any member of the Controlled Group has incurred any liability as a result of a Multiemployer Plan being in reorganization or insolvent that could reasonably be expected to result in a Material Adverse Change. Based upon GAAP existing as of the date of this Agreement and current factual circumstances, neither the Borrower nor any Subsidiary has any reason to believe that the annual cost during the term of this Agreement to the Borrower or any Subsidiary for post-retirement benefits to be provided to the current and former employees of the Borrower or any Subsidiary under Plans that are welfare benefit plans (as defined in Section 3(1) of ERISA) could, in the aggregate, reasonably be expected to result in a Material Adverse Change.

Section 4.10 Environmental Condition. Except as set forth on Schedule 4.10:

(a) Permits, Etc. The Borrower and each Subsidiary (i) has obtained all material Environmental Permits necessary for the ownership and operation of its Properties and the conduct of its businesses; (ii) is and, during the relevant time periods specified under applicable statutes of limitation, has been in material compliance with all terms and conditions of such Environmental Permits and with all other material requirements of applicable Environmental Laws; (iii) has not received written notice of any material violation or alleged material violation of any Environmental Law or Environmental Permit; and (iv) is not subject to any actual or contingent Environmental Claim which could reasonably be expected to result in a Material Adverse Change.

(b) Certain Liabilities. To the Borrower' s and each Subsidiary' s knowledge, none of the present or previously owned or operated Property of any Credit Party or of any Subsidiary thereof, wherever located, (i) has been placed on or proposed to be placed on the National Priorities List, the Comprehensive Environmental Response Compensation Liability Information System list, or their state or local analogs, or have been otherwise investigated, designated, listed, or identified by a Governmental Authority as a potential site for removal, remediation, cleanup, closure, restoration, reclamation, or other Response activity under any Environmental Laws; (ii) is subject to a Lien, arising under or in connection with any Environmental Laws, that attaches to any revenues or to any Property owned or operated by the Borrower or any Subsidiary, wherever located, which could reasonably be expected to result in a Material Adverse Change; or (iii) has been the site of any Release of Hazardous Substances or Hazardous Wastes from present or past operations which has caused at the site or at any third-party site any condition that has resulted in or could reasonably be expected to result in the need for Response that could result in a Material Adverse Change.

(c) Certain Actions. Without limiting the foregoing, (i) all necessary material notices have been properly filed, and no further material action is required under current applicable Environmental Law as to each Response or other restoration or remedial project required to be undertaken by the Borrower, any of its Subsidiaries or any of the Borrower' s or such Subsidiary' s former Subsidiaries pursuant to any Environmental Law, on any of their presently or formerly owned or operated Property and (ii) the present and, to the Credit Parties' knowledge, future liability, if any, of the Borrower or of any Subsidiary which could reasonably be expected to arise in connection with requirements under Environmental Laws is not expected to result in a Material Adverse Change.

Section 4.11 Subsidiaries. As of the Amendment No. 5 Effective Date, the Borrower has no Subsidiaries other than those listed on Schedule 4.11. Each Subsidiary (including any such Subsidiary formed or acquired subsequent to the Closing Date) has complied with the requirements of Section 5.6.

Section 4.12 Investment Company Act. Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 4.13 Taxes. Proper and accurate (in all material respects), all federal returns and all material state, local and foreign Tax returns, reports and statements required to be filed (after giving effect to any extension granted in the time for filing) by the Borrower and each Subsidiary or any member of an affiliated group of the Borrower and such Subsidiaries as determined under Section 1504 of the Code (hereafter collectively called the "***Tax Group***") have been filed with the appropriate Governmental Authorities, and all Taxes (which are material in amount) and other impositions (which are material in

amount) due and payable have been timely paid prior to the date on which any fine, penalty, interest, late charge or loss may be added thereto for non-payment thereof except where contested in good faith and by appropriate proceeding. Neither the Borrower, nor any Subsidiary, nor any member of the Tax Group has given, or been requested to give, a waiver of the statute of limitations relating to the payment of any federal, state, local or foreign taxes. Proper and accurate amounts have been withheld by the Borrower and each Subsidiary and all other members of the Tax Group from their employees for all periods to comply in all material respects with the tax, social security and unemployment withholding provisions of applicable federal, state, local and foreign law.

Section 4.14 Permits, Licenses, etc. Each of the Borrower and its Subsidiaries possesses all permits, licenses, patents, patent rights or licenses, trademarks, trademark rights, trade names rights, and copyrights which are material to the conduct of its business. Each of the Borrower and its Subsidiaries manages and operates its business in accordance with all applicable Legal Requirements except where the failure to so manage or operate could not reasonably be expected to result in a Material Adverse Change; provided that this Section 4.14 does not apply with respect to Environmental Permits.

Section 4.15 Use of Proceeds. The proceeds of the Advances and Letters of Credit will be used by the Borrower for the purposes described in Section 6.6. No Credit Party nor any Subsidiary thereof is engaged principally or as one of its activities in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" (as each such term is defined or used, directly or indirectly, in Regulation U of the Board of Governors of the Federal Reserve System). No part of the proceeds of any of the Advances or Letters of Credit will be used for purchasing or carrying margin stock or for any purpose which violates, or which would be inconsistent with, the provisions of Regulation T, U or X of such Board of Governors. Following the application of the proceeds of each Advance, not more than twenty-five percent (25%) of the value of the assets of the Borrower and its Subsidiaries will be "margin stock".

Section 4.16 Condition of Property; Casualties. The material Properties used or to be used in the continuing operations of the Borrower and its Subsidiaries, taken as a whole, are in good working order and condition, normal wear and tear excepted. Neither the business nor the material Properties of the Borrower or any Subsidiary has been affected as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labor disturbance, embargo, requisition or taking of Property or cancellation of contracts, permits or concessions by a Governmental Authority, riot, activities of armed forces or acts of God or of any public enemy, which effect could reasonably be expected to result in a Material Adverse Change.

Section 4.17 Insurance. Each of the Borrower and its Subsidiaries carries insurance (which may be carried by the Borrower on a consolidated basis) with reputable insurers in respect of such of their respective Properties, in such amounts and against such risks as is customarily maintained by other Persons of similar size engaged in similar businesses or, self-insure to the extent that is customary for Persons of similar size engaged in similar businesses.

Section 4.18 Security Interest. Each Credit Party has authorized the filing of financing statements sufficient when filed to perfect the Lien created by the Security Documents to the extent such Lien can be perfected by filing financing statements. When such financing statements are filed in the offices noted therein, the Administrative Agent will have, for the benefit of the Secured Parties, a valid and perfected security interest in all Collateral that is capable of being perfected by filing financing statements (excluding, for perfection purposes, the Excluded Perfection Collateral).

Section 4.19 OFAC; Anti-Terrorism.

(a) None of (i) the Credit Parties, (ii) any of their Subsidiaries, (iii) any director, officer, or employee of any of the foregoing, or (iv) to the knowledge of the Borrower, any agent or other person acting on behalf of the Credit Parties or any of their Subsidiaries, has taken any action, directly or indirectly, that could result in a violation by such persons of the FCPA or any other applicable Anti-Corruption Law; and the Credit Parties have instituted and maintain policies and procedures designed to promote and achieve continued compliance therewith.

(b) None of (i) the Credit Parties, (ii) any of their Subsidiaries, (iii) any director, officer or employee of any of the foregoing, or (iv) to the knowledge of the Borrower, any agent or affiliate of the Credit Parties or any of their Subsidiaries, is an individual or entity that is, or is owned or controlled by Persons that are: (i) the target of any sanctions administered or enforced by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty' s Treasury, or other relevant sanctions authority (collectively, "***Sanctions***"), or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions).

(c) The Borrower will not, directly or, to the Borrower' s knowledge, indirectly, use the proceeds of the Advances or Letters of Credit, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any party.

Section 4.20 Solvency. Upon consummation of the Closing Date Acquisition and before and after giving effect to the making of each Credit Extension, the Credit Parties are, when taken as a whole, Solvent.

Section 4.21 Intellectual Property; Licenses, Etc. Each Credit Party owns, or possesses the right to use, all of the trademarks, trademark rights, service marks, trade names, trade name rights, copyrights, patents, patent rights, licenses and other intellectual property rights (collectively, "*IP Rights*") that are reasonably necessary for the operation of their respective businesses or that are material to the conduct of its business. To the best knowledge of the Borrower, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the Borrower or any Subsidiary infringes upon any rights held by any other Person in a manner that would reasonably be expected to result in a Material Adverse Change. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Borrower, threatened, against any Credit Party, or their use thereof, which, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change.

ARTICLE V
AFFIRMATIVE COVENANTS

So long as any Obligation shall remain unpaid, any Lender shall have any Commitment hereunder, or there shall exist any Letter of Credit Exposure (unless such Letter of Credit Exposure shall have been Cash Collateralized on terms and in amounts reasonably acceptable to the Issuing Lender), each Credit Party agrees to comply with the following covenants.

Section 5.1 Organization. Each Credit Party shall, and shall cause each of its respective Subsidiaries to, preserve and maintain its partnership, limited liability company or corporate existence, rights, franchises and privileges in the jurisdiction of its organization. Each Credit Party shall, and shall cause each of its respective Subsidiaries to qualify and remain qualified as a foreign business entity in

each jurisdiction in which qualification is necessary or desirable in view of its business and operations or the ownership of its Properties, except where failure to so qualify could not reasonably be expected to result in a Material Adverse Change. Nothing contained in this Section 5.1 shall prevent any transaction permitted by Section 6.7 or Section 6.8.

Section 5.2 Reporting.

(a) Annual Financial Reports. The Borrower shall provide, or shall cause to be provided, to the Administrative Agent, as soon as available, but in any event within 120 days after the end of each fiscal year of the Borrower ending on or after December 31, 2014, (i) consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, such consolidated statements to be audited and accompanied by a report and opinion of any independent certified public accountant of nationally or regionally recognized standing reasonably acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with GAAP and shall not be subject to any "going concern" or like qualification or exception (other than with respect to, or resulting from, (i) the occurrence of the scheduled Maturity Date within one year from the date such opinion is delivered or (ii) any potential inability to satisfy any of the financial maintenance covenants set forth in Section 6.16 or 6.17 on a future date or in a future period) or any qualification or exception as to the scope of such audit, and such consolidated statements to be certified by the chief executive officer, chief financial officer, director of finance or controller of the Borrower to the effect that such statements fairly present, in all material respects, the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP.

(b) Quarterly Financial Reports. The Borrower shall provide, or shall cause to be provided, to the Administrative Agent, as soon as available, but in any event within 60 days after the end of the fiscal quarter ending June 30, 2014 and thereafter within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (commencing with the fiscal quarter ending September 30, 2014), (i) a consolidated and consolidating balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the Borrower' s fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, such statements to be certified by the chief executive officer, chief financial officer, director of finance or controller of the Borrower as fairly presenting, in all material respects, the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year- end audit adjustments and the absence of footnotes.

(c) Monthly Financial Reports; Available Cash Report. The Borrower shall provide, or shall cause to be provided, to the Administrative Agent, as soon as available, but in any event within 30 days after the end of each calendar month (commencing with January 2016) and other than for a calendar month occurring at a fiscal quarter end, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such month, and the related consolidated statements of income or operations for such month and for the portion of the Borrower' s fiscal year then ended and monthly and year-to-date cash flow statements, setting forth in each case in comparative form (commencing with January 2017) the figures for the corresponding month of

the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, such consolidated statements to be certified by the chief executive officer, chief financial officer, director of finance or controller of the Borrower as fairly presenting the financial condition and results of operations of the Borrower and its Subsidiaries, in all material respects, in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes. In addition to the foregoing, on the first Business Day of each month, the Borrower shall provide to the Administrative Agent a certification of the Available Cash on the last Business Day of such preceding month.

(d) Compliance Certificate. Concurrently with the delivery of the financial statements referred to in Section 5.2(a) and (b) above, the Borrower shall provide to the Administrative Agent a duly completed Compliance Certificate signed by a Responsible Officer of the Borrower and attaching thereto detailed supporting information for the calculations made thereunder.

(e) Annual Budget. As soon as available and in any event within 60 days after the end of each fiscal year of the Borrower, commencing with the fiscal year 2014, the Borrower shall provide to the Administrative Agent an annual budget consisting of projected balance sheets, income statements and cash flow statements for the immediately following fiscal year and reasonably detailed on a quarterly basis.

(f) Borrowing Base Certificate. As soon as available and in any event within 30 days after the end of each calendar month (commencing with January 2016), the Borrower shall provide to the Administrative Agent, a certificate of the chief financial officer, chief executive officer, director of finance or controller of the Borrower, or any other Responsible Officer of the Borrower reasonably acceptable to the Administrative Agent, in any event, on behalf of the Borrower calculating the Borrowing Base, in the form of the Borrowing Base Certificate then in effect as of the end of such calendar month, including therein, among other things: (i) a monthly accounts receivable aging and accounts payables aging report of the Credit Parties including grand totals, and (ii) a schedule detailing the Inventory of the Credit Parties and showing (A) the location (or if in transit), (B) product type, (C) volume on hand, (D) cost or market value, and (E) reports of any variances or other results of Inventory counts performed by the Borrower or any Subsidiary since the last Inventory schedule (including information regarding sales or other reductions, additions, returns, credits issued by any such parties and all claims, counterclaims, deductions, defenses, setoffs or disputes against any such parties by the Account Debtor).

(g) Certificated Equipment. As soon as available and in any event within 30 days after the end of each calendar month (commencing with January 2016), the Borrower shall provide, or shall cause to be provided, to the Administrative Agent a report or reports listing all of the Credit Parties' Certificated Equipment, and setting forth (i) the state in which such Certificated Equipment is titled, (ii) whether delivered to the Administrative Agent (or its designated agent) and whether the Administrative Agent is named as the holder of the first Lien on such Certificated Equipment' s certificate of title, and (iii) a list of Certificated Equipment sold and a list of Certificated Equipment acquired since the as of date of the preceding equipment report; provided that, the timely delivery of such report directly from the third party agent that is tasked to note the Administrative Agent' s name on certificates of title shall satisfy the Borrower' s obligation under this clause (g) so long as such report lists all of the Credit Parties' Certificated Equipment.

(h) Defaults. The Credit Parties shall provide to the Administrative Agent promptly, but in any event within five Business Days after a Responsible Officer of any Credit Party obtains knowledge thereof, a notice of any Default or Event of Default, together with a statement of a Responsible Officer of the Borrower setting forth the details of such Default or Event of Default and the actions which the Credit Parties have taken and propose to take with respect thereto.

(i) Other Creditors. The Credit Parties shall provide to the Administrative Agent promptly after the giving or receipt thereof, copies of any material default notices given or received by the Borrower or by any of its Subsidiaries pursuant to the terms of any indenture, loan agreement, credit agreement, or similar agreement evidencing Debt in an amount in excess of $2,000,000.

(j) Litigation. The Credit Parties shall provide to the Administrative Agent promptly after the commencement thereof, notice of all actions, suits, and proceedings before any Governmental Authority, affecting the Borrower or any Subsidiary that could reasonably be expected to result in a Material Adverse Change.

(k) Environmental Notices. Promptly upon, and in any event no later than 15 days after, the receipt thereof, or the acquisition of knowledge thereof, by any Responsible Officer of a Credit Party, the Credit Parties shall provide the Administrative Agent with a copy of any form of request, claim, complaint, order, notice, summons or citation received from any Governmental Authority or any other Person, (i) concerning violations or alleged violations of Environmental Laws, which seeks to impose liability therefore in excess of $2,000,000, (ii) concerning any action or omission on the part of any of the Credit Parties or any of their former Subsidiaries in connection with Hazardous Waste or Hazardous Substances which could reasonably result in the imposition of liability in excess of $2,000,000 or requiring that action be taken to respond to or clean up a Release of Hazardous Substances or Hazardous Waste into the environment and such action or clean-up could reasonably be expected to exceed $2,000,000, including without limitation any information request related to, or notice of, potential responsibility under CERCLA which could reasonably result in the imposition of liability in excess of $2,000,000, or (iii) concerning the filing of a Lien (other than a Permitted Lien) upon, against or in connection with the Borrower, any Subsidiary, or any of their respective former Subsidiaries, or any of their leased or owned Property, wherever located pursuant to any Environmental Law.

(l) Material Changes. The Credit Parties shall provide to the Administrative Agent prompt written notice of any condition or event of which any Responsible Officer of any Credit Party obtains knowledge and which could reasonably be expected to result in a Material Adverse Change.

(m) Termination Events. As soon as possible and in any event (i) within 30 days after the Borrower or any member of the Controlled Group knows that any Termination Event described in clause (a) of the definition of Termination Event with respect to any Plan has occurred, and (ii) within 10 days after the Borrower or any member of the Controlled Group knows that any other Termination Event with respect to any Plan has occurred, the Credit Parties shall provide to the Administrative Agent a statement of a Responsible Officer of the Borrower describing such Termination Event and the action, if any, which the Borrower or any Affiliate of the Borrower proposes to take with respect thereto.

(n) Termination of Plans. Promptly and in any event within five Business Days after receipt thereof by the Borrower or any member of the Controlled Group from the PBGC, the Credit Parties shall provide to the Administrative Agent copies of each notice received by the Borrower or any such member of the Controlled Group of the PBGC' s intention to terminate any Plan or to have a trustee appointed to administer any Plan.

(o) Other ERISA Notices. Promptly and in any event within five Business Days after receipt thereof by the Borrower or any member of the Controlled Group from a Multiemployer Plan sponsor, the Credit Parties shall provide to the Administrative Agent a copy of each notice received by the Borrower or any member of the Controlled Group concerning the imposition or amount of withdrawal liability imposed on the Borrower or any member of the Controlled Group pursuant to Section 4202 of ERISA.

(p) Other Governmental Notices. Promptly and in any event within five Business Days after receipt thereof by the Borrower or any Subsidiary, the Credit Parties shall provide to the Administrative Agent a copy of any notice, summons, citation, or proceeding seeking to modify, revoke, or suspend any material contract, license, permit, or agreement with any Governmental Authority, the modification, revocation or suspension of which could reasonably be expected to result in a Material Adverse Change.

(q) Disputes; etc. The Credit Parties shall provide to the Administrative Agent prompt written notice of (i) any claims, legal or arbitration proceedings, proceedings before any Governmental Authority, or disputes, or to the knowledge of any Credit Party, any such actions threatened, or affecting the Borrower or any Subsidiary, in any event, which could reasonably be expected to result in a Material Adverse Change, or any material labor controversy of which any Credit Party has knowledge resulting in or reasonably considered to be likely to result in a strike against the Borrower or any Subsidiary, and (ii) any claim, judgment, Lien or other encumbrance (other than a Permitted Lien) affecting any Property of the Borrower or any Subsidiary, if the value of the claim, judgment, Lien, or other encumbrance affecting such Property shall exceed $2,000,000.

(r) Management Letters; Other Accounting Reports. Promptly upon receipt thereof (to the extent permitted by the Borrower' s auditors), the Credit Parties shall provide to the Administrative Agent a copy of each "management letter" submitted to the Borrower or any Subsidiary by independent accountants in connection with any annual, interim or special audit made by them of the books of the Borrower and its Subsidiaries, and a copy of any response by the Borrower or any Subsidiary of the Borrower, or the board of directors or managers (or other applicable governing body) of the Borrower or any Subsidiary of the Borrower, to such letter.

(s) Insurance Reports; Information to/from Insurer. Promptly, and in any event no later than sixty days, after each fiscal year end, the Credit Parties shall provide to the Administrative Agent copies of all notices of material claims, changes to policy limits or insurance coverage and such other information requested by the Administrative Agent.

(t) SEC. In the event the Borrower becomes subject to SEC reporting requirements, (i) promptly after the same are available, the Credit Parties shall provide to the Administrative Agent copies of all annual, regular, periodic and special reports and registration statements which the Borrower may file or be required to file with the SEC under Section 13 or 15(d) of the Exchange Act, or with any national securities exchange, and in any case not otherwise required to be delivered to the Administrative Agent pursuant hereto, and (ii) promptly, and in any event within five (5) Business Days after receipt thereof by any Credit Party or any Subsidiary thereof, the Credit Parties shall provide to the Administrative Agent copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Credit Party or any Subsidiary thereof.

(u) Other Information. Subject to the confidentiality provisions of Section 9.8, the Credit Parties shall provide to the Administrative Agent such other information respecting the business, operations, or Property of the Borrower or any Subsidiary, financial or otherwise, as any Lender through the Administrative Agent may reasonably request.

Section 5.3 Insurance.

(a) Each Credit Party shall, and shall cause each of its Subsidiaries to, carry and maintain all such insurance in such amounts and against such risks as is customarily maintained by other Persons of similar size engaged in similar businesses and with reputable insurers.

(b) Copies of all certificates of insurance for policies covering the property or business of the Borrower and its Subsidiaries, and endorsements and renewals thereof, shall be delivered by the Borrower to and retained by the Administrative Agent. At the request of the Administrative Agent, copies of such policies of insurance, certified as true and correct copies of such documents by a Responsible Officer of the Borrower shall be delivered by the Borrower to and retained by the Administrative Agent. All policies of property insurance with respect to the Collateral either shall have attached thereto a lender' s loss payable endorsement in favor of the Administrative Agent for its benefit and the ratable benefit of the Secured Parties or name the Administrative Agent as loss payee for its benefit and the ratable benefit of the Secured Parties, in either case, in form reasonably satisfactory to the Administrative Agent, and all policies of liability insurance shall name the Administrative Agent for its benefit and the ratable benefit of the Secured Parties as an additional insured and shall provide for a waiver of subrogation in favor of the Administrative Agent. All policies or certificates of insurance shall set forth the coverage, the limits of liability, the name of the carrier, the policy number, and the period of coverage. All such policies shall contain a provision that notwithstanding any contrary agreements between the Borrower, its Subsidiaries, and the applicable insurance company, such policies will not be canceled or allowed to lapse without renewal without at least 30 days' (or such shorter period as such insurance company may require and which is acceptable to the Administrative Agent) prior written notice to the Administrative Agent.

(c) If at any time the area in which any real Property constituting Collateral (to the extent any "buildings" or "mobile home" (as defined in Regulation H of the Federal Reserve Board) is situated on real Property) is located is designated a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), the Borrower shall, and shall cause each other Credit Party to, obtain flood insurance in such total amount as required by Regulation H of the Federal Reserve Board, as from time to time in effect and all official rulings and interpretations thereunder or thereof, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time.

(d) Prior to the occurrence and continuance of an Event of Default, (i) up to $5,000,000 in the aggregate, of all proceeds of property insurance received by a Credit Party for the loss of Property which constitutes Collateral shall be paid directly to the applicable Credit Party to repair or replace the damaged or destroyed Property covered by such policy; provided that such Credit Party shall make such repair or replace such Property within 180 days from the receipt of such proceeds and (ii) the remaining amount of such proceeds and any amount of proceeds that were paid to such Credit Party as permitted under clause (i) above and not used toward the repair or replacement of such Property within the 180 days required under such clause (i), shall be paid directly to the Administrative Agent and if necessary, assigned to the Administrative Agent to be, at the election of the Administrative Agent, (A) applied in

accordance with Section 7.6(a) of this Agreement, whether or not the Secured Obligations are then due and payable, or (B) returned to such Credit Party to repair or replace the damaged or destroyed Property covered by such policy or to make such other Investments permitted under Section 6.3 of this Agreement.

(e) After the occurrence and during the continuance of an Event of Default, if requested by the Administrative Agent, all proceeds of insurance of any Credit Party, including any casualty insurance proceeds, property insurance proceeds, proceeds from actions, and any other proceeds, shall be paid directly to the Administrative Agent and if necessary, assigned to the Administrative Agent, to be applied in accordance with Section 7.6(b) of this Agreement, whether or not the Secured Obligations are then due and payable.

(f) In the event that any insurance proceeds are paid to any Credit Party in violation of clause (d) or clause (e), such Credit Party shall hold the proceeds in trust for the Administrative Agent, segregate the proceeds from the other funds of such Credit Party, and promptly pay the proceeds to the Administrative Agent with any necessary endorsement. Upon the request of the Administrative Agent, each Credit Party shall execute and deliver to the Administrative Agent any additional assignments and other documents as may be necessary to enable the Administrative Agent to directly collect the proceeds as set forth herein.

Section 5.4 Compliance with Laws. Each Credit Party shall, and shall cause each of its Subsidiaries to, comply with Legal Requirements (including Environmental Laws) which are applicable to such Person, including the operations, business or Property of such Person and maintain all related permits necessary for the ownership and operation of such Person' s Property and business, except in any case where the failure to so comply could not reasonably be expected to result in a Material Adverse Change.

Section 5.5 Taxes. Each Credit Party shall, and shall cause each of its Subsidiaries to pay and discharge all material Taxes, assessments, and other charges and claims related thereto imposed on the Borrower or any of its Subsidiaries prior to the date on which penalties attach other than any Tax, assessment, charge, or claims which is being contested in good faith and for which adequate reserves have been established in compliance with GAAP.

Section 5.6 Security.

(a) The Borrower agrees that at all times before Security Termination, the Administrative Agent shall have an Acceptable Security Interest in the applicable Collateral as required below, subject to any permitted releases pursuant to the terms of this Agreement or the Security Documents, to secure the performance and payment of the Secured Obligations as set forth in the Security Documents. The Borrower shall, and shall cause each Subsidiary to take such actions, including execution and delivery of any Security Documents necessary to create, perfect and maintain an Acceptable Security Interest in favor of the Administrative Agent in the following Properties, whether now owned or hereafter acquired: (i) all Equity Interests issued by any Domestic Subsidiary and held by a Domestic Subsidiary; (ii) 65% of Voting Securities and 100% of Equity Interests that are not Voting Securities issued by First Tier Foreign Subsidiaries which are owned by the Borrower or any Domestic Subsidiary; and (iii) all other Properties of the Credit Parties and their respective Subsidiaries other than Excluded Properties. For the avoidance of doubt, notwithstanding the preceding provisions of this Section 5.6 or any other provisions of the Credit Documents, (i) neither the Borrower nor any Domestic Subsidiary shall be required to grant any security interest in the Equity Interests of any Foreign Subsidiary except 65% of the outstanding Voting Securities and 100% of the Equity Interests that are not Voting Securities in any First Tier Foreign Subsidiary and (ii) DIT shall not be required to comply with this Section 5.6 until such time as it becomes a wholly-owned Subsidiary of the Borrower.

(b) Notwithstanding the generality of the foregoing Section 5.6(a), (x) with respect to each real property (other than Excluded Real Property) owned by a Credit Party on the Amendment No. 4 Effective Date, the Credit Parties shall provide the following to the Administrative Agent within 90 days after the Amendment No. 4 Effective Date (or such later date as may be agreed by the Administrative Agent in its sole discretion), and (y) with respect to each real property (other than Excluded Real Property) acquired by a Credit Party after the Amendment No. 4 Effective Date, the Credit Parties shall provide the following to the Administrative Agent within 30 days after such acquisition (or such later date as may be agreed by the Administrative Agent in its sole discretion):

(i) fully executed Mortgages covering such real property;

(ii) at least five (5) Business Days prior to granting a Lien to the Administrative Agent thereon, if applicable, flood determination certificates and, if applicable, flood insurance as required under Section 5.3(c) above; and

(iii) satisfactory Lien searches from the counties in which such real property is located and, if necessary, releases for Liens reflected thereon that are not Permitted Liens.

Section 5.7 New Subsidiaries. The Borrower shall deliver to the Administrative Agent each of the items set forth in Schedule 5.7 attached hereto with respect to each Subsidiary created or acquired after the Closing Date to the extent required in Schedule 5.7 and subject to the grace periods set forth therein. Notwithstanding the foregoing, DIT shall not be required to deliver the items set forth on Schedule 5.7 until such time as it becomes a wholly-owned Subsidiary of the Borrower.

Section 5.8 Records; Inspection. Each Credit Party shall, and shall cause each of its Subsidiaries to, maintain in all material respects proper, complete and consistent books of record with respect to such Person' s operations, affairs, and financial condition. From time to time upon reasonable prior notice, each Credit Party shall permit any Lender and shall cause each of its Subsidiaries to permit any Lender, at such reasonable times and intervals and to a reasonable extent and under the reasonable guidance of officers of or employees delegated by officers of such Credit Party or such Subsidiary, to, subject to any applicable confidentiality considerations, examine and copy the books and records of such Credit Party or such Subsidiary, to visit and inspect the Property of such Credit Party or such Subsidiary, and to discuss the business operations and Property of such Credit Party or such Subsidiary with the officers and directors thereof (provided that, so long as no Event of Default has occurred and is continuing, the Lenders shall be entitled to only one such visit per year coordinated by the Administrative Agent).

Section 5.9 Maintenance of Property. Each Credit Party shall, and shall cause each of its Subsidiaries to, maintain their owned, leased, or operated material Property, taken as a whole, in good condition and repair, except for normal wear and tear; and shall abstain from, and cause each of its Subsidiaries to abstain from, knowingly or willfully permitting the commission of waste or other injury, destruction, or loss of natural resources, or the occurrence of pollution, contamination, or any other condition in, on or about the owned or operated Property involving the Environment that could reasonably be expected to result in Response activities and that could reasonably be expected to result in a Material Adverse Change.

Section 5.10 Deposit Accounts; Securities and Commodity Accounts.

(a) Each Credit Party shall, and shall cause each of its Subsidiaries to, from and after 60 days following the Amendment No. 4 Effective Date (or such later date as may be extended by the Administrative Agent in its sole discretion from time to time) (i) maintain its primary operating accounts and other deposit accounts in the United States with Wells Fargo or with any other Lender and cause such accounts with Wells Fargo or any other Lender to be subject to Account Control Agreements, provided that, the requirements of this clause (a)(i) shall not apply to (x) deposit accounts that are designated solely as accounts for, and are used solely for, payment of salaries, wages, workers' compensation, 401(k) or other employee benefit accounts, escrow accounts in favor of a third party, or other funds on deposit for the benefit of third parties for transactions not restricted by this Agreement or (y) deposit accounts that are used solely for petty cash accounts with an aggregate amount on deposit for all such petty cash accounts not to exceed $250,000, and (ii) deposit all proceeds of Eligible Receivables which were considered in calculating the then effective Borrowing Base into one or more of the deposit accounts with the Administrative Agent or Lender that are subject to Account Control Agreements.

(b) Each Credit Party shall, and shall cause each of its Subsidiaries to, from and after 60 days following the Amendment No. 4 Effective Date (or such later date as may be extended by the Administrative Agent in its sole discretion from time to time) maintain all securities accounts and all commodities accounts of Credit Parties subject to Account Control Agreements.

Section 5.11 Appraisals; Field Exams.

(a) Requested Appraisals. The Borrower shall, and shall cause its Subsidiaries to, cooperate with the Administrative Agent, or its designee, in order for an industry recognized third party appraiser engaged and directed by the Administrative Agent to conduct an appraisal solely for the benefit of the Administrative Agent and the Lenders but at the Credit Parties' sole cost and expense, which written appraisal may cover information as requested by the Administrative Agent, including, but not limited to, a detailed NOLV for machinery, parts, Equipment and other fixed assets of the Borrower and the other Credit Parties, together with a specified procedures letter from such appraiser satisfactory to the Administrative Agent; provided that, unless an Event of Default has occurred and is continuing, the Borrower shall bear the cost of only one such appraisal per fiscal year.

(b) Field Exam. The Borrower shall, and shall cause its Subsidiaries to, permit the Administrative Agent to, at any reasonable time and upon reasonable prior notice, and from time to time upon request by the Administrative Agent with reasonable notice, perform a field inspection of the books, records and asset value of the accounts receivable and inventory of the Borrower and its Subsidiaries, including an audit, verification and inspection of the accounts receivable and inventory of the applicable Borrower and its Subsidiaries and, in any event, conducted by the Administrative Agent or any other Person selected by the Administrative Agent; provided that, unless an Event of Default has occurred and is continuing, the Borrower shall bear the cost of only two such field exams per fiscal year.

(c) Event of Default; Beneficiary. If an Event of Default has occurred and is continuing, the Administrative Agent may perform any additional collateral audits, appraisals and field exams, and all such collateral audits, appraisals and field exams shall be performed at the Borrower' s sole cost and expense. Notwithstanding anything herein to the contrary, (i) no Credit Party nor any Affiliate thereof nor any of the foregoing' s respective equity holders are intended to, and no such Person shall be, third party beneficiaries of any audits, appraisals, field exams or

collateral audit conducted by any Secured Party or any other Person at the direction of any Secured Party, (ii) no Secured Party is obligated to share any such material or information with any Person other than the directly intended and express beneficiary thereof and (iii) as a condition to any disclosure of such material or information which a Secured Party may, but is not obligated to, provide, the applicable Secured Party may require that the Borrower execute and deliver a confidential, non-reliance, or other disclosure agreement in form and substance acceptable to the disclosing Secured Party (which agreement would not go into effect until the delivery of the applicable audit, appraisal or field exam).

Section 5.12 Further Assurances. Each Credit Party shall, and shall cause each Subsidiary to, cure promptly any defects in the execution and delivery of the Credit Documents. The Credit Parties hereby authorize the Administrative Agent to file any financing statements to the extent permitted by applicable Legal Requirements in order to perfect or maintain the perfection of any security interest granted under any of the Credit Documents. Each Credit Party at its expense will, and will cause each Subsidiary to, promptly execute and deliver to the Administrative Agent upon reasonable request by the Administrative Agent all such other documents, agreements and instruments to perfect, protect or preserve any Liens created pursuant to any of the Security Documents, or to make any recordings or to file any notices, all as may be necessary or appropriate in connection therewith or to enable the Administrative Agent to exercise and enforce its rights and remedies with respect to any Collateral.

Section 5.13 Designation of Senior Debt. The Borrower shall, and shall cause each Subsidiary to, designate all Obligations as "designated senior indebtedness" under any subordinated note or indenture documents applicable to it, to the extent provided for therein.

Section 5.14 Certificated Equipment.

(a) On or before 60 days following the Amendment No. 4 Effective Date (or such later date as the Administrative Agent may agree), with respect to each piece of Certificated Equipment owned by a Credit Party on the Amendment No. 4 Effective Date (other than as to Excepted Certificated Equipment), each applicable Credit Party shall cause the original certificate of title for such Certificated Equipment to name the Administrative Agent as the holder of the first priority Lien thereon and shall deliver a copy of such certificate of title to the Administrative Agent (or its designated agent) with such notation.

(b) As to each piece of Certificated Equipment (other than Excepted Certificated Equipment) purchased by a Credit Party after the Amendment No. 4 Effective Date, (i) each applicable Credit Party shall cause the original certificate of title for such Certificated Equipment to name the Administrative Agent as the holder of the first priority Lien thereon and shall deliver a copy of such certificate of title to the Administrative Agent (or its designated agent) with such notation within 30 days after such purchase (or such later date as the Administrative Agent may agree).

Section 5.15 FCPA; Sanctions. Each Credit Party will maintain in effect policies and procedures designed to promote compliance by each Credit Party and their respective directors, officers, employees, and agents with the FCPA and any other applicable Anti-Corruption Laws and applicable Sanctions.

ARTICLE VI
NEGATIVE COVENANTS

So long as any Obligation shall remain unpaid, any Lender shall have any Commitment hereunder, or there shall exist any Letter of Credit Exposure (unless such Letter of Credit Exposure shall have been Cash Collateralized on terms and in amounts reasonably acceptable to the Issuing Lender), each Credit Party agrees to comply with the following covenants:

Section 6.1 Debt. No Credit Party shall, nor shall it permit any of its Subsidiaries to, create, assume, incur, suffer to exist, or in any manner become liable, directly, indirectly, or contingently in respect of, any Debt other than the following (collectively, the "***Permitted Debt***"):

(a) (i) the Obligations and (ii) the Banking Services Obligations;

(b) [Reserved];

(c) intercompany Debt incurred by any Credit Party owing to any other Credit Party;

(d) purchase money debt or Capital Leases (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the penultimate paragraph of this Section 6.1), subject to the limitations in the last paragraph of this Section 6.1;

(e) Hedging Arrangements permitted under Section 6.15;

(f) Debt arising from the endorsement of instruments for collection in the ordinary course of business;

(g) [Reserved];

(h) a guaranty of Debt so long as such underlying Debt is otherwise permitted under this Section 6.1; provided that, for the avoidance of doubt, such guaranty shall also be subject to the limitations of such underlying Debt;

(i) [Reserved];

(j) Debt arising from the financing of insurance premium of the Borrower or any Subsidiary, so long as (i) the principal amount of such Debt shall not be in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the underlying term of such insurance policy, (ii) is otherwise on customary terms, and (iii) the aggregate principal amount of Debt at any time outstanding pursuant to this clause (j) shall not exceed $5,000,000;

(k) secured Debt not otherwise permitted under the preceding provisions of this Section 6.1 (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the penultimate paragraph of this Section 6.1); provided that, (i) such Debt is subject to the limitations in the last paragraph of this Section 6.1 and (ii) the Properties encumbered by any Lien securing such Debt shall not be Collateral or any Property that is required to be Collateral under Section 5.6;

(l) unsecured Debt in respect of Investments permitted by Section 6.3(d), Section 6.3(e) and Section 6.3(n);

(m) unsecured Debt not otherwise permitted under the preceding provisions of this Section 6.1 (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the penultimate paragraph of this Section 6.1); provided that, the aggregate outstanding principal amount of Debt permitted under this clause (m) shall not exceed $2,500,000 at any time; and

(n) Debt constituting earn-out obligations, contingent obligations or similar contingent obligations of the Borrower or any Subsidiary arising from or relating to the Closing Date Acquisition or a Permitted Acquisition; provided that, the aggregate outstanding principal amount of Debt permitted under this clause (n) shall not exceed $2,500,000 at any time.

Any extensions, refinancings, refundings, replacements and renewals of Debt as permitted above in this Section 6.1 shall be subject to the following conditions: (A) any such refinancing Debt is in an aggregate principal amount not greater than the aggregate principal amount of the Debt being renewed or refinanced, plus the amount of any premiums required to be paid thereon and reasonable fees and expenses associated therewith and an amount equal to any unutilized active commitment under the Debt being renewed or refinanced and (B) the covenants, events of default, subordination and other provisions thereof (including any guarantees thereof) shall be, in the aggregate, no less favorable to the Lenders than those contained in the Debt being renewed or refinance; provided that, the foregoing conditions are not, and shall not be construed as, an increase in any dollar limit already provided in Section 6.1 above nor an amendment of any specific requirement set forth in Section 6.1 above, including the specific requirements under clause (j) above.

Notwithstanding anything herein to the contrary, Debt permitted under clause (d) and (k) is further limited to (y) Debt created, assumed, incurred, or in any other manner arising during the fiscal year ending December 31, 2016 in an aggregate outstanding amount not in excess of $10,000,000 (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the foregoing sentence); and (z) Debt created, assumed, incurred, or in any other manner arising during the fiscal year ending December 31, 2017 in an aggregate outstanding amount not in excess of $10,000,000 (including extensions, refinancings, refundings, replacements and renewals of thereof subject to the foregoing sentence).

Section 6.2 Liens. No Credit Party shall, nor shall it permit any of its Subsidiaries to, create, assume, incur, or suffer to exist any Lien on the Property of any Credit Party or any Subsidiary, whether now owned or hereafter acquired, or assign any right to receive any income, other than the following (collectively, the "***Permitted Liens***"):

(a) Liens securing the Secured Obligations pursuant to the Security Documents;

(b) Liens imposed by law, such as materialmen' s, mechanics' , carriers' , workmen' s and repairmen' s liens, landlord' s liens and other similar liens, and such Liens granted under contract with such materialmen, mechanic, carrier, workmen, repairmen and landlord, in any case, arising in the ordinary course of business securing obligations which are not overdue for a period of more than 30 days or are being contested in good faith by appropriate procedures or proceedings and for which adequate reserves have been established in accordance with GAAP;

(c) Liens arising in the ordinary course of business out of pledges or deposits under workers compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation to secure public or statutory obligations;

(d) Liens for taxes, assessments, or other governmental charges which are not yet due and payable or which are being actively contested in good faith by appropriate proceedings;

(e) Liens securing purchase money debt or Capital Lease obligations permitted under Section 6.1(d); provided that each such Lien encumbers only the Property purchased in connection with the creation of any such purchase money debt or the subject of any such Capital Lease, and all proceeds thereof (including insurance proceeds);

(f) Liens arising from precautionary UCC financing statements regarding operating leases;

(g) encumbrances consisting of easements, zoning restrictions, servitudes or other restrictions on the use of real property that do not (individually or in the aggregate) materially affect the value of the assets encumbered thereby or materially impair the ability of any Credit Party to use such assets in its business;

(h) Liens arising solely by virtue of any statutory or common law provision relating to banker' s liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a depository institution;

(i) Liens on cash or securities pledged to secure performance of tenders, surety and appeal bonds, government contracts, performance and return of money bonds, bids, trade contracts, leases, statutory obligations, regulatory obligations and other obligations of a like nature incurred in the ordinary course of business;

(j) judgment and attachment Liens not giving rise to an Event of Default, provided that (i) any appropriate legal proceedings which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such proceeding may be initiated shall not have expired and (ii) no action to enforce such Lien has been commenced;

(k) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into in the ordinary course of business or Liens arising by operation of law under Article 2 of the UCC or by contract in favor of a reclaiming seller of goods or buyer of goods (including purchase money security interests in favor of vendors in the ordinary course of business);

(l) Liens solely on cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted hereunder;

(m) Liens arising by reason of deposits with or giving of any form of security to any Governmental Authority for any purpose at any time as required by applicable law as a condition to the transaction of any business or the exercise of any privilege or license;

(n) Liens created pursuant to joint venture agreements and related documents (to the extent requiring a Lien on the Equity Interest owned by the Borrower or any Subsidiary in the applicable Joint Venture is required thereunder) having ordinary and customary terms (including with respect to Liens) and entered into in the ordinary course of business and securing obligations other than Debt;

(o) Liens encumbering Property of the Borrower and its Subsidiaries which is not Collateral or Property required to be Collateral under Section 5.6 and securing Debt permitted under Section 6.1(k);

(p) Liens on Property of a Person which becomes a Subsidiary after the date hereof, to the extent that (i) such Liens are in existence at the time such Person becomes a Subsidiary and were not created in anticipation thereof, (ii) the Debt secured by such Liens does not thereafter increase in amount and is permitted hereunder, and (iii) for the avoidance of doubt, such Liens encumber only such Property owned by such Person prior to such Person becoming a Subsidiary and proceeds thereof;

(q) Liens existing as of the date hereof and set forth on Schedule 6.2; and

(r) Liens in favor of insurers (or other Persons financing the payment of insurance premiums) securing Debt of the type described in and permitted under Section 6.1(j); provided that such Liens shall encumber only the unearned premiums or other proceeds of the insurance financed thereby.

Section 6.3 Investments. No Credit Party shall, nor shall it permit any of its Subsidiaries to, make or hold any Investment other than the following (collectively, the "***Permitted Investments***"):

(a) Investments in the form of trade credit to customers of the Borrower or its Subsidiaries arising in the ordinary course of business and represented by accounts from such customers;

(b) Liquid Investments;

(c) Investments made prior to the Closing Date as specified in the attached Schedule 6.3; provided that, the respective amounts of such loans, advances, capital contributions, investments, purchases and commitments shall not be increased (other than as a result of appreciation);

(d) [Reserved];

(e) Investments by any Credit Party in any other Credit Party;

(f) Investments in the form of Permitted Acquisitions; provided that, if such Permitted Acquisition involves a Subsidiary, such Acquisition otherwise complies with this Agreement, including Section 5.6 and Section 5.7;

(g) creation of additional Domestic Subsidiaries in compliance with Section 5.6 and Section 5.7;

(h) loans or advances to directors, officers and employees of the Borrower or any Subsidiary for expenses or other payments incident to such Person' s employment or association with the Borrower or any Subsidiary; provided that the aggregate outstanding amount of such advances and loans shall not exceed $1,000,000;

(i) Investments (including debt obligations and Equity Interests) and other assets received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement or delinquent obligations of, or other disputes with, customers and suppliers arising in the ordinary course of business or received upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(j) Investments in the form of mergers and consolidations of the Borrower and its Subsidiaries in compliance with Section 6.7(a); provided that, if such Investment involves a Subsidiary, such Investment otherwise complies with this Agreement, including Section 5.6 and Section 5.7;

(k) Capital Expenditures permitted under Section 6.18;

(l) Investments to the extent made with Equity Issuance Proceeds so long as (i) no Default exists both before and after giving effect to such Investment, (ii) such Investment is on an arm' s-length basis for no more than fair market value and (iii) such Investment is made with Equity Issuance Proceeds received prior to or contemporaneously with such Investment, which Equity Issuance Proceeds were intended to be used for such Investment and were not applied in increasing EBITDA for purposes of Section 7.7;

(m) Investments in DIT in an aggregate amount not to exceed $3,000,000; and

(n) other Investments in an aggregate outstanding amount not to exceed $2,000,000 (other than as a result of appreciation), during the term hereof.

For the avoidance of doubt, any Investment that also constitutes an Acquisition must be permitted under this Section 6.3 and under Section 6.4 below.

Section 6.4 Acquisitions. No Credit Party shall, nor shall it permit any of its Subsidiaries to, make an Acquisition in a single transaction or related series of transactions other than:

(a) mergers, amalgamations and consolidations permitted by Section 6.7(a);

(b) the Closing Date Acquisition on the terms set forth in the Closing Date Acquisition Agreement;

(c) any Equity Funded Acquisition so long as (i) no Default exists both before and after giving effect to such Acquisition, (ii) such Acquisition is from an unrelated third party and on an arm' s-length basis for no more than fair market value and is not hostile, and (iii) such Acquisition is made with Equity Issuance Proceeds received prior to or contemporaneously with such Acquisition, which Equity Issuance Proceeds were intended to be used for such Acquisition.

Section 6.5 Agreements Restricting Liens. No Credit Party shall, nor shall it permit any of its Subsidiaries to, create, incur, assume or permit to exist any contract, agreement or understanding which in any way prohibits or restricts the granting, conveying, creation or imposition of any Lien on any of its Property, whether now owned or hereafter acquired, to secure the Secured Obligations or restricts any Subsidiary from paying Restricted Payments to the Borrower, or which requires the consent of or notice to other Persons in connection therewith other than:

(a) this Agreement and the Security Documents;

(b) agreements governing Debt permitted by Section 6.1(d) to the extent such restrictions govern only the assets financed pursuant to such Debt and the proceeds thereof;

(c) agreements governing Debt permitted by Section 6.1(i) and (k) to the extent such restrictions do not apply to Collateral or Properties which are required to be Collateral under Section 5.6 and such agreements do not require the direct or indirect granting of any Lien securing such Debt or other obligation by virtue of the granting of Liens on or pledge of Collateral to secure the Secured Obligations;

(d) any prohibition or limitation that (i) exists pursuant to applicable requirements of a Governmental Authority, (ii) restricts subletting or assignment of leasehold interests contained in any lease governing a leasehold interest of a Borrower or a Subsidiary and customary provisions in other contracts restricting assignment thereof, or (iii) exists in any agreement in effect at the time a Subsidiary becomes a Subsidiary of a Borrower, so long as such agreement was not entered into in contemplation of such Person becoming a Subsidiary; and

(e) any prohibition or limitation that exists in any contract to which a Credit Party is a party on the date hereof so long as (i) such prohibition or limitation is generally applicable and does not specifically address any of the Secured Obligations or the Liens granted under the Credit Documents, and (ii) the noncompliance of such prohibition or limitation would not reasonably be expected to be adverse to any Secured Party.

Section 6.6 Use of Proceeds; Use of Letters of Credit.

(a) No Credit Party shall, nor shall it permit any of its Subsidiaries to: (a) use the proceeds of the Revolving Advances for any purposes other than (i) to refinance or repay the advances and other obligations outstanding under the Existing Credit Agreements or any other Debt outstanding on the Closing Date, (ii) for the payment of fees and expenses related to the Transactions, (iii) for working capital purposes of the Borrower and any Subsidiary, (iv) to fund the Closing Date Acquisition, and (v) for other general corporate purposes of the Borrower and any Subsidiary, including Permitted Acquisitions; or (b) use the proceeds of the Swingline Advances or the Letters of Credit for any purposes other than (i) working capital purposes of the Borrower and any Subsidiary or (ii) other general corporate purposes of the Borrower and any Subsidiary. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, use any part of the proceeds of Advances or Letters of Credit for any purpose which violates, or is inconsistent with, Regulations T, U, or X.

(b) No proceeds of any Advance or Letter of Credit shall be, directly or indirectly, used in any manner that could, after giving effect to such use, prevent the Borrower from making the representations and warranties provided in Section 4.19. No part of the proceeds of the Advances shall be used, directly or, to the Borrower' s knowledge, indirectly, in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of the FCPA or any other applicable Anti-Corruption Law. The Credit Parties shall not, directly or, to the Borrower' s knowledge, indirectly, use the proceeds of the Advances, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any party.

Section 6.7 Corporate Actions; Accounting Changes.

(a) No Credit Party shall, nor shall it permit any of its Subsidiaries to, merge, amalgamate, dissolve, liquidate or consolidate with or into any other Person after the Closing Date, except:

(i) that the Borrower may merge with any of its Subsidiaries and any Credit Party may merge or be consolidated with or into any other Credit Party; provided that immediately after giving effect to any such proposed transaction no Default would exist and, in the case of any such merger to which the Borrower is a party, the Borrower is the surviving entity;

(ii) that any Subsidiary that is not a Credit Party and is not required to become a Credit Party hereunder may merge, amalgamate or consolidate with any other Subsidiary that is not a Credit Party and is not required to become a Credit Party hereunder;

(iii) solely to effect the Nine Acquisition, the Borrower may merge with any wholly-owned subsidiary of Nine; provided that (A) immediately after giving effect to such Nine Acquisition, no Default would exist, (B) concurrently upon the closing of such Nine Acquisition, the Borrower (or the successor entity to such subsidiary merger) will be designated as an "unrestricted subsidiary", or is otherwise not liable under the Nine Credit Agreement, (C) the documentation related to such Nine Acquisition is substantially in the form reviewed by the Administrative Agent in connection with the closing of Amendment No. 5 or such other form acceptable to the Administrative Agent in its reasonable discretion, and (D) if the Borrower is not the surviving entity of such subsidiary merger, the surviving entity has entered into an assumption agreement in form and substance reasonably satisfactory to the Administrative Agent assuming all obligations of the Borrower under this Agreement and the other Loan Documents and all other Secured Obligations;

(iv) any other merger, amalgamation or consolidation as part of a Permitted Acquisition under Section 6.4(c), subject to the conditions set forth therein; and

(v) any Subsidiary may dissolve, liquidate or wind up its affairs at any time; provided the assets of any such dissolving Subsidiary become owned by a Credit Party (or if such dissolving Subsidiary is not a Credit Party, by the Borrower or any Subsidiary); and provided further that such dissolution, liquidation or winding up, as applicable, could not reasonably be expected to have a Material Adverse Change. Any such Subsidiary may effect the same by merger, amalgamation or consolidation.

(b) No Credit Party shall, nor shall it permit any of its Subsidiaries to, (i) without at least 15 days (or such shorter period as agreed to by the Administrative Agent) prior written notice to the Administrative Agent, change its name, change its state of incorporation, formation or organization, change its organizational identification number or reorganize in another jurisdiction, (ii) amend, supplement, modify or restate its articles or certificate of incorporation or formation, limited partnership agreement, bylaws, limited liability company agreements, or other equivalent organizational documents, in any manner that could reasonably be expected to be materially adverse to the Lenders, or (iii) change the method of accounting employed in the preparation of the financial statements referred to in Section 4.4 or change the fiscal year end of the Borrower unless such changes are required to conform to GAAP or such changes are to conform the accounting practices among the Borrower and its Subsidiaries and notice of such changes have been delivered to the Administrative Agent prior to effecting such changes.

Section 6.8 Disposition of Assets. No Credit Party shall, nor shall it permit any of its Subsidiaries to, make a Disposition other than:

(a) Disposition by any Subsidiary (other than a Credit Party) of any of its Properties to any Credit Party; provided that, at the reasonable request of the Administrative Agent, the receiving Credit Party shall ratify, grant and confirm the Liens on such assets (and any other related Collateral) pursuant to documentation reasonably satisfactory to the Administrative Agent;

(b) Disposition by any Credit Party of any of its Properties to any other Credit Party; provided that at the reasonable request of the Administrative Agent, the receiving Credit Party shall ratify, grant and confirm the Liens on such assets (and any other related Collateral) pursuant to documentation reasonably satisfactory to the Administrative Agent;

(c) Disposition by any Subsidiary that is not a Credit Party and is not required to become a Credit Party hereunder of any of its Properties to any other Subsidiary that is not a Credit Party and is not required to become a Credit Party hereunder;

(d) Sale of inventory in the ordinary course of business and Disposition of cash or Liquid Investments in the ordinary course of business;

(e) Disposition of worn out, obsolete or surplus property (other than surplus equipment) in the ordinary course of business and the abandonment or other Disposition of patents, trademarks and copyrights that, in the reasonable judgment of the Borrower and its Subsidiaries, should be replaced or is no longer economically practicable to maintain or useful in the conduct of the business of the Borrower and its Subsidiaries taken as a whole;

(f) mergers and consolidations in compliance with Section 6.7(a);

(g) Permitted Investments;

(h) assignments and licenses of patents, trademarks or copyrights of the Borrower and its Subsidiaries in the ordinary course of business;

(i) Disposition of any assets required under Legal Requirements;

(j) Dispositions of Equipment, including Certificated Equipment, the proceeds of which are reinvested in the acquisition of Equipment within 180 days (or within 365 days if the contract for such Equipment is entered into within the initial 180-day period) and on which the Administrative Agent has an Acceptable Security Interest; provided that, for the avoidance of doubt, to the extent such proceeds are not so reinvested within such 180 (or 365, as applicable) day period, then such Disposition is not a Disposition permitted under this clause (j);

(k) Dispositions of surplus Equipment effected after the Amendment No. 4 Effective Date; provided that, the Dispositions permitted under this clause (k) shall not exceed $2,000,000 in the aggregate based on net book value thereof;

(l) Dispositions of Equity Interests in a Joint Venture;

(m) leases of real or personal property in the ordinary course of business; and

(n) Disposition of Properties not otherwise permitted under the preceding clauses of this Section 6.8; provided that, such Disposition, taken together with all such other Dispositions completed since the Closing Date, does not exceed 2.5% of the Tangible Net Assets in the aggregate and calculated at the time of such subject Disposition.

Section 6.9 Restricted Payments. No Credit Party shall, nor shall it permit any of its Subsidiaries to, make any Restricted Payments except that:

(a) the Subsidiaries may make Restricted Payments to the Borrower or any other Credit Party;

(b) so long as no Default exists or would result from the making of such Restricted Payment, the Borrower or any Subsidiary may make cash Restricted Payments in an amount not to exceed $1,000,000 in the aggregate following the Amendment No. 4 Effective Date to existing and former officers, directors, and employees of the Borrower or such Subsidiary; provided that such Restricted Payments are in consideration for the retirement, purchase, or redemption of any of the Equity Interests of such Person, or any option, warrant or other right to purchase or acquire such Equity Interest, in any event, held by such Person; and

(c) so long as no Default exists or would result from the making of such Restricted Payment, (i) prior to the Nine Acquisition, the Borrower may make to SCF the G&A Payments in an aggregate amount not to exceed $80,000 per fiscal year and (ii) following the Nine Acquisition, the Borrower may (A) reimburse Nine for insurance premiums, payroll fundings, and other general and administrative expenses actually paid by Nine on behalf of the Borrower and (B) make other G&A Payments in an aggregate amount not to exceed $3,000,000 per fiscal year.

Section 6.10 Affiliate Transactions. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction or series of transactions (including, but not limited to, the purchase, sale, lease or exchange of Property, the making of any Investment, the giving of any guaranty, the assumption of any obligation or the rendering of any service) with any of their Affiliates that are not Credit Parties other than:

(a) such transaction or series of transactions are arm' s length transactions entered into on terms that are not materially less favorable to the Borrower or any Subsidiary, as applicable, than those that could be obtained in a comparable arm' s length transaction with a Person that is not such an Affiliate;

(b) the agreements described on Schedule 6.10; provided that the terms thereof may not be amended, supplemented or otherwise modified unless such amended, supplemented or otherwise modified terms complies with clause (a) above;

(c) the Restricted Payments permitted under Section 6.9;

(d) permitted Investments in the form of Equity Interests of Subsidiaries, including the purchase or acquisition thereof and capital contributions in connection therewith;

(e) reasonable and customary director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans); and

(f) the Nine Acquisition; provided that the documentation related to such Nine Acquisition is substantially in the form reviewed by the Administrative Agent in connection with the closing of Amendment No. 5 or such other form acceptable to the Administrative Agent in its reasonable discretion;

(g) so long as no Default exists or would result from the making of such payment, (i) prior to the Nine Acquisition, the G&A Payments to SCF in an aggregate amount not to exceed $80,000 per fiscal year and (ii) following the Nine Acquisition, the Borrower may (A) reimburse Nine for insurance premiums, payroll fundings, and other general and administrative expenses actually paid by Nine on behalf of the Borrower and (B) make other G&A Payments in an aggregate amount not to exceed $3,000,000 per fiscal year.

Section 6.11 Line of Business. No Credit Party shall, nor shall it permit any of its Subsidiaries to, change the character of the Borrower' s and its Subsidiaries collective business as conducted on the date of this Agreement, or engage in any type of business not reasonably related to, or a normal extension of, the Borrower' s and its Subsidiaries' collective business as presently conducted, it being understood that any oilfield service business is reasonably related to such collective business.

Section 6.12 Hazardous Materials. No Credit Party (a) shall, nor shall it permit any of its Subsidiaries to, create, handle, transport, use, or dispose of any Hazardous Substance or Hazardous Waste, except in the ordinary course of its business and except in compliance with Environmental Law other than to the extent that such non-compliance could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change or in any liability on the Lenders or the Administrative Agent, and (b) shall, nor shall it permit any of its Subsidiaries to, Release any Hazardous Substance or Hazardous Waste into the Environment and shall not permit any Credit Party' s or any Subsidiary' s Property to be subjected to any Release of Hazardous Substance or Hazardous Waste, except in compliance with Environmental Law other than to the extent that such non-compliance could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change or in any material liability on the Lenders or the Administrative Agent.

Section 6.13 Compliance with ERISA. Except for matters that could not reasonably be expected to result in a Material Adverse Change, no Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly: (a) engage in any transaction in connection with which the Borrower or any Subsidiary could be subjected to either a civil penalty assessed pursuant to Section 502(c), (i) or (l) of ERISA or a tax imposed by Chapter 43 of Subtitle D of the Code; (b) terminate, or permit any member of the Controlled Group to terminate, any Plan in a manner, or take any other action with respect to any Plan, which could result in any liability to the Borrower, any Subsidiary or any member of the Controlled Group to the PBGC; (c) fail to make, or permit any member of the Controlled Group to fail to make, full payment when due of all amounts which, under the provisions of any Plan, agreement relating thereto or applicable Legal Requirement, the Borrower, a Subsidiary or member of the Controlled Group is required to pay as contributions thereto; (d) permit to exist, or allow any Subsidiary or any member of the Controlled Group to permit to exist, any accumulated funding deficiency (or unpaid minimum required contribution for plan years after December 31, 2007) within the meaning of Section 302 of ERISA or Section 412 of the Code, whether or not waived, with respect to any Plan; (e) permit, or allow any member of the Controlled Group to permit, the actuarial present value of the benefit liabilities (as "actuarial present value of the benefit liabilities" shall have the meaning specified in Section 4041 of ERISA) under any Plan that is regulated under Title IV of ERISA to exceed the current value of the assets (computed on a plan termination basis in accordance with Title IV of ERISA) of such Plan allocable to such benefit liabilities; (f) contribute to or assume an obligation to contribute to, or permit any member of the Controlled Group to contribute to or assume an obligation to contribute to, any Multiemployer Plan; (g) acquire, or permit any member of the Controlled Group to acquire, an interest in any Person that

causes such Person to become a member of the Controlled Group if such Person sponsors, maintains or contributes to, or at any time in the six-year period preceding such acquisition has sponsored, maintained, or contributed to, (1) any Multiemployer Plan, or (2) any other Plan that is subject to Title IV of ERISA under which the actuarial present value of the benefit liabilities under such Plan exceeds the current value of the assets (computed on a plan termination basis in accordance with Title IV of ERISA) of such Plan allocable to such benefit liabilities; (h) incur, or permit any member of the Controlled Group to incur, a liability to or on account of a Plan under Sections 515, 4062, 4063, 4064, 4201 or 4204 of ERISA; or (i) contribute to or assume an obligation to contribute to any employee welfare benefit plan, as defined in Section 3(1) of ERISA, including, without limitation, any such plan maintained to provide benefits to former employees of such entities, that may not be terminated by such entities in their sole discretion at any time without any liability.

Section 6.14 Sale and Leaseback Transactions. No Credit Party shall, nor shall it permit any of its Subsidiaries to, sell or transfer to a Person any Property, whether now owned or hereafter acquired, if at the time or thereafter the Borrower or a Subsidiary shall lease as lessee such Property or any part thereof or other Property which the Borrower or a Subsidiary intends to use for substantially the same purpose as the Property sold or transferred; provided that, the Borrower and its Subsidiaries may effect such transactions with Property that is not Collateral so long as (a) such transactions do not exceed $2,500,000 in the aggregate during the term hereof; (b) the proceeds of any transaction permitted pursuant to this Section 6.14 shall promptly be applied by the Borrower to prepay any Advances outstanding and Cash Collateralize the Letter of Credit Exposure as of such date as more particularly set forth in Section 2.7(c); and (c) the Borrowing Base shall be reduced by the amount thereof attributable to such Inventory and Receivables as set forth in Section 2.18.

Section 6.15 Limitation on Hedging. No Credit Party shall, nor shall it permit any of its Subsidiaries to, (a) purchase, assume, or hold a speculative position in any commodities market or futures market or enter into any Hedging Arrangement for speculative purposes; or (b) be party to or otherwise enter into any Hedging Arrangement which is entered into for reasons other than as a part of its normal business operations as a risk management strategy and/or hedge against changes resulting from market conditions related to the Borrower' s or its Subsidiaries' operations; provided that, for the avoidance of doubt, the Borrower or any Subsidiary may enter into Hedging Arrangements (A) to mitigate risk to which such Person has actual exposure, (B) to effectively cap, collar or exchange interest rates (from floating to fixed rates, from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Subsidiary and (C) consisting of spot and forward delivery foreign exchange contracts entered into in the ordinary course of business and not for speculative purposes.

Section 6.16 Leverage Ratio. The Borrower shall not permit the Leverage Ratio as of the last day of each fiscal quarter, commencing with the quarter ending December 31, 2017, to be more than 3.50 to 1.00.

Section 6.17 Fixed Charge Coverage Ratio. Borrower shall not permit the Fixed Charge Coverage Ratio as of the last day of each fiscal quarter, commencing with the quarter ending March 31, 2016, to be less than (a) 1.15 to 1.00 for each fiscal quarter ending on or prior to June 30, 2017 and (b) 1.25 to 1.00 for each fiscal quarter ending after June 30, 2017.

Section 6.18 Capital Expenditures. No Credit Party shall, nor shall it permit any of its Subsidiaries to, cause the Net Capital Expenditures expended by the Borrower or any of its Subsidiaries (a) in the fiscal year ending December 31, 2017, to exceed $20,000,000 in the aggregate and (b) in each fiscal year ending after December 31, 2017, to exceed, in the aggregate, 75% of EBITDA of the immediately preceding fiscal year.

Section 6.19 Prepayment of Certain Debt. No Credit Party shall, nor shall it permit any of its Subsidiaries to, prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, any Debt, except (a) the prepayment of the Obligations in accordance with the terms of this Agreement, (b) regularly scheduled or required repayments or redemptions of Permitted Debt and refinancings and refundings of such Permitted Debt so long as such refinancings and refundings would otherwise comply with Section 6.1, including the penultimate paragraph therein, or (c) so long as no Event of Default exists or would result therefrom, other prepayments of Permitted Debt not described in the immediately preceding clauses (a) and (b).

Section 6.20 Landlord Agreements. No Credit Party shall, nor shall it permit any of its Subsidiaries, that is, or is required to be, a Credit Party to hold, store or otherwise maintain any Equipment or Inventory that is intended to constitute Collateral pursuant to the Security Documents at premises within the US which are not owned by a Credit Party unless (i) such Equipment is located (A) at the job site under which such Equipment is in use or (B) in the ordinary course of business, on a prior or future job site and is expected to be in service within 30 days, (ii) such Equipment or Inventory is located at Third Party Locations and which such Credit Party has used commercially reasonable efforts to seek and deliver a Collateral Access Agreement to the Administrative Agent, (iii) such Equipment is office equipment located at such Credit Party' s regional corporate headquarters or sales offices, (iv) Inventory located on premises owned or operated by the customer that is to purchase such Inventory, (v) in the case of any Equipment that has been damaged, such Equipment is located at the place of repair of such Equipment or (vi) the aggregate value of all other Equipment and Inventory located at Third Party Locations and which are not covered by a Collateral Access Agreement is less than $50,000.

Section 6.21 Equity Issuances. The Borrower shall not, nor shall it permit any of its Subsidiaries to, issue Equity Interests other than common Equity Interests of the Borrower.

ARTICLE VII
DEFAULT AND REMEDIES

Section 7.1 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" under this Agreement and any other Credit Document:

(a) Payment Failure. Any Credit Party (i) fails to pay any principal when due under this Agreement or under any AutoBorrow Agreement (other than the failure to pay such principal under such AutoBorrow Agreement which is fully satisfied with a Borrowing under Section 2.4(d)) or (ii) fails to pay, within three Business Days of when due, any other amount due under this Agreement or any other Credit Document, including payments of interest, fees, reimbursements, and indemnifications;

(b) False Representation or Warranties. Any representation or warranty made or deemed to be made by any Credit Party or any officer thereof in this Agreement, in any other Credit Document or in any certificate delivered in connection with this Agreement or any other Credit Document is incorrect, false or otherwise misleading in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) at the time it was made or deemed made;

(c) Breach of Covenant. (i) Any breach by any Credit Party of any of the covenants in Section 5.2(a), Section 5.2(h), or Article VI of this Agreement or the corresponding covenants in the Guaranty; provided, however that any Event of Default under Section 6.16 is subject to cure as contemplated by Section 7.7 below; or (ii) any breach by any Credit Party of any other covenant or agreement contained in this Agreement or any other Credit Document and such breach shall remain unremedied for a period of thirty days after the earliest of (A) the date any Responsible Officer of the Borrower has actual knowledge of such breach, (B) the date any Executive Officer of any Subsidiary has actual knowledge of such breach, and (C) the date written notice thereof shall have been given to the Borrower by any Lender Party;

(d) Guaranty. (i) Any material provision in the Guaranty shall at any time (before the Guaranty expires in accordance with its terms) and for any reason be determined by a court of competent jurisdiction to cease to be in full force and effect and valid and binding on the Guarantors party thereto or shall be contested by any Guarantor party thereto; (ii) any Guarantor shall deny in writing that it has any liability or obligation under the Guaranty; or (iii) any Guarantor shall cease to exist other than as expressly permitted by the terms of this Agreement;

(e) Security Documents. Any Security Document shall at any time and for any reason cease to create an Acceptable Security Interest with respect to any Collateral having a fair market value, individually or in the aggregate, in excess of $2,500,000 (unless released or terminated pursuant to the terms of such Security Document) or any material provisions thereof shall cease to be in full force and effect and valid and binding on the Credit Party that is a party thereto or any such Person shall so state in writing (unless released or terminated pursuant to the terms of such Security Document);

(f) Cross-Default. (i) The Borrower or any Subsidiary shall fail to pay any principal of or premium or interest on its Debt which is outstanding in a principal amount of at least $5,000,000 individually or when aggregated with all such Debt of the Borrower and its Subsidiaries so in default (but excluding Debt owing to the Lenders hereunder) when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; (ii) any other event shall occur or condition shall exist under any agreement or instrument relating to Debt of the Borrower or its Subsidiaries which is outstanding in a principal amount of at least $5,000,000 individually or when aggregated with all such Debt of the Borrower and its Subsidiaries so in default (but excluding Debt owing to the Lenders hereunder), and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt prior to the stated maturity thereof; or (iii) any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment); provided that, for purposes of this paragraph (f), the "principal amount" of the obligations in respect of Hedging Arrangements at any time shall be the Swap Termination Value that would be required to be paid if such Hedging Arrangements were terminated at such time;

(g) Bankruptcy and Insolvency. (i) Except as otherwise permitted under this Agreement, any Credit Party shall terminate its existence or dissolve or (ii) the Borrower or any Subsidiary (A) admits in writing its inability to pay its debts generally as they become due; makes an assignment for the benefit of its creditors; consents to or acquiesces in the appointment of a receiver, liquidator, fiscal agent, or trustee of itself or any of its Property; files a petition under any Debtor Relief Law; or consents to any reorganization, arrangement, workout, liquidation, dissolution, or similar relief or (B) shall have had, without its consent, any court enter an order appointing a receiver, liquidator, fiscal agent, or trustee of itself or any of its Property; any petition filed against it seeking reorganization, arrangement, workout, liquidation, dissolution or similar relief under any Debtor Relief Law and such petition shall not be dismissed, stayed, or set aside for an aggregate of 60 days, whether or not consecutive;

(h) Adverse Judgment. The Borrower or any of its Subsidiaries suffers final judgments against any of them since the date of this Agreement in an aggregate amount, less any insurance proceeds covering such judgments which are received or as to which the insurance carriers have not denied, greater than $5,000,000 and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgments or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgments, by reason of a pending appeal or otherwise, shall not be in effect;

(i) Termination Events. Any Termination Event with respect to a Plan shall have occurred, and, 30 days after notice thereof shall have been given to the Borrower by the Administrative Agent, such Termination Event shall not have been corrected and shall have created and caused to be continuing a material risk of Plan termination or liability for withdrawal from the Plan as a "substantial employer" (as defined in Section 4001(a)(2) of ERISA), which termination could reasonably be expected to result in a liability of, or liability for withdrawal could reasonably be expected to be, greater than $5,000,000;

(j) Multiemployer Plan Withdrawals. The Borrower or any member of the Controlled Group as employer under a Multiemployer Plan shall have made a complete or partial withdrawal from such Multiemployer Plan and such withdrawing employer shall have incurred a withdrawal liability in an annual amount exceeding $5,000,000;

(k) Invalidity of Credit Agreement. Any material provision of this Agreement shall cease to be in full force and effect and valid and binding on the Borrower or the Borrower shall so state in writing (except as permitted by the terms of this Agreement or as waived in accordance with Section 9.2); or

(l) Change in Control. The occurrence of a Change in Control.

Section 7.2 Optional Acceleration of Maturity. If any Event of Default shall have occurred and be continuing, then, and in any such event,

(a) the Administrative Agent (i) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare that the obligation of each Lender and the Issuing Lender to make Credit Extensions shall be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare all outstanding Advances, all interest thereon, and all other amounts payable under this Agreement to be forthwith due and payable, whereupon such Advances, all such interest, and all such amounts shall become and be forthwith due and payable in full, without presentment, demand, protest or further notice of any kind (including, without limitation, any notice of intent to accelerate or notice of acceleration), all of which are hereby expressly waived by the Borrower,

(b) the Borrower shall, on demand of the Administrative Agent at the request or with the consent of the Majority Lenders, deposit with the Administrative Agent into the Cash Collateral Account an amount of cash equal to 105% of the outstanding Letter of Credit Exposure as security for the Secured Obligations to the extent the Letter of Credit Obligations are not otherwise paid or Cash Collateralized at such time, and

(c) the Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders proceed to enforce its rights and remedies under the Security Documents, the Guaranty, or any other Credit Document by appropriate proceedings.

Section 7.3 Automatic Acceleration of Maturity. If any Event of Default pursuant to Section 7.1(g) shall occur,

(a) the obligation of each Lender and the Issuing Lender to make Credit Extensions shall immediately and automatically be terminated and all Advances, all interest on the Advances, and all other amounts payable under this Agreement shall immediately and automatically become and be due and payable in full, without presentment, demand, protest or any notice of any kind (including, without limitation, any notice of intent to accelerate or notice of acceleration), all of which are hereby expressly waived by the Borrower,

(b) the Borrower shall, on demand of the Administrative Agent at the request or with the consent of the Majority Lenders, deposit with the Administrative Agent into the Cash Collateral Account an amount of cash equal to 105% of the outstanding Letter of Credit Exposure as security for the Secured Obligations to the extent the Letter of Credit Obligations are not otherwise paid or Cash Collateralized at such time, and

(c) the Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders proceed to enforce its rights and remedies under the Security Documents, the Guaranty, or any other Credit Document by appropriate proceedings.

Section 7.4 Set-off. If an Event of Default shall have occurred and be continuing, each Lender Party, and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Legal Requirement, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender Party or any such Affiliate to or for the credit or the account of any Credit Party against any and all of the Secured Obligations of any Credit Party now or hereafter existing under this Agreement or any other Credit Document to such Lender Party or Affiliate, irrespective of whether or not such Lender Party or Affiliate shall have made any demand under this Agreement or any other Credit Document and although such obligations of any Credit Party may be contingent or unmatured or are owed to a branch or office of such Lender Party or Affiliate different from the branch or office holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Lender, the Swingline Lender and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Secured Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of the Administrative Agent, each Lender, the Issuing Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Administrative Agent, such Lender, such Issuing Lender or their respective Affiliates may have. Each Lender and the Issuing Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 7.5 Remedies Cumulative, No Waiver. No right, power, or remedy conferred to any Lender, Administrative Agent, or Issuing Lender in this Agreement or the Credit Documents, or now or hereafter existing at law, in equity, by statute, or otherwise shall be exclusive, and each such right,

power, or remedy shall to the full extent permitted by law be cumulative and in addition to every other such right, power or remedy. No course of dealing and no delay in exercising any right, power, or remedy conferred to any Lender, the Administrative Agent, or the Issuing Lender in this Agreement and the Credit Documents or now or hereafter existing at law, in equity, by statute, or otherwise shall operate as a waiver of or otherwise prejudice any such right, power, or remedy. Any Lender, the Administrative Agent, or the Issuing Lender may cure any Event of Default without waiving the Event of Default. No notice to or demand upon any Credit Party shall entitle any Credit Party to similar notices or demands in the future.

Section 7.6 Application of Payments.

(a) Prior to Event of Default. Prior to an Event of Default, all payments made hereunder shall be applied as directed by the Borrower, but such payments are subject to the terms of this Agreement, including the application of prepayments according to Section 2.6.

(b) After Event of Default. If an Event of Default has occurred and is continuing, except as provided in Section 7.6(c) below, any amounts received or collected on account of the Secured Obligations shall be applied as determined by the Administrative Agent in its reasonable discretion to the Secured Obligations, or at the direction of the Majority Lenders, applied by the Administrative Agent in the following order and manner:

(i) First, to payment of that portion of such Secured Obligations constituting fees, indemnities, expenses, and other amounts (including fees, charges, and disbursements of counsel to the Administrative Agent and amounts payable under Section 2.11, Section 2.12, and Section 2.14) payable by any Credit Party to the Administrative Agent in its capacity as such;

(ii) Second, to payment of that portion of such Secured Obligations constituting accrued and unpaid interest, allocated ratably among the Lender Parties in proportion to the amounts described in this clause Second payable to them;

(iii) Third, to payment of that portion of such Secured Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable by any Credit Party to the Secured Parties (including fees, charges and disbursements of counsel to the respective Secured Parties and amounts payable under Article II), ratably among such Secured Parties in proportion to the amounts described in this clause Third payable to them;

(iv) Fourth, to the Administrative Agent for the account of the Issuing Lender, to Cash Collateralize that portion of the Letter of Credit Obligations comprised of the aggregate undrawn amount of Letters of Credit;

(v) Fifth, to payment of that portion of the Secured Obligations constituting unpaid principal of the Secured Obligations payable by any Credit Party (including obligations under Hedging Agreements with any Swap Counterparties and Banking Services Obligations) and allocated ratably among the Secured Parties in proportion to the respective amounts described in this clause Fifth held by them;

(vi) Sixth, to the remaining Secured Obligations owed by any Credit Party, allocated ratably among the Secured Parties in proportion to the respective amounts described in this clause Sixth held by them; and

(vii) Last, the balance, if any, after all of the Secured Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by any Legal Requirement.

Subject to Section 2.3(i), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as cash collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Secured Obligations, if any, in the order set forth above. For purposes of this clause (b) "principal amount" of the obligations in respect of Hedging Arrangements at any time shall be Swap Termination Value that would be required to be paid if such Hedging Arrangements were terminated at such time. Notwithstanding the foregoing, payments and collections received by the Administrative Agent from any Credit Party that is not a Qualified ECP Guarantor (and any proceeds received in respect of such Credit Party' s Collateral shall not be applied to Excluded Swap Obligations with respect to any Credit Party, provided, however, that the Administrative Agent shall make such adjustments as it determines are appropriate with respect to payments and collections received from the other Credit Parties (or proceeds received in respect of such other Credit Parties' Collateral) to preserve, as nearly as possible, the allocation to Secured Obligations otherwise set forth above in this Section 7.6 (assuming that, solely for purposes of such adjustments, Secured Obligations includes Excluded Swap Obligations).

(c) After Exercise of Remedies. After the exercise of remedies provided for in Section 7.2 (or after the Advances have automatically become immediately due and payable as set forth in Section 7.3), any amounts received or collected on account of the Secured Obligations shall be applied by the Administrative Agent in accordance with clauses (i) – (vii) of Section 7.6(b) above.

Section 7.7 Equity Right to Cure.

(a) Notwithstanding anything to the contrary contained in Section 7.1, in the event of any Event of Default under the covenants set forth in Section 6.16 or Section 6.17 and until the expiration of the tenth (10^{th}) Business Day after the date on which financial statements are required to be delivered pursuant to Section 5.2(a) or (b) with respect to the applicable fiscal quarter hereunder, the Borrower may sell or issue common Equity Interests of the Borrower to any of the Equity Interest holders (to the extent such transaction would not result in a Change in Control) or obtain cash capital contributions on account of common Equity Interests of the Borrower and apply the Equity Issuance Proceeds thereof to increase EBITDA with respect to such applicable quarter (and include it as EBITDA in such quarter for any four fiscal quarter period included in such calculation); provided that (i) such Equity Issuance Proceeds are actually received by the Borrower no later than ten (10) Business Days after the date on which financial statements are required to be delivered pursuant to Section 5.2(a) or (b) with respect to such fiscal quarter hereunder, (ii) the amount of such Equity Issuance Proceeds included as EBITDA for any such fiscal quarter shall not exceed the amount necessary to cause the Leverage Ratio or the Fixed Charge Coverage Ratio on a pro forma basis after giving effect to the cure provided herein, for any applicable period to be less than the then required levels under Section 6.16 or greater than the then required levels under Section 6.17, as applicable, (iii) such Equity Issuance Proceeds must be applied *first*, as a prepayment of the outstanding principal amount of the Tranche B Term Advances and applied in the inverse order of maturity, *second* as a prepayment of the outstanding principal amount of the Tranche C Term Advances and applied in the inverse order of maturity, *third* as a prepayment of the outstanding principal amount of any Swingline Advances, *fourth* as a prepayment of the outstanding Revolving Tranche A Advances on a pro rata basis, and *fifth*, if a Borrowing Base Deficiency exists, as cash collateral deposited into the Cash Collateral Account to Cash Collateralize the Letter of Credit Exposure, and (iv) the

Commitments shall be reduced permanently by the amounts applied to the Revolving Tranche A Advances under clause (iii). Subject to the terms set forth above and the terms in clause (b) below, upon (A) application of the Equity Issuance Proceeds as provided above within the ten (10) Business Day period described above in such amounts sufficient to cure the Events of Default under the covenant set forth in Section 6.16 or Section 6.17, and (B) delivery of an updated Compliance Certificate executed by a Responsible Officer of the Borrower to the Administrative Agent reflecting compliance with Section 6.16 or Section 6.17, such Events of Default shall be deemed cured and no longer in existence.

(b) The parties hereby acknowledge and agree that this Section 7.7 may not be relied on for purposes of calculating any financial ratios or other conditions or compliances other than the Leverage Ratio covenant set forth in Section 6.16 and the Fixed Charge Coverage Ratio covenant set forth in Section 6.17 and shall not result in any adjustment to any amounts (including, for the avoidance of doubt, any reduction in Debt for the subject fiscal quarter as a result of the application of the Equity Issuance Proceeds required in clause (a) above or any determination of the Leverage Ratio for purposes of determining Applicable Margin) other than the amount of EBITDA referred to in Section 7.7(a) above for purposes of determining the Borrower' s compliance with Section 6.16 and Section 6.17.

ARTICLE VIII
THE ADMINISTRATIVE AGENT AND ISSUING LENDER

Section 8.1 Appointment, Powers, and Immunities.

(a) Appointment and Authority. Each Lender, the Swingline Lender and the Issuing Lender hereby irrevocably (a) appoints Wells Fargo to act on its behalf as the Administrative Agent hereunder and under the other Credit Documents, and (b) authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article VIII are solely for the benefit of the Lender Parties, and neither the Borrower nor any other Credit Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Credit Document (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Legal Requirement. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders. Wells Fargo (and any successor acting as Administrative Agent) and its Affiliates may accept fees and other consideration from the Borrower or any Affiliate of the Borrower for services in connection with this Agreement or otherwise without having to account for the same to the Lenders or the Issuing Lender.

(c) Exculpatory Provisions. The Administrative Agent (which term as used in this Section 8.1(c) shall include its Related Parties) shall not have any duties or obligations except those expressly set forth herein and in the other Credit Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Administrative Agent is required to exercise as directed in writing by the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Credit Document or applicable Legal Requirement, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to the Borrower, any other Credit Party or any of their respective Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 7.1 and Section 9.2) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by the Borrower, a Lender, the Swingline Lender or the Issuing Lender. In the event that the Administrative Agent receives such a notice of the occurrence of a Default, the Administrative Agent shall (subject to Section 9.2) take such action with respect to such Default or Event of Default as shall reasonably be directed by the Majority Lenders, provided that, unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Secured Parties.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any recital, statement, warranty or representation (whether written or oral) made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the value, validity, enforceability, effectiveness, enforceability, sufficiency or genuineness of this Agreement, any

other Credit Document or any other agreement, instrument or document, (v) the inspection of, or to inspect, the Property (including the books and records) of any Credit Party or any Subsidiary or Affiliate thereof, (vi) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent, or (vii) any litigation or collection proceedings (or to initiate or conduct any such litigation or proceedings) under any Credit Document unless requested by the Majority Lenders in writing and it receives indemnification satisfactory to it from the Lenders.

Section 8.2 Reliance by Administrative Agent and Issuing Lender. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document, writing or other communication (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Credit Extension or any Conversion or continuance of an Advance that by its terms must be fulfilled to the satisfaction of a Lender, the Swingline Lender or the Issuing Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender, the Swingline Lender or Issuing Lender unless the Administrative Agent shall have received notice to the contrary from such Lender, the Swingline Lender or Issuing Lender prior to the making of such Credit Extension or Conversion or continuance of an Advance. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 8.3 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article VIII shall apply to any such sub agent and to the Related Parties of the Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the Facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub agents.

Section 8.4 Indemnification.

(a) INDEMNITY OF ADMINISTRATIVE AGENT. THE LENDERS SEVERALLY AGREE TO INDEMNIFY THE ADMINISTRATIVE AGENT AND EACH AFFILIATE THEREOF AND THEIR RESPECTIVE RELATED PARTIES (TO THE EXTENT NOT REIMBURSED BY THE BORROWER), RATABLY ACCORDING TO THE RESPECTIVE PRINCIPAL AMOUNTS OF THE ADVANCES THEN HELD BY EACH OF THEM (OR IF NO PRINCIPAL OF THE ADVANCES IS AT THE TIME OUTSTANDING, RATABLY ACCORDING TO THE RESPECTIVE APPLICABLE COMMITMENTS HELD BY EACH OF THEM IMMEDIATELY PRIOR TO THE TERMINATION, EXPIRATION OR FULL REDUCTION OF EACH SUCH COMMITMENT), FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY, OR

ASSERTED AGAINST THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT, ANY CREDIT DOCUMENT OR ANY ACTION TAKEN OR OMITTED BY SUCH ADMINISTRATIVE AGENT UNDER THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT **(INCLUDING SUCH INDEMNITEE' S OWN NEGLIGENCE REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL)**, AND INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LIABILITIES, PROVIDED THAT NO LENDER SHALL BE LIABLE FOR ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNITEE' S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. WITHOUT LIMITATION OF THE FOREGOING, EACH LENDER AGREES TO REIMBURSE THE ADMINISTRATIVE AGENT PROMPTLY UPON DEMAND FOR ITS RATABLE SHARE (DETERMINED AS SET FORTH ABOVE IN THIS PARAGRAPH) OF (i) ANY OUT-OF-POCKET EXPENSES (INCLUDING REASONABLE COUNSEL FEES) INCURRED BY THE ADMINISTRATIVE AGENT IN CONNECTION WITH THE PREPARATION, EXECUTION, DELIVERY, ADMINISTRATION, MODIFICATION, OR AMENDMENT, AND (ii) ANY OUT-OF-POCKET EXPENSES (INCLUDING COUNSEL FEES) INCURRED BY THE ADMINISTRATIVE AGENT IN CONNECTION WITH ENFORCEMENT OF THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT, IN ANY EVENT, INCLUDING LEGAL ADVICE IN RESPECT OF RIGHTS OR RESPONSIBILITIES UNDER THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND TO THE EXTENT THAT THE ADMINISTRATIVE AGENT IS NOT REIMBURSED FOR SUCH BY THE BORROWER.

(b) INDEMNITY OF ISSUING LENDER. THE REVOLVING LENDERS SEVERALLY AGREE TO INDEMNIFY THE ISSUING LENDER AND EACH AFFILIATE THEREOF AND ITS RELATED PARTIES (TO THE EXTENT NOT REIMBURSED BY THE BORROWER), RATABLY ACCORDING TO THE RESPECTIVE PRINCIPAL AMOUNTS OF THE REVOLVING ADVANCES THEN HELD BY EACH OF THEM (OR IF NO PRINCIPAL OF THE REVOLVING ADVANCES IS AT THE TIME OUTSTANDING, RATABLY ACCORDING TO THE RESPECTIVE COMMITMENTS HELD BY EACH OF THEM IMMEDIATELY PRIOR TO THE TERMINATION, EXPIRATION OR FULL REDUCTION OF EACH SUCH COMMITMENT), FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST THE ISSUING LENDER OR ANY OF ITS RELATED PARTIES IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT, ANY CREDIT DOCUMENT OR ANY ACTION TAKEN OR OMITTED BY THE ISSUING LENDER UNDER THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT **(INCLUDING SUCH INDEMNITEE' S OWN NEGLIGENCE REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL)**, AND INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LIABILITIES, PROVIDED THAT NO REVOLVING LENDER SHALL BE LIABLE FOR ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNITEE' S

GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. Without limitation of the foregoing, each Revolving Lender agrees to reimburse the Issuing Lender promptly upon demand for its ratable share (determined as set forth above in this paragraph) of any out-of-pocket expenses (including counsel fees) incurred by the Issuing Lender in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings, or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Credit Document, to the extent that the Issuing Lender is not reimbursed for such by the Borrower.

Section 8.5 Non-Reliance on Administrative Agent and Other Lenders. Each Lender Party acknowledges and agrees that it has, independently and without reliance upon the Administrative Agent or any other Lender Party or any of their Related Parties, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender Party also acknowledges and agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender Party or any of their Related Parties, and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder. Except for notices, reports, and other documents and information expressly required to be furnished to the Lenders or the Issuing Lender by the Administrative Agent hereunder and for other information in the Administrative Agent' s possession which has been requested by a Lender and for which such Lender pays the Administrative Agent' s expenses in connection therewith, the Administrative Agent shall not have any duty or responsibility to provide any Lender or Issuing Lender with any credit or other information concerning the affairs, financial condition, or business of any Credit Party or any of its Subsidiaries or Affiliates that may come into the possession of the Administrative Agent or any of its Affiliates.

Section 8.6 Resignation of Administrative Agent, Issuing Lender or Swingline Lender.

(a) The Administrative Agent and the Issuing Lender may at any time give notice of its resignation to the other Lender Parties and the Borrower. Upon receipt of any such notice of resignation, the Majority Lenders shall have the right, with the prior written consent of the Borrower (which consent is not required if a Default or Event of Default has occurred and is continuing and which consent shall not be unreasonably withheld or delayed), to (i) appoint a successor Administrative Agent, and (ii) appoint a successor Issuing Lender, which shall be a Lender. If no such successor Administrative Agent or Issuing Lender shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent or Issuing Lender gives notice of its resignation (or such earlier day as shall be agreed by the Majority Lenders) (the "***Resignation Effective Date***"), then the retiring Administrative Agent or Issuing Lender, as applicable, may on behalf of the Lenders and Issuing Lender, appoint a successor agent or issuing lender meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation by an Administrative Agent or an Issuing Lender shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Majority Lenders may, to the extent permitted by applicable Legal Requirement, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Majority Lenders) (the "***Removal Effective Date***"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), (i) the retiring or removed Administrative Agent or Issuing Lender, as applicable, shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that (y) in the case of any collateral security held by such Administrative Agent on behalf of the Lenders or an Issuing Lender under any of the Credit Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed and (z) the retiring Issuing Lender shall remain the Issuing Lender with respect to any Letters of Credit outstanding on the effective date of its resignation and the provisions affecting the Issuing Lender with respect to such Letters of Credit shall inure to the benefit of the retiring Issuing Lender until the termination of all such Letters of Credit), and (ii) all payments, communications and determinations provided to be made by, to or through the retiring or removed Administrative Agent or Issuing Lender, as applicable, shall instead be made by or to each applicable class of Lenders, until such time as the Majority Lenders appoint a successor Administrative Agent or Issuing Lender as provided for above in this paragraph. Upon the acceptance of a successor' s appointment as Administrative Agent or Issuing Lender hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent or Issuing Lender, as applicable, and the retiring or removed Administrative Agent or Issuing Lender, as applicable, shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents. The fees payable by the Borrower to a successor Administrative Agent or Issuing Lender, as applicable shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent' s or Issuing Lender' s resignation or removal hereunder and under the other Credit Documents, the provisions of this Article and Section 9.1 and Section 2.3(g) shall continue in effect for the benefit of such retiring or removed Administrative Agent and Issuing Lender, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent or Issuing Lender, as applicable, was acting as Administrative Agent or Issuing Lender.

(d) The Swingline Lender may resign at any time by giving 30 days' prior notice to the Administrative Agent, the Lenders and the Borrower. After the resignation of the Swingline Lender hereunder, the retiring Swingline Lender shall remain a party hereto and shall continue to have all the rights and obligations of the Swingline Lender under this Agreement and the other Credit Documents with respect to Swingline Advances made by it prior to such resignation, but shall not be required to make any additional Swingline Advances. Upon such notice of resignation, the Borrower shall have the right to designate any other Revolving Lender as the Swingline Lender with the consent of such Lender so long as operational matters related to the funding of Advances under the Facility have been adequately addressed to the reasonable satisfaction of such new Swingline Lender and the Administrative Agent (if such new Swingline Lender and the Administrative Agent are not the same Person).

Section 8.7 Collateral Matters.

(a) The Administrative Agent is authorized on behalf of the Secured Parties, without the necessity of any notice to or further consent from the Secured Parties, from time to time, to take any actions with respect to any Collateral or Security Documents which may be necessary to perfect and maintain Acceptable Security Interests in and Liens upon the Collateral granted pursuant to the Security Documents. The Administrative Agent is further authorized (but not

obligated) on behalf of the Secured Parties, without the necessity of any notice to or further consent from the Secured Parties, from time to time, to take any action (other than enforcement actions requiring the consent of, or request by, the Majority Lenders as set forth in Section 7.2 or Section 7.3 above) in exigent circumstances as may be reasonably necessary to preserve any rights or privileges of the Lenders under the Credit Documents or applicable Legal Requirement.

(b) The Lenders hereby, and any other Secured Party by accepting the benefit of the Liens granted pursuant to the Security Documents, irrevocably authorize the Administrative Agent to (i) release any Lien granted to or held by such Administrative Agent upon any Collateral (a) upon the occurrence of each of the following ("***Security Termination***"): (1) termination of this Agreement, (2) termination of all Hedging Arrangements with Swap Counterparties (other than Hedging Arrangements as to which arrangements satisfactory to the applicable Swap Counterparty in its sole discretion have been made), (3) termination of all Letters of Credit (other than Letters of Credit as to which other arrangements reasonably satisfactory to the Issuing Lender have been made), and (4) the payment in full of all outstanding Advances, Letter of Credit Obligations (other than with respect to Letters of Credit as to which other arrangements reasonably satisfactory to the Issuing Lender have been made) and all other Secured Obligations payable under this Agreement and under any other Credit Document; (b) constituting property sold or to be sold or disposed of as part of or in connection with any disposition permitted under this Agreement or any other Credit Document; (c) constituting property in which no Credit Party owned an interest at the time the Lien was granted or at any time thereafter (other than, for the avoidance of doubt, as a result of a transaction that is prohibited hereunder); or (d) constituting property leased to any Credit Party under a lease which has expired or has been terminated in a transaction permitted under this Agreement or is about to expire and which has not been, and is not intended by such Credit Party to be, renewed or extended; and (ii) release a Guarantor from its obligations under the Guaranty and any other applicable Credit Document if such Person ceases to be a Subsidiary as a result of a transaction permitted under this Agreement.

(c) Upon request by an Administrative Agent at any time, the Secured Parties will confirm in writing such Administrative Agent' s authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under its Guaranty pursuant to this Section 8.7. The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent' s Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Secured Parties or any other Lender Party for any failure to monitor or maintain any portion of the Collateral.

(d) Notwithstanding anything contained in any of the Credit Documents to the contrary, the Credit Parties, the Administrative Agent, and each Secured Party hereby agree that no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty, it being understood and agreed that all powers, rights and remedies under the Guaranty and under the Security Documents may be exercised solely by the Administrative Agent on behalf of the Secured Parties in accordance with the terms hereof and the other Credit Documents.

(e) By accepting the benefit of the Liens granted pursuant to the Security Documents, each Secured Party hereby agrees to the terms of this Section 8.7.

Section 8.8 No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers, Syndication Agents and Documentation Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender, Swingline Lender or Issuing Lender hereunder.

Section 8.9 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Advance or Letter of Credit Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Advances, Letter of Credit Exposure and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Lender and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Lender and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuing Lender and the Administrative Agent under Section 2.3) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the Issuing Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the Issuing Lender, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 2.8.

Section 8.10 Credit Bidding.

(a) The Administrative Agent, on behalf of itself and the Secured Parties, shall have the right to credit bid and purchase for the benefit of the Administrative Agent and the Secured Parties, on terms acceptable to the Majority Lenders, all or any portion of Collateral at any sale thereof conducted by the Administrative Agent under the provisions of the UCC, including pursuant to Sections 9-610 or 9-620 of the UCC, at any sale thereof conducted under the provisions of the United States Bankruptcy Code, including Section 363 thereof, or a sale under a plan of reorganization, or at any other sale or foreclosure conducted by the Administrative Agent (whether by judicial action or otherwise) in accordance with applicable Legal Requirements. Such credit bid or purchase may be completed through one or more acquisition vehicles formed by the Administrative Agent to make such credit bid or purchase and, in connection therewith, the Administrative Agent is authorized, on behalf of itself and the other Secured Parties, to adopt documents providing for the governance of the acquisition vehicle or vehicles, and assign the applicable Secured Obligations to any such acquisition vehicle in exchange for Equity Interests and/or debt issued by the applicable acquisition vehicle (which shall be deemed to be held for the ratable account of the applicable Secured Parties on the basis of the Secured Obligations so assigned by each Secured Party).

(b) Each Lender hereby agrees, on behalf of itself and each of its Affiliates that is a Secured Party, that, except as otherwise provided in any Credit Document or with the written consent of the Majority Lenders, it will not take any enforcement action, accelerate obligations under any of the Credit Documents, or exercise any right that it might otherwise have under applicable Legal Requirements to credit bid at foreclosure sales, UCC sales or other similar dispositions of Collateral.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay, within 30 days of invoice, (i) all reasonable out-of-pocket expenses incurred by Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Credit Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by any Lender Party (including the fees, charges and disbursements of any counsel for any Lender Party), in connection with the enforcement or protection of its rights, (A) in connection with this Agreement and the other Credit Documents, including its rights under this Section, or (B) in connection with the Advances made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring, negotiations or legal proceedings in respect of such Advances or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall, and does hereby indemnify, the Administrative Agent (and any sub-agent thereof), each Lender, the Swingline Lender and the Issuing Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "***Indemnitee***") against, and hold each Indemnitee harmless from, any and all actions, suits, losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any other Credit Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Credit Documents, (ii) any Advance or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by an Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged Release of Hazardous Substance on or from any property owned or operated by any Credit Party or any of its Subsidiaries, or any Environmental Claim related in any way to any Credit Party or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Credit Party, and regardless of whether any Indemnitee is a party thereto, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE**; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such

actions, suits, losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, or (y) result from a claim brought by the Borrower or any other Credit Party against an Indemnitee for breach in bad faith of such Indemnitee' s obligations hereunder or under any other Credit Document, if the Borrower or such other Credit Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This Section 9.1(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Legal Requirement, no Credit Party shall assert, agrees not to assert and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Advance or Letter of Credit or the use of the proceeds thereof. To the fullest extent permitted by applicable Legal Requirement, no Indemnitee shall assert, agrees not to assert, and hereby waives, any claim against any Credit Party or any Affiliate thereof, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby. For the avoidance of doubt, the parties hereto acknowledge and agree that a claim for indemnity under Section 9.1(b) above, to the extent covered thereby, is a claim of direct or actual damages and nothing contained in the foregoing sentence shall limit the Borrower' s indemnification obligations to the extent set forth in clause (b) above to the extent such special, indirect, consequential or punitive damages are included in any third party claim in connection with which such indemnified person is otherwise entitled to indemnification hereunder. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(d) Survival. Without prejudice to the survival of any other agreement hereunder, the agreements in this Section shall survive the resignation of the Administrative Agent and the Issuing Lender, the replacement of any Lender, the termination of the aggregate Commitments, termination or expiration of all Letters of Credit, and the repayment, satisfaction or discharge of all the other Obligations.

(e) Payments. All amounts due under this Section 9.1 shall, unless otherwise set forth above, be payable not later than 10 days after demand therefor.

(f) Reimbursement by Lenders. To the extent that the Borrower for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the Issuing Lender, Swingline Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such Issuing Lender, the Swingline Lender or such Related Party, as the case may be, such Lender' s Pro Rata Share (determined as of the time that

the applicable unreimbursed expense or indemnity payment is sought based on each Lender' s share of the aggregate Maximum Exposure Amount at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that with respect to such unpaid amounts owed to the Administrative Agent, Issuing Lender or Swingline Lender solely in its capacity as such, only the Lenders of the applicable Facility shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Lenders' ratable share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought as set forth in this paragraph above), provided further that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), such Issuing Lender or the Swingline Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), such Issuing Lender or Swingline Lender in connection with such capacity. The obligations of the Lenders under this subsection (f) are subject to the provisions of Section 2.5(e).

Section 9.2 Waivers and Amendments. No amendment or waiver of any provision of this Agreement or any other Credit Document (other than the Fee Letter, any AutoBorrow Agreement, Letter of Credit Applications and Letter of Credit Reimbursement Agreements), nor consent to any departure by any Credit Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that:

(a) no amendment, waiver, or consent shall, unless in writing and signed by all the Revolving Lenders and the Borrower, (i) reduce the principal of, or interest on, the Revolving Advances (provided that, the consent of the Majority Lenders shall be sufficient to waive or reduce the increased portion of interest on the Revolving Advances resulting from Section 2.9(e)), or (ii) change the number of Revolving Lenders which shall be required for the Revolving Lenders to take any action hereunder or under any other Credit Document;

(b) no amendment, waiver, or consent shall, unless in writing and signed by all the Lenders and the Borrower, do any of the following: (i) waive any of the conditions specified in Section 3.1 or Section 3.2, (ii) reduce any fees or other amounts payable hereunder or under any other Credit Document (other than those specifically addressed above in this Section 9.2), (iii) increase the aggregate Commitments (except pursuant to Section 2.16), (iv) amend Section 2.13(f), Section 7.6, this Section 9.2, Section 9.7(a)(v) or any other provision in any Credit Document which expressly requires the consent of, or action or waiver by, all of the Lenders, (v) release all or substantially all of the Guarantors from their respective obligations under the Guaranty except as specifically provided in the Credit Documents or release the Borrower from its obligations under the Guaranty, (vi) release all or substantially all of the Collateral except as permitted under Section 8.7(b), (vii) amend the definitions of "Majority Lenders", or "Maximum Exposure Amount", or (viii) amend the definitions of "Secured Parties", "Secured Obligations" or "Collateral" in a manner materially adverse to any Secured Party;

(c) no amendment, waiver, or consent shall, unless in writing and signed by each Lender directly affected thereby, (i) postpone any date fixed for any interest, fees or other amounts payable hereunder or extend the Maturity Date, or (ii) subordinate payment of the Obligations to any other Indebtedness;

(d) no Commitment of a Lender or any obligations of a Lender may be increased or extended without such Lender' s written consent;

(e) no amendment, waiver, or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or any other Credit Document;

(f) no amendment, waiver or consent shall, unless in writing and signed by the Issuing Lender in addition to the Lenders required above to take such action, affect the rights or duties of such Issuing Lender under this Agreement or any other Credit Document; and

(g) no amendment, waiver or consent shall, unless in writing and signed by the Swingline Lender in addition to the Lenders required above to take such action, affect the rights or duties of such Swingline Lender under this Agreement or any other Credit Document.

For the avoidance of doubt, no Lender or any Affiliate of a Lender shall have any voting rights under this Agreement or any Credit Document as a result of the existence of obligations owed to it under Hedging Arrangements or Banking Services Obligations.

Section 9.3 Severability. In case one or more provisions of this Agreement or the other Credit Documents shall be invalid, illegal or unenforceable in any respect under any applicable Legal Requirement, the validity, legality, and enforceability of the remaining provisions contained herein or therein shall not be affected or impaired thereby.

Section 9.4 Survival of Representations and Obligations. All representations and warranties contained in this Agreement or made in writing by or on behalf of the Credit Parties in connection herewith shall survive the execution and delivery of this Agreement and the other Credit Documents, the making of Credit Extensions and any investigation made by or on behalf of the Lenders, none of which investigations shall diminish any Lender' s right to rely on such representations and warranties. Without limiting the provisions hereof which expressly provide for the survival of obligations, all obligations of the Borrower or any other Credit Party provided for in Section 2.9(d), Section 2.11, Section 2.12, Section 2.14(d), and Section 9.1(a), (b), (c) and (e) and all of the obligations of the Lenders in Section 8.3, Section 8.4, Section 9.1(c) and Section 9.1(f) shall survive any termination of this Agreement, repayment in full of the Obligations, and termination or expiration of all Letters of Credit.

Section 9.5 Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrower, and the Administrative Agent, and when the Administrative Agent shall have, as to each Lender, either received a counterpart hereof executed by such Lender or been notified by such Lender that such Lender has executed it.

Section 9.6 Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender Party or pursuant to a transaction permitted under Section 6.7(a) and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (a) to an Eligible Assignee in accordance with the provisions of Section 9.7, (b) by way of participation in accordance with the provisions of Section 9.7(c), or (c) by way of pledge or assignment of a security interest subject to the restrictions of Section 9.7(e) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 9.7(e) and, to the extent expressly contemplated hereby, the Related Parties of the Administrative Agent and each Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

Section 9.7 Lender Assignments and Participations.

(a) Assignment by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender' s Commitment and/or the Advances at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (a)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (a)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Advances outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender' s rights and obligations under this Agreement with respect to the Advances or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (a)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender or an Affiliate of a Lender;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person that is not a Lender; and

(C) the consent of the Issuing Lender and Swingline Lender (each such consent not to be unreasonably withheld or delayed) shall be required for any assignment.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of the Borrower' s Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person.

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Advances previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the Issuing Lender, the Swingline Lender and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Advances and participations in Letters of Credit and Swingline Advances in accordance with its Pro Rata Share. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Legal Requirement without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (b) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender' s rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 2.11, Section 2.12, Section 2.14(c) and Section 9.1 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender' s having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(b) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at its address referred to in Section 9.9 a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, the Commitments, and principal amounts of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "***Register***"). The entries in the Register shall be conclusive absent manifest error, and the Borrower and the Lender Parties may treat each Person whose name is recorded in the applicable Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Borrower hereby agrees that the Administrative Agent acting as its non-fiduciary agent solely for the purpose set forth above in this clause (b), shall not subject the Administrative Agent to any fiduciary or other implied duties, all of which are hereby waived by the Borrower.

(c) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person, the Borrower or any of the Borrower' s Affiliates or Subsidiaries) (each, a "***Participant***") in all or a portion of such Lender' s rights and/or obligations under this Agreement (including all or a portion of its Commitments and/or the Advances owing to it); provided that (i) such Lender' s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower and the Lender Parties shall continue to deal solely and directly with such Lender Party in connection with such Lender Party' s rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (a) – (d) of Section 9.2, Section 9.6 or clauses (a) or (b) of this Section 9.7 (that adversely affects such Participant). Subject to paragraph (d) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of, and subject to the requirements of, Section 2.11, Section 2.12 and Section 2.14 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (a) of this Section. Each Lender that sells a participation agrees, at the Borrower' s request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.15 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 7.4 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13(f) as though it were a Lender.

Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register in the United States on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant' s interest in the Obligations under the Credit Documents (the "***Participant Register***") and no Lender shall have any obligation to disclose any information contained in any Participant Register (including the identity of any Participant or any information relating to the Participant' s interests under this Agreement) except to the extent that such disclosure is necessary to ensure that the rights and obligations reflected in such register, or in any Register, are in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register. The Borrower hereby agrees that each Lender acting as its agent solely for the purpose set forth above in this clause (c), shall not subject such Lender to any fiduciary or other implied duties, all of which are hereby waived by the Borrower.

(d) Limitations upon Participant Rights. A Participant (i) shall agree to be subject to the provisions of Section 2.15 as if it were an assignee under paragraph (a) of this Section and (ii) shall not be entitled to receive any greater payment under Sections 2.12 or 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower' s prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.14 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of such Borrower, to comply with Section 2.14(g), in which case Section 2.14 shall be applied as if such Participant had become a Lender and had acquired its interest by assignment pursuant to paragraph (a) of this Section; provided that, in no event shall such Participant be entitled to receive any greater payment under Section 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 9.8 Confidentiality. Each Lender Party agrees to keep confidential any information furnished or made available to it by any Credit Party pursuant to this Agreement; provided that nothing herein shall prevent any Lender Party from disclosing such information (a) to any other Lender Party or any Affiliate of any Lender Party, or any officer, director, employee, agent, or advisor of any Lender Party or Affiliate of any Lender Party for purposes of administering, negotiating, considering, processing, implementing, syndicating, assigning, or evaluating the credit facilities provided herein and the transactions contemplated hereby, (b) to any other Person if directly incidental to the administration of the credit facilities provided herein, (c) as required by any Legal Requirement, (d) upon the order of any court or administrative agency, (e) upon the request or demand of any regulatory agency or authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (f) that is or becomes available to the public or that is or becomes available to any Lender Party other than as a result of a disclosure by any other Lender Party prohibited by this Agreement, (g) in connection with any litigation relating to this Agreement or any other Credit Document to which such Lender Party or any of its Affiliates may be a party, (h) to the extent necessary in connection with the exercise of any right or remedy under this Agreement or any other Credit Document, and (i) to any actual or proposed participant or assignee, in each case, subject to provisions similar to those contained in this Section 9.8. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, nothing in this Agreement shall (a) restrict any Lender Party from providing information to any bank or other regulatory or Governmental Authorities, including the Federal Reserve Board and its supervisory staff; (b) require or permit any Lender Party to disclose to any Credit Party that any information will be or was provided to the Federal Reserve Board or any of its supervisory staff; or (c) require or permit any Lender Party to inform any Credit Party of a current or upcoming Federal Reserve Board examination or any nonpublic Federal Reserve Board supervisory initiative or action. Any Person required to maintain the confidentiality of information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such information as such Person would accord to its own confidential information.

Section 9.9 Notices, Etc.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows: (i) if to the Borrower or any other Credit Party, at the applicable address (or facsimile numbers) set forth on Schedule II; (ii) if to the Administrative Agent or Issuing Lender, at the applicable address (or facsimile numbers) set forth on Schedule II; and (iii) if to a Lender, to it at its address (or facsimile number) set forth in its Administrative Questionnaire. Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications.

(i) The Borrower and the Lenders agree that the Administrative Agent may make any material delivered by the Borrower to the Administrative Agent, as well as any amendments, waivers, consents, and other written information, documents, instruments and other materials relating to the Borrower, any of its Subsidiaries, or any other materials or matters relating to this Agreement, the Notes or any of the transactions contemplated hereby (collectively, the "***Communications***") available to the Lenders by posting such notices on an electronic delivery system (which may be provided by the Administrative Agent, an Affiliate of an Administrative Agent, or any Person that is not an Affiliate of an Administrative Agent), such as IntraLinks, Debt Domain, Syndtrak or a substantially similar electronic system (the "***Platform***"). The Borrower acknowledges that (i) the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution, (ii) the Platform is provided "as is" and "as available" and (iii) none of the Administrative Agent nor any of its Affiliates warrants the accuracy, completeness, timeliness, sufficiency, or sequencing of the Communications posted on the Platform. The Administrative Agent and its Affiliates expressly disclaim with respect to the Platform any liability for errors in transmission, incorrect or incomplete downloading, delays in posting or delivery, or problems accessing the Communications posted on the Platform and any liability for any losses, costs, expenses or liabilities that may be suffered or incurred in connection with the Platform. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by the Administrative Agent or any of its Affiliates in connection with the Platform. In no event shall the Administrative Agent or any of its Related Parties have any liability to the Borrower or the other Credit Parties, any Lender Party or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower' s, any Credit Party' s or any Lender Party' s transmission of communications through the Platform.

(ii) Each Lender agrees that notice to it (as provided in the next sentence) (a "***Notice***") specifying that any Communication has been posted to the Platform shall for purposes of this Agreement constitute effective delivery to such Lender of such information, documents or other materials comprising such Communication. Each Lender agrees (i) to notify, on or before the date such Lender becomes a party to this Agreement, the Administrative Agent in writing of such Lender' s e-mail address to which a Notice may be sent (and from time to time thereafter to ensure that the Agent has on record an effective e-mail address for such Lender) and (ii) that any Notice may be sent to such e-mail address.

(c) Change of Address, Etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

Section 9.10 Usury Not Intended. It is the intent of each Credit Party and each Lender Party in the execution and performance of this Agreement and the other Credit Documents to contract in strict compliance with applicable usury laws, including conflicts of law concepts, governing the Advances of each Lender including such applicable Legal Requirements of the State of New York, if any, and the United States of America from time to time in effect and any other jurisdiction whose laws may be mandatorily applicable to such Lender notwithstanding the other provisions of this Agreement. In furtherance thereof, the Lender Parties and the Credit Parties stipulate and agree that none of the terms and provisions contained in this Agreement or the other Credit Documents shall ever be construed to create a contract to pay, as consideration for the use, forbearance or detention of money, interest at a rate in excess of the Maximum Rate and that for purposes of this Agreement "interest" shall include the aggregate of all charges which constitute interest under such laws that are contracted for, charged or received under this Agreement; and in the event that, notwithstanding the foregoing, under any circumstances the aggregate amounts taken, reserved, charged, received or paid on the Advances, include amounts which by applicable Legal Requirement are deemed interest which would exceed the Maximum Rate, then such excess shall be deemed to be a mistake and each Lender receiving same shall credit the same on the principal of its Obligations (or if such Obligations shall have been paid in full, refund said excess to the Borrower). In the event that the maturity of the Obligations are accelerated by reason of any election of the holder thereof resulting from any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest may never include more than the Maximum Rate, and excess interest, if any, provided for in this Agreement or otherwise shall be canceled automatically as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited on the applicable Obligations (or, if the applicable Obligations shall have been paid in full, refunded to the Borrower of such interest). In determining whether or not the interest paid or payable under any specific contingencies exceeds the Maximum Rate, the Credit Parties and the Lender Parties shall to the maximum extent permitted under applicable law amortize, prorate, allocate and spread in equal parts during the period of the full stated term of the Obligations all amounts considered to be interest under applicable law at any time contracted for, charged, received or reserved in connection with the Obligations. The provisions of this Section shall control over all other provisions of this Agreement or the other Credit Documents which may be in apparent conflict herewith.

Section 9.11 Usury Recapture. In the event the rate of interest chargeable under this Agreement or any other Credit Document at any time is greater than the Maximum Rate, the unpaid principal amount of the Advances shall bear interest at the Maximum Rate until the total amount of interest paid or accrued on the Advances equals the amount of interest which would have been paid or accrued on the Advances if the stated rates of interest set forth in this Agreement or applicable Credit Document had at all times been in effect. In the event, upon payment in full of the Advances, the total amount of interest paid or accrued under the terms of this Agreement and the Advances is less than the total amount of interest which would have been paid or accrued if the rates of interest set forth in this Agreement had, at all times, been in effect, then the Borrower shall, to the extent permitted by applicable Legal Requirement, pay the Administrative Agent for the account of the applicable Lenders an amount equal to the difference between (i) the lesser of (A) the amount of interest which would have been charged on its Advances if the Maximum Rate had, at all times, been in effect and (B) the amount of interest which would have accrued on its Advances if the rates of interest set forth in this Agreement had at all times been in effect and (ii) the amount of interest actually paid under this Agreement on its Advances. In the event the Lenders ever receive, collect or apply as interest any sum in excess of the Maximum Rate, such excess amount shall, to the extent permitted by applicable Legal Requirement, be applied to the reduction of the principal balance of the Advances, and if no such principal is then outstanding, such excess or part thereof remaining shall be paid to the Borrower.

Section 9.12 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to any Lender Party, or any Lender Party exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by any Lender Party in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding

under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the Issuing Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect, in the applicable currency of such recovery or payment. The obligations of the Lenders, the Swingline Lender and the Issuing Lender under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

Section 9.13 Governing Law. This Agreement, the Notes and the other Credit Documents (other than such Credit Documents which expressly provide otherwise) shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations Law of the State of New York). Each Letter of Credit shall be governed by either (i) the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600, or (ii) the ISP, in either case, including any subsequent revisions thereof approved by a Congress of the International Chamber of Commerce and adhered to by the Issuing Lender.

Section 9.14 Submission to Jurisdiction. EACH PARTY TO THIS AGREEMENT IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LEGAL REQUIREMENT. NOTHING IN THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY LENDER PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AGAINST THE CREDIT PARTIES OR THEIR PROPERTIES IN THE COURTS OF ANY JURISDICTION.

Section 9.15 Waiver of Venue. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY COURT REFERRED TO IN SECTION 9.14. EACH OF THE PARTIES HERETO HEREBY AGREES THAT SECTIONS 5-1401 AND 4-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS AGREEMENT AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

Section 9.16 Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.9. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable Legal Requirement.

Section 9.17 Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Credit Party to honor all of its obligations under this Agreement in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 9.17 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 9.17, or otherwise under this Agreement, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the termination of all Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the Issuing Lender have been made). Each Qualified ECP Guarantor intends that this Section 9.17 constitute, and this Section 9.17 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Credit Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

Section 9.18 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or by e-mail "PDF" copy shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 9.19 Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 9.20 Waiver of Jury. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.21 Confirmation of Flood Policies and Procedures. Wells Fargo has adopted internal policies and procedures that address requirements placed on federally regulated lenders under the National Flood Insurance Reform Act of 1994 and related legislation (the "***Flood Laws***"). Wells Fargo, as administrative agent, will post on the applicable electronic platform (or otherwise distribute to each Lender) documents that it receives in connection with the Flood Laws; however, Wells Fargo reminds each Lender and Participant in the Facilities that, pursuant to the Flood Laws, each federally regulated Lender (whether acting as a Lender or Participant in the facilities) is responsible for assuring its own compliance with the flood insurance requirements.

Section 9.22 USA Patriot Act. Each Lender that is subject to the Patriot Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Credit Party that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies such Credit Party, which information includes the name and address of such Credit Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Credit Party in accordance with the Patriot Act.

Section 9.23 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

Section 9.24 Integration. THIS AGREEMENT AND THE CREDIT DOCUMENTS, AS DEFINED IN THIS AGREEMENT, REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES WITH RESPECT TO THE SUBJECT MATTERS SET FORTH HEREIN AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

[Remainder of this page intentionally left blank. Signature pages follow.]

SCHEDULE I
Pricing Schedule

From the period commencing with the Amendment No. 5 Effective Date until the delivery of the Compliance Certificate in connection with the financial statements most recently delivered pursuant to Section 5.2 for the fiscal quarter ending December 31, 2017, the Applicable Margin with respect to Commitment Fees and Advances (including, if applicable, Swingline Advances but not including Tranche B Term Advances or Tranche C Term Advances) shall be determined in accordance with the following Table I:

Table I

Eurodollar Advances	Base Rate Advances	Commitment Fee
425.0 bps	325.0 bps	75.0 bps

The Applicable Margin with respect to Commitment Fees and Advances (including, if applicable, Swingline Advances but not including Tranche B Term Advances or Tranche C Term Advances) shall be determined in accordance with the following Table II based on the Borrower' s Leverage Ratio as reflected in the Compliance Certificate delivered in connection with the financial statements most recently delivered pursuant to Section 5.2, commencing with the fiscal quarter ending December 31, 2017. Adjustments, if any, to such Applicable Margin shall be effective on the date the Administrative Agent receives the applicable financial statements and corresponding Compliance Certificate as required by the terms of this Agreement. Subject to the following sentence, if the Borrower fails to deliver the quarter-end or year-end financial statements and corresponding Compliance Certificate to the Administrative Agent at the time required pursuant to Section 5.2, then effective as of the date such financial statements and Compliance Certificate were required to be delivered pursuant to Section 5.2, the Applicable Margin with respect to Commitment Fees and Advances (including, if applicable, Swingline Advances but not including Tranche B Term Advances or Tranche C Term Advances) shall be determined at Level IV and shall remain at such level until the date such financial statements and corresponding Compliance Certificate are so delivered by the Borrower. For the avoidance of doubt, Table I above shall apply until the Borrower delivers to the Administrative Agent the financial statements and corresponding Compliance Certificate for the fiscal quarter ending December 31, 2017. Notwithstanding anything to the contrary contained herein, the determination of the Applicable Margin for any period shall be subject to the provisions of Section 2.9(d). For the avoidance of doubt, the levels on the pricing grid set forth below are set forth from lowest (Level I) to the highest (Level IV).

Table II

	Leverage Ratio	Eurodollar Advances	Base Rate Advances	Commitment Fee
Level I	<2.00x	275.0 bps	175.0 bps	50.0 bps
Level II	≥2.00x; <2.50x	300.0 bps	200.0 bps	50.0 bps
Level III	≥2.50x; <3.00x	325.0 bps	225.0 bps	50.0 bps
Level IV	≥3.00x	350.0 bps	250.0 bps	75.0 bps

The Applicable Margin with respect to Tranche B Term Advances shall be determined in accordance with the following Table III:

Eurodollar Advances	Base Rate Advances
575.0 bps	475.0 bps

From the period commencing with the Amendment No. 5 Effective Date until the delivery of the Compliance Certificate in connection with the financial statements most recently delivered pursuant to Section 5.2 for the fiscal quarter ending December 31, 2017, the Applicable Margin with respect to Tranche C Term Advances shall be determined in accordance with the following Table IV:

Table IV

Eurodollar Advances	Base Rate Advances
450.0 bps	350.0 bps

The Applicable Margin with respect to Tranche C Term Advances shall be determined in accordance with the following Table V based on the Borrower' s Leverage Ratio as reflected in the Compliance Certificate delivered in connection with the financial statements most recently delivered pursuant to Section 5.2, commencing with the fiscal quarter ending December 31, 2017. Adjustments, if any, to such Applicable Margin shall be effective on the date the Administrative Agent receives the applicable financial statements and corresponding Compliance Certificate as required by the terms of this Agreement. Subject to the following sentence, if the Borrower fails to deliver the quarter-end or year-end financial statements and corresponding Compliance Certificate to the Administrative Agent at the time required pursuant to Section 5.2, then effective as of the date such financial statements and Compliance Certificate were required to be delivered pursuant to Section 5.2, the Applicable Margin with respect to the Tranche C Term Advances shall be determined at Level IV and shall remain at such level until the date such financial statements and corresponding Compliance Certificate are so delivered by the Borrower. For the avoidance of doubt, Table IV above shall apply until the Borrower delivers to the Administrative Agent the financial statements and corresponding Compliance Certificate for the fiscal quarter ending December 31, 2017. Notwithstanding anything to the contrary contained herein, the determination of the Applicable Margin for any period shall be subject to the provisions of Section 2.9(d). For the avoidance of doubt, the levels on the pricing grid set forth below are set forth from lowest (Level I) to the highest (Level IV).

Table V

	Leverage Ratio	Eurodollar Advances	Base Rate Advances
Level I	<2.00x	300.0 bps	200.0 bps
Level II	≥2.00x; <2.50x	325.0 bps	225.0 bps
Level III	≥2.50x; <3.00x	350.0 bps	250.0 bps
Level IV	≥3.00x	375.0 bps	275.0 bps

Schedule I to Credit Agreement

SCHEDULE II
Commitments, Contact Information

ADMINISTRATIVE AGENT/ISSUING LENDER/SWINGLINE LENDER

Wells Fargo Bank, National Association

Address: 1445 Ross Avenue, Suite 4560
Dallas, TX 75202
Attn: Whitney Wall
Telephone: (214) 721-6455
Facsimile: (214) 721-6422
E-mail: wallwa@wellsfargo.com

CREDIT PARTIES

Borrower/Guarantors

Address: Beckman Production Services, Inc.
c/o SCF Partners, L.P.
600 Travis, Suite 6600
Houston, Texas 77002
Attn: Ryan S. Liles
Fax: 713-227-7850

Lender	Commitment (including the funded portion thereof represented by Tranche B Term Advances and Tranche C Term Advances)	Commitment (not including the funded portion thereof represented by Tranche B Term Advances and Tranche C Term Advances)	Tranche B Term Advances Outstanding on Amendment No. 5 Effective Date	Tranche C Term Advances Outstanding on Amendment No. 5 Effective Date
Wells Fargo Bank, National Association	$37,919,148.91	$4,468,085.10	$1,787,234.03	$31,663,829.76
ZB, N.A. dba Amegy Bank	$24,376,595.75	$2,872,340.43	$1,148,936.17	$20,355,319.15
HSBC Bank USA, National Association	$20,042,978.75	$2,361,702.13	$944,680.86	$16,736,595.76
Comerica Bank	$17,334,468.08	$2,042,553.19	$817,021.28	$14,474,893.62
Regions Bank	$17,334,468.08	$2,042,553.19	$817,021.28	$14,474,893.62
IBERIABANK	$10,292,340.42	$1,212,765.96	$485,106.38	$8,594,468.09
Total:	**$127,300,000.00**	**$15,000,000.00**	**$6,000,000.00**	**$106,300,000.00**

Schedule 5.7

Requirements for New Subsidiaries

Within 14 days (or within 30 days with respect to any Foreign Subsidiary) or, in any event, such longer time period as consented to by the Administrative Agent in its sole discretion of creating a new Subsidiary or acquiring a new Subsidiary, the Administrative Agent shall have received each of the following to the extent applicable:

(a) Guaranty. A joinder and supplement to the Guaranty executed by such Subsidiary;

(b) Security Agreement. Each of the following, to the extent required by the Administrative Agent in order to create and perfect an Acceptable Security Interest in the Collateral as required by Section 5.6: (i) a joinder and/or supplement to the Security Agreement executed by such new Subsidiary and any other Credit Party that owns Equity Interests in such new Subsidiary, (ii) in the case of any new Foreign Subsidiary, such other documents or instruments executed by such Foreign Subsidiary or any other Credit Party as may be prepared by foreign counsel, and (iii) if applicable, stock certificates and stock powers executed in blank, UCC-1 financing statements, and any other documents, agreements, or instruments required by Section 5.6;

(c) Real Estate. A Responsible Officer' s certificate from such new Subsidiary certifying a complete listing of all real Property owned or leased by such new Subsidiary and including a notation as to whether such owned real Property is Material Real Property.

(d) Corporate Documents. A secretary' s certificate from such new Subsidiary certifying such Subsidiary' s (i) officers' incumbency, (ii) authorizing resolutions, (iii) organizational documents, (iv) necessary governmental approvals, and (v) certificate of good standing from the state or other applicable jurisdiction in which each such Person is organized dated a date not earlier than 30 days prior to date of delivery or otherwise in effect on the date of delivery;

(e) Patriot Act. All documentation and other information that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act; and

(f) Opinion of Counsel. If reasonably requested by the Administrative Agent, an opinion of counsel (including foreign counsel, if applicable) in form and substance reasonably acceptable to Administrative Agent related to such new Subsidiary and substantially similar to the legal opinions delivered at the Closing Date with respect to the other Subsidiaries in existence on the Closing Date.

Notwithstanding the foregoing, the Borrower shall not be required to furnish any of the foregoing pledges, guaranties, security interests or related documents or instruments with respect to any newly created or acquired Foreign Subsidiary that is not required to become a Guarantor.

Schedule 5.7 to Credit Agreement

EXHIBIT D
COMPLIANCE CERTIFICATE

FOR THE PERIOD FROM , 201 TO , 201

This certificate dated as of , is prepared pursuant to the Credit Agreement dated as of May 2, 2014 (as amended, restated, supplemented, amended and restated or otherwise modified from time to time, the "Credit Agreement"), by and among Beckman Production Services, Inc. (the "Borrower"), the lenders party thereto from time to time (the "Lenders"), and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender. Unless otherwise defined in this certificate, capitalized terms that are defined in the Credit Agreement shall have the meanings assigned to them by the Credit Agreement.

The undersigned, on behalf of the Borrower, certifies that:

(a) all of the representations and warranties made by any Credit Party or any officer of any Credit Party contained in the Credit Documents are true and correct in all material respects (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof) on the date hereof, except that any representation and warranty which by its terms is made as of a specified date is true and correct in all material respects (except that such materiality qualifier does not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof) only as of such specified date;

(b) attached hereto in Schedule A is a spreadsheet reflecting the calculations of, as of the date and for the periods covered by this certificate, Funded Debt, EBITDA, Fixed Charges, Capital Expenditures expended by the Borrower or any Subsidiary, any Equity Funded Capital Expenditures, any Capital Expenditures that constitute a Permitted Acquisition and Net Cash Proceeds received from Dispositions;

[(c) no Default or Event of Default has occurred or is continuing as of the date hereof; and]

–or–

[(c) the following Default[s] or Event[s] of Default exist[s] as of the date hereof, if any, and the actions set forth below are being taken to remedy such circumstances:

; and]

(d) as of the date hereof for the periods set forth below the following statements, amounts, and calculations included herein and in Schedule A, are true and correct in all material respects:

I. Section 6.16 Leverage Ratio for the period ending _____, 20 :[1]

(a) Funded Debt as of the last day of such Testing Period $_____

(b) EBITDA[2] for the Testing Period[3]

(i) the Borrower' s consolidated Net Income for the Testing Period $_____

(ii) to the extent deducted in determining such consolidated Net Income for such period, Interest Expense, Federal, state, local and foreign income taxes (including Texas franchise taxes), depreciation, amortization and other non-cash charges (including any provision for the reduction in the carrying value of assets recorded in accordance with GAAP and including non-cash charges resulting from the requirements of ASC 410, 718 and 815) for such period $_____

(iii) to the extent deducted in determining such consolidated Net Income for such period, any cash charges or other expenses incurred in connection with the Transactions during such period $_____

(iv) to the extent deducted in determining such consolidated Net Income for such period, any cash charges or other expenses incurred in connection with Amendment No. 4 and Amendment No. 5 during such period $_____

(v) to the extent deducted in determining such consolidated Net Income for such period, any cash charges or other expenses incurred in connection with the Nine Acquisition during such period[4] $_____

---

1 Calculated as of the last day of each fiscal quarter, commencing with the quarter ending December 31, 2017.

2 In accordance with the Credit Agreement, EBITDA shall be subject to pro forma adjustments for Acquisitions (including the Closing Date Acquisition) and Nonordinary Course Asset Sales assuming that such transactions had occurred on the first day of the determination period, which adjustments shall be in a manner reasonably acceptable to the Administrative Agent and with supporting documentation reasonably acceptable to the Administrative Agent.

3 The "Testing Period" is determined as follows: (a) for the calculations to be made for the fiscal quarter ending December 31, 2017, the Testing Period is the fiscal quarter then ended, (b) for the calculations to be made for the fiscal quarter ending March 31, 2018, the Testing Period is the two-fiscal quarter period then ended, (c) for the calculations to be made for the fiscal quarter ending June 30, 2018, the Testing Period is the three-fiscal quarter period then ended and (d) for the calculations to be made for each fiscal quarter ending on or after September 30, 2018, the Testing Period is the four-fiscal quarter period then ended.

4 For purposes of calculating "EBITDA" the aggregate amounts added back pursuant to clause (v) shall not exceed $2,500,000 in the aggregate and the aggregate amounts added back pursuant to clauses (vi) and (viii) (excluding any such amounts added back to EBITDA prior to January 1, 2016) shall not exceed an amount equal to the greater of (x) $1,000,000 for any four fiscal quarter period beginning with the fiscal quarter ending on March 31, 2016 and (y) five percent (5%) of EBITDA (without giving effect to clauses (vi) and (viii) above) for any four fiscal quarter period unless otherwise agreed to by the Administrative Agent. For the avoidance of doubt, such amounts added back pursuant to such clauses (v), (vi) and (viii) above may occur in any incremental amount for any fiscal quarter so long as the aggregate amounts added back during any four-fiscal quarter period which includes such fiscal quarter do not exceed the cap set forth in the immediately preceding sentence.

	(vi)	to the extent deducted in determining such consolidated Net Income for such period, reasonable non-recurring cash charges and expenses incurred in connection with Permitted Acquisitions during such period[5]	$_____
	(vii)	to the extent deducted in determining such consolidated Net Income for such period, non-cash equity-based compensation paid for such period	$_____
	(viii)	to the extent deducted in determining such consolidated Net Income for such period, restructuring and other non-recurring expenses incurred during such period, including severance costs, costs associated with office or plant openings or closings and consolidation or relocation fees for such period[6]	$_____
	(ix)	all non-cash items of income which were included in determining such consolidated Net Income (including non-cash income resulting from the requirements of ASC 410, 718 and 815)	$_____
	(b)	= [(i)+(ii)+(iii)+(iv)+(v)+(vi)+(vii)+(viii)] - (ix)	$_____
(c)		Adjusted EBITDA multiplier	[4][2][4/3][1][7]
(d)		Adjusted EBITDA = (b) x (c)	$_____
		Leverage Ratio = (a) divided by (d) =	____to 1.00
		Maximum Leverage Ratio	3.50 to 1.00
		Compliance **Yes** **No**	

[Remainder of this page intentionally left blank.
Compliance Certificate continues on following pages.]

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5 See Footnote 4.

6 See Footnote 4.

7 Use (a) 4 for calculations to be made for the fiscal quarter ending December 31, 2017, (b) 2 for calculations to be made for the two-fiscal quarter period ending March 31, 2018, (c) 4/3 for calculations to be made for the three-fiscal quarter period ending June 30, 2018 and (d) 1 for each four-fiscal quarter period ending on or after September 30, 2018.

II. Section 6.17 Fixed Charge Coverage Ratio:[8]

(a)	EBITDA for the quarter ending , 20		$_____
(b)	Fixed Charges for such quarter		$_____
	Fixed Charge Coverage Ratio = (a) divided by (b) =		_____to 1.00
	Minimum Fixed Charge Coverage Ratio		[1.15 to 1.00][9][1.25 to 1.00][10]
	Compliance	**Yes**	**No**

[Remainder of this page intentionally left blank.
Compliance Certificate continues on following pages.]

8 Calculated as of the last day of each fiscal quarter, commencing with the quarter ending March 31, 2016.
9 Use for the each fiscal quarter ending on or prior to June 30, 2017.
10 Use for each fiscal quarter ending after June 30, 2017.

III. Section 6.18 Capital Expenditures:[11]

(a)	Capital Expenditures expended by the Borrower or any of its Subsidiaries from and after the first day of the fiscal year until the last day of such fiscal year during which this reporting period falls	$_____
(b)	Equity Funded Capital Expenditures from and after the first day of the fiscal year until the last day of such fiscal year during which this reporting period falls (to the extent included in (a) above)	$_____
(c)	Capital Expenditures from and after the first day of the fiscal year until the last day of such fiscal year during which this reporting period falls that constitute a Permitted Acquisition (to the extent included in (a) above)	$_____
(d)	the lesser of (i) Net Cash Proceeds resulting from sales, conveyances and other dispositions of Property (other than Nonordinary Course Asset Sales) and received by such Person during such period, and (ii) $5,000,000	$_____
(e)	**Net Capital Expenditure** = (a) - (b) - (c) - (d)	$_____
(f)	EBITDA for most recently ended fiscal year	$_____
[(g)	limit for Capital Expenditures expended in each fiscal year ending after December 31, 2017 = 75% ofIII.(f) =	$_____]
	Capital Expenditure Covenant:	(e)≤[$20,000,000][12][(g)][13]
	Compliance	**Yes** **No**

11 Only calculated for the compliance certificate delivered with the year-end financials.
12 Use for the fiscal year ending December 31, 2017.
13 Use for each fiscal year ending after December 31, 2017.

IN WITNESS THEREOF, I have hereto signed my name to this Compliance Certificate as of , .

BECKMAN PRODUCTION SERVICES, INC.

By: _____
Name: Ryan Liles
Title: Chief Financial Officer, Treasurer and Secretary

EXHIBIT E-1

NOTICE OF REVOLVING BORROWING

[Date]

Wells Fargo Bank, National Association
1525 W WT Harris Blvd.
Mail Code NC0680
Charlotte, North Carolina 28262
Attn: Syndication/Agency Services
Telephone: (704) 590-2760
Telecopy: (704) 590-2790

With a copy to:

Wells Fargo Bank, National Association
1445 Ross Avenue, Suite 4560
Dallas, TX 75202
Attn: Whitney Wall
Telephone: (214) 721-6455
Facsimile: (214) 721-6422
Email: wallwa@wellsfargo.com

Ladies and Gentlemen:

The undersigned, Beckman Production Services, Inc., a Delaware corporation ("Borrower"), refers to the Credit Agreement dated as of May 2, 2014 (as the same may be amended or modified from time-to-time, the "Credit Agreement," the defined terms of which are used in this Notice of Borrowing as defined therein unless otherwise defined in this Notice of Borrowing) among the Borrower, the lenders party thereto from time to time (the "Lenders") and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender (as each such term is defined therein). The Borrower hereby gives you irrevocable notice pursuant to [Section 2.5(a)][Section 2.4(e)] of the Credit Agreement that the Borrower hereby requests a Borrowing consisting of [Revolving Advances][Swingline Advances] (the "Proposed Borrowing"), and in connection with that request sets forth below the information relating to such Proposed Borrowing as required by the Credit Agreement:

(a) The Business Day of the Proposed Borrowing is , .

(b) The Proposed Borrowing will be composed of [Base Rate Advances][Eurodollar Advances][Swingline Advances].

(c) The aggregate amount of the Proposed Borrowing is $.[1]

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1 Each Proposed Borrowing shall (A) if comprised of Base Rate Advances be in an aggregate amount not less than $500,000.00 and in integral multiples of $100,000.00 in excess thereof and (B) if comprised of Eurodollar Advances be in an aggregate amount not less than $1,000,000.00 and in integral multiples of $500,000.00 in excess thereof. If any AutoBorrow Agreement is not in effect, each Swingline Advance shall be in an aggregate amount not less than $100,000.00 and in integral multiples of $50,000.00 in excess thereof.

(d) [The Interest Period for each Eurodollar Advance made as part of the Proposed Borrowing is [one][three][six] month(s)].

(e) After giving effect to the Proposed Borrowing, the Revolving Tranche A Outstandings would be $.

(f) The Borrowing Base in effect as of the date hereof is $.

(g) The aggregate Commitments as of the date hereof are $.

The Borrower hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(i) the representations and warranties contained in the Credit Agreement and each of the other Credit Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), on and as of the date of the Proposed Borrowing, before and after giving effect to such Proposed Borrowing, as though made on the date of the Proposed Borrowing except for those representations and warranties that are expressly made as of an earlier date or period which shall be true and correct in all material respects as of such earlier date or period (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof);

(ii) no Default has occurred and is continuing, or would result from such Proposed Borrowing; and

(iii) after giving effect to the Proposed Borrowing, (a) the Revolving Tranche A Outstandings do not exceed the Borrowing Base and (b) the sum of the Revolving Tranche A Outstandings plus the sum of (i) the aggregate outstanding Tranche B Term Advances and (ii) the aggregate outstanding Tranche C Term Advances does not exceed the aggregate Commitments.

Very truly yours,

BECKMAN PRODUCTION SERVICES, INC.

By: _____
Name: _____
Title: _____

EXHIBIT F

NOTICE OF CONTINUATION OR CONVERSION

_____, _____

Wells Fargo Bank, National Association
1445 Ross Avenue, Suite 4560
Dallas, TX 75202
Attn: Whitney Wall
Telephone: (214) 721-6455
Facsimile: (214) 721-6422
Email: wallwa@wellsfargo.com

Ladies and Gentlemen:

The undersigned, Beckman Production Services, Inc., a Delaware corporation ("Borrower"), refers to the Credit Agreement dated as of May 2, 2014 (as the same may be amended or modified from time-to-time, the "Credit Agreement," the defined terms of which are used in this Notice of Continuation or Conversion as defined therein unless otherwise defined in this Notice of Continuation or Conversion) among the Borrower, the lenders party thereto from time to time (the "Lenders") and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender and Issuing Lender (as each such term is defined therein). The Borrower hereby gives you irrevocable notice pursuant to Section 2.5(b) of the Credit Agreement that the Borrower hereby requests a [Conversion][continuation] of outstanding Revolving Advances (the "Proposed Borrowing") and in connection with that request sets forth below the information relating to such Proposed Borrowing as required by the Credit Agreement:

1. The Business Day of the Proposed Borrowing is , .

2. The aggregate amount of the existing Revolving Advances to be [Converted] [continued] is $ _____ and is comprised of [Base Rate Advances][Eurodollar Advances] ("Existing Advances").

3. The Proposed Borrowing consists of [a Conversion of the Existing Advances to [Base Rate Advances] [Eurodollar Advances]] [a continuation of the Existing Advances].

4. The Existing Advances constitute [Revolving Tranche A Advances] [Tranche B Term Advances] [Tranche C Term Advances].

[(5) The Interest Period for the Proposed Borrowing is [one][three][six] month[s]].

The Borrower hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

A. the representations and warranties contained in the Credit Agreement and each of the other Credit Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), on and as of the requested funding date of this Proposed Borrowing, before and after giving effect to such

Proposed Borrowing, as though made on and as of such date except for those representations and warranties which were expressly made as of an earlier date or period which shall be true and correct as of such earlier date or period (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof); and

B. no Default has occurred and is continuing or would result from such Proposed Borrowing.

Very truly yours,

BECKMAN PRODUCTION SERVICES, INC.

By: _____
Name: _____
Title: _____

EXHIBIT H-1

FORM OF NOTICE OF MANDATORY PAYMENT

[Date]

Wells Fargo Bank, National Association
1525 W WT Harris Blvd.
Mail Code NC0680
Charlotte, North Carolina 28262
Attn: Syndication/Agency Services
Telephone: (704) 590-2760
Telecopy: (704) 590-2790

With a copy to:

Wells Fargo Bank, National Association
1445 Ross Avenue, Suite 4560
Dallas, TX 75202
Attn: Whitney Wall
Telephone: (214) 721-6455
Facsimile: (214) 721-6422
Email: wallwa@wellsfargo.com

Ladies and Gentlemen:

The undersigned, Beckman Production Services, Inc., a Delaware corporation (the "Borrower"), (a) refers to the Credit Agreement dated as of May 2, 2014 (as the same may be amended, restated or modified from time-to-time, the "Credit Agreement," the defined terms of which are used in this Notice of Mandatory Payment unless otherwise defined in this Notice of Mandatory Payment) among the Borrower, the lenders party thereto from time to time and Wells Fargo Bank, National Association, as administrative agent, issuing lender and swingline lender, and (b) certifies that it is authorized to execute and deliver this Notice of Mandatory Payment under and pursuant to the Credit Agreement.

Borrower hereby gives you irrevocable notice pursuant to Section 2.13(c) the Credit Agreement of the following payments (*check the box next to which would apply for this Notice of Payment):*

☐ **MANDATORY PREPAYMENT AS A RESULT OF RECEIPT OF DEBT INCURRENCE PROCEEDS (OTHER THAN THOSE RESULTING FROM PERMITTED DEBT)**

Debt Incurrence Proceeds of $ were received on , 20 .

As required under Section 2.6(c)(i) of the Credit Agreement, Borrower will make a payment of $ on , 20 , which shall be applied to prepay the Tranche B Term Advances.

☐ **MANDATORY PREPAYMENT AS A RESULT OF A NON-PERMITTED DISPOSITION**

A non-Permitted Disposition was completed on , 20 with Net Cash Proceeds of $.

As required under Section 2.6(c)(ii) of the Credit Agreement, Borrower will make a payment of $ on , 20 , which shall be applied to *first* prepay the outstanding principal amount of the Tranche B Term Advances until such time as the Tranche B Term Advances are repaid in full, *second* prepay the outstanding principal amount of the Tranche C Term Advances until such time as the Tranche C Term Advances are repaid in full, in accordance with Section 2.6(e) of the Credit Agreement, *third* prepay the Swingline Advances, *fourth* prepay the Revolving Tranche A Advances, and *fifth,* if any Borrowing Base Deficiency exists on the date of such non-Permitted Disposition, Cash Collateralize the Letter of Credit Exposure.

☐ **MANDATORY PREPAYMENT AS A RESULT OF RECEIPT OF EXTRAORDINARY RECEIPTS**

Extraordinary Receipts of $ were received on , 20 , which, together with all Extraordinary Receipts received since the Amendment No. 4 Effective Date, exceed $1,000,000 by an amount equal to $, and either (a) a Default exists so 100% of such excess is being applied as a payment or (b) no Default exists so only the portion of such excess that has not been used to reinvest in fixed or capital assets within 180 days following the receipt of such Extraordinary Receipts in a manner permitted under the Credit Agreement is being applied as payment.

As required under Section 2.6(c)(iii) of the Credit Agreement, Borrower will make a payment of $ on , 20 , which shall be applied to *first* prepay the Tranche B Term Advances until such time as the Tranche B Term Advances are repaid in full, *second* prepay the outstanding principal amount of the Tranche C Term Advances until such time as the Tranche C Term Advances are repaid in full, in accordance with Section 2.6(e) of the Credit Agreement, *third* prepay the Swingline Advances, *fourth* prepay the Revolving Tranche A Advances, *fifth*, if any Borrowing Base Deficiency exists on the date of receipt of such Extraordinary Receipts, Cash Collateralize the Letter of Credit Exposure, and in the case of the foregoing *third* and *fourth* clauses, with a corresponding reduction in the Borrowing Base in an amount attributed to any Inventory related to such Casualty Event.

☐ **MANDATORY PREPAYMENT AS A RESULT OF BORROWING BASE DEFICIENCY**

A Borrowing Base Deficiency exists as reflected in the Borrowing Base Certificate delivered pursuant to Section 5.2(e) of the Credit Agreement or as notified to the Borrower by the Administrative Agent, and, as required under Section 2.6(c)(iv) of the Credit Agreement, Borrower will, within three Business Days, to the extent of such deficiency, make a payment of $ which shall be applied to *first* prepay the Swingline Advances, *second* prepay the Revolving Tranche A Advances, and *third* Cash Collateralize the Letter of Credit Exposure.

☐ **MANDATORY PREPAYMENT AS A RESULT OF AVAILABLE CASH**

As of , 20 [1], Available Cash in accounts held by, or for the benefit of the Borrower or its Subsidiary, exceeds $6,000,000 (excluding any outstanding checks and electronic funds transfers) and, as required under Section 2.6(c)(v) of the Credit Agreement, Borrower will, to the extent of such excess, make a payment of $ on the Business Day immediately following the date first listed above, which shall be applied to *first* prepay the Swingline Advances, *second* prepay the Revolving Tranche A Advances, *third* if any Borrowing Base Deficiency exists on such payment date, Cash Collateralize the Letter of Credit Exposure, *fourth* prepay the Tranche B Term Advances until such time as the Tranche B Term Advances are repaid in full, and *fifth* prepay the Tranche C Term Advances until such time as the Tranche C Term Advances are repaid in full, in accordance with Section 2.6(e) of the Credit Agreement.

☐ This payment has been [waived] [extended] [amended] by the Majority Lenders and the Borrower such that [no payment is required] [payment is not due until , 20] [the terms of such payment have been amended as follows:].

☐ This payment has not been waived, extended or amended by the Majority Lenders and the Borrower such that payment is hereby required on the Business Day immediately following the date first listed above.

☐ **MANDATORY PREPAYMENT AS A RESULT OF EXCESS CASH FLOW**

The Leverage Ratio of the Borrower as of December 31, 20[ ] is greater than 2.00 to 1.00. Excess Cash Flow is calculated as follows:

(a) Borrower' s consolidated EBITDA for the fiscal year then ended $_____

(b) any decrease in the Working Capital of the Borrower and its Subsidiaries during such period (measured as the excess of such Working Capital at the beginning of such period over such Working Capital at the end of such period) $_____

(c) Taxes actually paid in cash by the Borrower and the other Credit Parties during such twelve month period $_____

(d) permitted Capital Expenditures (excluding Equity Funded Capital Expenditures and any Capital Expenditures funded with proceeds of Debt) of the Borrower and the other Credit Parties actually paid during such twelve month period $_____

[1] To be measured on the last Business Day of each calendar month.

(e) consolidated Interest Expense of the Borrower actually paid during such twelve month period $_____

(f) the aggregate amount of cash charges added back to EBITDA during such period for purposes of calculating EBITDA pursuant to the definition of EBITDA $_____

(g) principal installment payments and optional prepayments of Tranche B Term Advances and Tranche C Term Advances made during such twelve month period (other than payments required under Section 2.6(c)(vi) $_____

(h) other principal payments on Funded Debt (other than Revolving Tranche A Advances or any other Funded Debt of a revolving nature) made during such twelve month period $_____

(i) cash payments made in respect of Investments permitted under Section 6.3 of the Credit Agreement and Permitted Acquisitions during such twelve month period $_____

(j) any increase in the Working Capital of the Borrower and its Subsidiaries during such period (measured as the excess of such Working Capital at the end of such period over such Working Capital at the beginning thereof) $_____

(k) the sum of (c) + (d) + (e) + (f) + (g) + (h) + (i) + (j) $_____

Excess Cash Flow = (a) *plus* (b) *minus* (k) $ with 75% thereof to be applied as payment.

As required under Section 2.6(c)(vi) of the Credit Agreement, the Borrower will make a payment of $ on April 30, 20 , which shall be applied to *first* prepay the Tranche B Term Advances until such time as the Tranche B Term Advances are repaid in full, and *second* prepay the outstanding principal amount of the Tranche C Term Advances until such time as the Tranche C Term Advances are repaid in full, in accordance with Section 2.6(e) of the Credit Agreement.

Very truly yours,

BECKMAN PRODUCTION SERVICES, INC.
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT J

FORM OF BORROWING BASE CERTIFICATE

[date]

Wells Fargo Bank, National Association
1525 W WT Harris Blvd.
Mail Code NC0680
Charlotte, North Carolina 28262
Attn: Syndication/Agency Services
Telephone: (704) 590-2760
Telecopy: (704) 590-2790

With a copy to:

Wells Fargo Bank, National Association
1445 Ross Avenue, Suite 4560
Dallas, TX 75202
Attn: Whitney Wall
Facsimile: (214) 721-6422

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement dated as of May 2, 2014, among Beckman Production Services, Inc., a Delaware corporation (the "**Borrower**"), the lenders party thereto from time to time, and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the "**Administrative Agent**"), swingline lender and issuing lender (as amended, supplemented, restated, amended and restated or otherwise modified from time to time, the "**Credit Agreement**"). Capitalized terms used herein and not otherwise defined herein have the meanings set forth in the Credit Agreement.

The Borrower hereby certifies that:

(a) the amounts and calculations regarding the Borrowing Base and the Facility set forth in Sections A, B, C and D on the attached Schedule A and on the accompanying supporting reports, if any, attached hereto are true and correct in all material respects as of the dates set forth on Schedule A;

(b) the amounts and calculations regarding the Accounts Receivable Aging Report and the Accounts Payable Aging Report for the Credit Parties as set forth in Schedule A and Schedule B, respectively, and on the accompanying supporting reports, if any, attached hereto are true and correct in all material respects as of the date set forth on Schedule A and Schedule B, respectively; and

(c) attached hereto as Schedule C is a detailed chart reflecting the Inventory of the Credit Parties.

[signature page follows]

Very truly yours,

BECKMAN PRODUCTION SERVICES, INC.

By: _____
Name: _____
Title: _____

SCHEDULE A

BORROWING BASE CALCULATION

AVAILABILITY CALCULATION

As of [DATE]:

A. ELIGIBLE RECEIVABLES

1. Receivables[1] of the Credit Parties in each case reflected on their books in accordance with GAAP as of the month end immediately preceding the date hereof and, for the avoidance of doubt, owned by such Credit Parties on such date and which conform to the representations and warranties in Article IV of the Credit Agreement and in the Security Documents to the extent such provisions are applicable to the Receivables. $_____

minus

2. (without duplication) the sum of Receivables which are:

   a. not subject to an Acceptable Security Interest in favor of the Administrative Agent $_____

   b. Receivables to which a Credit Party does not have good and marketable title $_____

   c. not billed substantially in accordance with billing practices of such Credit Party in effect on the Amendment No. 4 Effective Date $_____
   or

   billed substantially in accordance with billing practices of such Credit Party in effect on the Amendment No. 4 Effective Date but such Receivable is unpaid for more than 90 days from the date of the invoice (or such longer period for certain specific Receivables or specific Account Debtors as may otherwise be permitted by Administrative Agent in its sole discretion) $_____

1 "Receivables" of any Person means, at any date of determination thereof, the unpaid portion of the obligation, as stated on the respective invoice or other writing, of a customer of such Person in respect of goods sold or services rendered by such Person, including the unpaid portion of an "account" or "account receivable" as defined in the UCC, if applicable

d. if for services, (i) Receivables not created in the ordinary course of business of any Credit Party from the performance by such Credit Party of services which have been fully and satisfactorily performed or (ii) Receivable which is a progress billing or contingent upon any further performance $_____

or

if for goods held for sale, (i) not from an absolute sale on open account, (ii) on consignment, on approval or on a "sale or return" basis, (iii) such goods were not solely and completely owned by the Credit Parties, or (iv) such goods were shipped or delivered to the Account Debtor but the Credit Parties do not have possession of any evidence of shipping or delivery receipts $_____

or

if for goods held for rent, Receivables not created in the ordinary course of business from the rental by any Credit Party as the lessor of goods owned by such Credit Party. $_____

e. Receivables that do not (i) represent a legal, valid and binding payment obligation of the Account Debtor thereof enforceable in accordance with its terms or (ii) arise from an enforceable contract $_____

f. due from an Account Debtor that has more than 20% of its aggregate Receivables owed to any Credit Party more than 90 days past the invoice date $_____

g. owed by an Account Debtor that any Credit Party deems to not be creditworthy $_____

or

owed by an Account Debtor which has (i) applied for, suffered, or consented to the appointment of any receiver, custodian, trustee, or liquidator of its assets, (ii) has had possession of all or a material part of its property taken by any receiver, custodian, trustee or liquidator, (iii) filed, or had filed against it, any request or petition for liquidation, reorganization, arrangement, adjustment of debts, adjudication as bankrupt, winding-up, or voluntary or involuntary case under any Debtor Relief Laws, (iv) has admitted in writing its inability to, or is generally unable to, pay its debts as they become due, (v) become insolvent, or (vi) ceased operation of its business $_____

h. owed by an Account Debtor that is a Credit Party, an Affiliate of a Credit Party, or a director, officer, or employee of a Credit Party or of an Affiliate of Credit Party (other than with respect to a portfolio company of SCF and its related funds) $_____

i. not evidenced by an invoice $_____

or

evidenced by any chattel paper, promissory note or other instrument $_____

j. Receivables that, together with all other Receivables due from the same Account Debtor, comprise more than 25% of the aggregate Receivables of all Credit Parties with respect to all Account Debtors (provided, however, that the amount listed for this item (j) shall only be the excess of such amount) $_____

k. subject to a set-off, counterclaim, defense, allowance or adjustment

or

Receivables for which there has been a dispute, objection or complaint by the Account Debtor concerning its liability for such Receivable or a claim for any such set-off, counterclaim, defense, allowance or adjustment by the Account Debtor thereof $_____

provided, however, that the amount listed for this item (k) shall only be the amount of such set-off, counterclaim, allowance or adjustment or claimed set-off, counterclaim, allowance or adjustment $_____

l. owed in a currency other than Dollars $_____

or

due from an Account Debtor organized under applicable law of a jurisdiction other than the United States or any state of the United States $_____

m. due from the United States government, or any department, agency, public corporation, or instrumentality thereof and the Federal Assignment of Claims Act of 1940, as amended (31 U.S.C. § 3727 et seq. and 41 U.S.C. § 15 et seq.), and any other steps necessary to perfect the Lien of the Administrative Agent in such Receivable have not been complied with to the Administrative Agent' s satisfaction $_____

n. owed by an Account Debtor that is a Sanctioned Person or a Sanctioned Entity $_____

o. the result of (i) work-in-progress, (ii) finance or service charges (other than oil field services rendered by any Credit Party in the ordinary course of business), or (iii) payments of interest $_____

p. written off the books of any Credit Party or otherwise designated as uncollectible by any Credit Party $_____

q. subject to a reduction thereof, other than discounts and adjustments given in the ordinary course of business and deducted from such Receivable $_____

r. newly created Receivables resulting from the unpaid portion or credit balance of a partially paid Receivable $_____

s. subject to a third party' s rights which would be superior to the Lien of Administrative Agent created under the Credit Documents (including Permitted Liens other than Liens permitted under Section 6.2(d) of the Credit Agreement for taxes that are not yet due and payable) $_____

t. deemed ineligible by the Administrative Agent in its Permitted Discretion $_____

TOTAL: $_____

3. Eligible Receivables = (1) - (2) = **$_____**

B. ELIGIBLE INVENTORY[2]

1. Inventory[3] of the Credit Parties that is of a type customarily held as Inventory in the respective Credit Parties' business as being conducted on the Amendment No. 4 Effective Date on the month end immediately preceding the date hereof and, for the avoidance of doubt, owned by such Credit Parties on such date. $ _____

minus

2. (without duplication) the sum of Inventory of the Credit Parties which is Inventory:

a. in which the Administrative Agent does not have an Acceptable Security Interest $_____

b. with respect to which a claim exists disputing applicable Credit Party' s title to or right to possession $_____

c. that is obsolete or slow moving for which a reserve has been booked by the applicable Credit Party in accordance with GAAP $_____

d. that is rejected, spoiled or damaged, or otherwise not readily saleable or usable in its present state for the use for which it was processed or purchased $_____

e. that has been shipped or delivered to a customer on consignment, on a sale or return basis, or on the basis of any similar understanding $_____

f. in transit (provided that, "in transit" shall be deemed not to include any situation or circumstance where each of the following conditions are met: (i) the Inventory is "in transit" between Credit Parties, and (ii) a Credit Party retains title to such Inventory) $_____

g. held for lease $_____

h. (i) located on premises owned or operated by the customer that is to purchase such Inventory $_____

or

(ii) located at any Third Party Location that is not subject to a Collateral Access Agreement other than those that are covered under the Rent Reserve Amount for such Borrowing Base in Administrative Agent' s Permitted Discretion $_____

i. that does not comply with any Legal Requirement or the standards imposed by any Governmental Authority having authority over such Inventory or such applicable Credit Party with respect to its manufacture, use, or sale $_____

j. that is bill and hold goods or deferred shipment $_____

2 Valued at the lower of cost or market value in accordance with GAAP.

3 "Inventory" of any Person means (a) all inventory (as defined in the UCC) owned by such Person, wherever located and whether or not in transit, which is held for sale and (b) other goods which are held for use in the ordinary course of business and which are considered "inventory" on such Person' s books for purposes of GAAP.

k.	evidenced by any negotiable document of title unless such document of title has been delivered to the Administrative Agent, duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Administrative Agent	$_____
l.	produced in violation of the Fair Labor Standards Act or that is subject to the "hot goods" provisions contained in Title 29 U.S.C. §215	
m.	that is subject to any agreement which would, in any material respect, restrict Administrative Agent' s ability to sell or otherwise dispose of such Inventory	$_____
n.	that is located in a jurisdiction outside the United States (other than Canada and any province or territory of Canada), any state thereof or in any territory or possession of the United States that has not adopted Article 9 of the UCC	$_____
o.	that is subject to any third party' s Lien, including Permitted Liens which would be superior to the Lien of Administrative Agent created under the Credit Documents (other than Liens permitted under Section 6.2(b) which are covered under the Rent Reserve Amount for such Borrowing Base in Administrative Agent' s Permitted Discretion and Liens permitted under Section 6.2(d) for taxes that are not yet due and payable)	$_____
p.	that would constitute raw materials, work in process or supplies or materials consumed in the business of any Credit Party or Subsidiary thereof, other than coil tubing and backup Inventory	$_____
q.	that would constitute a custom made or specialized inventory for a specific customer which cannot be sold to any other customer without requiring additional processing in any material respect	$_____
r.	that is otherwise deemed ineligible by the Administrative Agent in its Permitted Discretion	$_____
	TOTAL:	**$**_____

3. Eligible Inventory = (1) - (2) = **$**_____

C. BORROWING BASE EFFECTIVE AS OF THE DATE HEREOF:

1. A.3 *(Eligible Receivables)* x 80% = $_____

2. B.3 (Eligible Inventory) x 50% = $_____

3. Rent Reserve Amount[4] = $_____

4. **Borrowing Base = C.1 + C.2 - C.3** **= $**_____

D. AVAILABILITY ON THE DATE HEREOF:

1. [Revolving Tranche A Outstandings][5] = $_____

   or

   [Revolving Outstandings][6] = $_____

2. **Maximum Availability is equal to the least of the following:**
   [***check the box that applies]***

   ☐ the aggregate Commitments

   ☐ Borrowing Base (See C.4 above)

Availability on the date hereof is D.2 minus D.1 = $_____[7]

4 "Rent Reserve Amount" is such amount determined by the Administrative Agent from time to time in its Permitted Discretion, provided that such amount shall not exceed the amount of rent, fees and other charges for a period of three months that a landlord, third party warehouse, trailer storage or other self-storage facility, bailee, or such third party, as applicable, would be legally entitled to recover from the personal property located at such Third Party Location and that is subject to a Lien in favor of such third parties, regardless of whether such Lien arises by operation of law, under contract or otherwise. The Rent Reserve Amount shall not include rent, fees and other charges for Third Party Locations where no Inventory is located.

5 Only includes Revolving Tranche A Advances, Swingline Advances and Letter of Credit Exposure (but NOT Tranche B Term Advances and Tranche C Term Advances).

6 Use only if "the aggregate Commitments" is selected under item (D.2). Revolving Outstandings include Revolving Tranche A Advances, Swingline Advances, Letter of Credit Exposure, Tranche B Term Advances and Tranche C Term Advances.

7 A negative number would mean a deficiency exists.

SCHEDULE A

ACCOUNTS RECEIVABLE AGING REPORT FOR CREDIT PARTIES

[Please attach an accounts receivable aging report for each Credit Party, with grand totals.]

SCHEDULE B

ACCOUNTS PAYABLE AGING REPORT FOR CREDIT PARTIES

[Please attach an accounts payable aging report for each Credit Party with grand totals.]

SCHEDULE C
INVENTORY SCHEDULE FOR CREDIT PARTIES

[Please attach a chart detailing the Inventory of the Credit Parties and showing (A) the location (or if in transit), (B) the product type, (C) volume on hand, (D) cost or market value and (E) reports of any variances or other results of Inventory counts performed by the Credit Parties since the last Inventory schedule, if applicable [8].]

---

8 Include any information regarding sales or other reductions, additions, returns, credits issued by any such parties and all claims, counterclaims, deductions, defenses, setoffs or disputes against any such parties by the Account Debtor.

Schedule 4.1

ORGANIZATIONAL INFORMATION

Credit Party	Type of Organization	State of Formation
Beckman Production Services, Inc.	Corporation	Delaware
Beckman Production Services, Inc.	Corporation	Michigan
RedZone Holdco, LLC	Limited Liability Company	Delaware
Northern Production Company, LLC	Limited Liability Company	Wyoming
RedZone Coil Tubing, LLC	Limited Liability Company	Texas
R & S Well Service, Inc.	Corporation	Wyoming
SJL Well Service, LLC	Limited Liability Company	Oklahoma
J & R Well Service, LLC	Limited Liability Company	Michigan
First Call Well Service, LLC	Limited Liability Company	Oklahoma
Big Lake Services, LLC	Limited Liability Company	Delaware
Big Lake Services Holdco, LLC	Limited Liability Company	Delaware

Schedule 4.11

SUBSIDIARIES

Subsidiary	Type of Organization	State of Formation
Beckman Production Services, Inc.	Corporation	Michigan
RedZone Holdco, LLC	Limited Liability Company	Delaware
Northern Production Company, LLC	Limited Liability Company	Wyoming
RedZone Coil Tubing, LLC	Limited Liability Company	Texas
R & S Well Service, Inc.	Corporation	Wyoming
SJL Well Service, LLC	Limited Liability Company	Oklahoma
J & R Well Service, LLC	Limited Liability Company	Michigan
First Call Well Service, LLC	Limited Liability Company	Oklahoma
Big Lake Services, LLC	Limited Liability Company	Delaware
Big Lake Services Holdco, LLC	Limited Liability Company	Delaware

Exhibit 10.15

Execution Version

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***") is made by and between Nine Energy Service, LLC (the "***Company***"), and Ann Fox ("***Executive***").

W I T N E S S E T H:

WHEREAS, the Company desires to employ Executive on the terms and conditions, and for the consideration, hereinafter set forth and Executive desires to be employed by the Company on such terms and conditions and for such consideration.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the Company and Executive agree as follows:

ARTICLE I
DEFINITIONS

In addition to the terms defined in the body of this Agreement, for purposes of this Agreement, the following capitalized words shall have the meanings indicated below:

1.1 "***Board***" shall mean the Board of Directors of Nine Energy Service, Inc. ("***Nine Energy***").

1.2 "***Cause***" shall mean a determination by the Company or Nine Energy that Executive (a) has engaged in gross negligence or willful misconduct in the performance of Executive' s duties with respect to the Company or any of its affiliates, (b) has breached any material provision of this Agreement or any other written agreement among Executive and the Company or any of its affiliates, as such agreement(s) may be amended from time to time, or any corporate policy or code of conduct established by the Company or any of its affiliates as in effect from time to time, (c) has willfully engaged in conduct that is injurious to the Company or any of its affiliates, or (d) has committed or been convicted of, pleaded no contest to or received adjudicated probation or deferred adjudication with respect to a felony or any crime or misdemeanor involving fraud, dishonesty or moral turpitude (or a crime or misdemeanor of similar import in a foreign jurisdiction).

1.3 "***Code***" shall mean the Internal Revenue Code of 1986, as amended.

1.4 "***Date of Termination***" shall mean the date Executive' s employment with the Company is considered to have terminated pursuant to Section 3.5.

1.5 "***Good Reason***" shall mean the occurrence of any of the following events:

(a) a material diminution in Executive' s Base Salary, other than as part of a decrease of up to 10% of the base salaries for all of the Company' s executive officers; or

(b) the involuntary relocation of the geographic location of Executive' s principal place of employment by more than 75 miles from the location of Executive' s principal place of employment as of the Effective Date.

Notwithstanding the foregoing provisions of this Section 1.5 or any other provision in this Agreement to the contrary, any assertion by Executive of a termination of employment for "***Good Reason***" shall not be effective unless all of the following requirements are satisfied: (i) the condition described in Section 1.5(a), (b) or (c) giving rise to Executive' s termination of employment must have arisen without Executive' s consent; (ii) Executive must provide written notice to the Company of such condition in accordance with Section 10.1 within 45 days of the initial existence of the condition; (iii) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company; and (iv) the date of Executive' s termination of employment must occur within 90 days after the initial existence of the condition specified in such notice.

1.6 "***Notice of Termination***" shall mean a written notice delivered by one party to the other party indicating the termination provision in this Agreement relied upon for termination of Executive' s employment and the intended Date of Termination.

1.7 ***"Release Expiration Date"*** shall mean the date that is 21 days following the date upon which the Company timely delivers to Executive the Release (as defined below), which shall occur no later than seven days after the Date of Termination or, in the event that the termination of Executive' s employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), the date that is 45 days following such delivery date.

1.8 "***Section 409A Payment Date***" shall mean the earlier of (a) the date of Executive' s death or (b) the date that is six months after the Date of Termination.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Employment; Effective Date. The Company agrees to employ Executive, and Executive agrees to be employed by the Company, pursuant to the terms of this Agreement beginning as of July 6, 2015 (the "***Effective Date***") and continuing for the period of time set forth in Article III of this Agreement, subject to the terms and conditions of this Agreement.

2.2 Positions. From and after the Effective Date, the Company shall employ Executive and Executive shall serve in the position of Chief Executive Officer of Nine Energy or in such other position or positions as the Board may designate from time to time. As of the Effective Date, Executive has been appointed to the Board.

2.3 Duties and Services. Executive agrees to serve in the position(s) referred to in Section 2.2 and to perform diligently and to the best of Executive' s abilities the duties and services appertaining to such position(s), as well as such additional duties and services appropriate to such position(s) which the parties mutually may agree upon from time to time.

2.4 Other Interests. Executive agrees, during the period of Executive' s employment by the Company, to devote substantially all of Executive' s business time, energy and best efforts to the business and affairs of Nine Energy and its affiliates. Notwithstanding the foregoing, the parties acknowledge and agree that Executive may (a) engage in and manage Executive' s passive personal investments, (b) engage in charitable and civic activities, and (c) serve on the board of

directors or similar governing body of those entities set forth on Appendix A hereto and any other entity otherwise approved by the Board (or a committee thereof); provided, however, that such activities described in clauses (a), (b) and (c) above shall only be permitted so long as such activities do not conflict with the business and affairs of Nine Energy or its affiliates or interfere with the performance of Executive' s duties hereunder.

2.5 Duty of Loyalty. Executive acknowledges and agrees that Executive owes a fiduciary duty of loyalty, fidelity and allegiance to act in the best interests of Nine Energy and the Company and to commit no act that would injure the business, interests, or reputation of Nine Energy, the Company or any of their affiliates. In keeping with these duties, Executive shall make full disclosure to the Board all business opportunities pertaining to the business of Nine Energy or any of its affiliates and shall not appropriate for Executive' s own benefit business opportunities concerning the subject matter of the fiduciary relationship.

ARTICLE III
TERM AND TERMINATION OF EMPLOYMENT

3.1 Term. Unless sooner terminated pursuant to other provisions hereof, the Company agrees to employ Executive for the period beginning on the Effective Date and ending on the third anniversary of the Effective Date (the "***Initial Expiration Date***"); provided, however, that beginning on the Initial Expiration Date, and on each anniversary of the Initial Expiration Date thereafter, if Executive' s employment under this Agreement has not been terminated pursuant to Sections 3.2 or 3.3, then said term of employment shall automatically be extended for additional one-year periods (each a "***Renewal Term***") unless, on or before the date that is 60 days prior to the first day of any such Renewal Term, either party gives written notice to the other party that no such automatic extension shall occur, in which case the term of employment shall terminate as of the Initial Expiration Date or the end of the current Renewal Term, as applicable.

3.2 Company' s Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive' s employment with the Company shall automatically terminate upon Executive' s death and the Company may terminate Executive' s employment under this Agreement at any time for any of the following reasons by providing Executive with a Notice of Termination:

(a) upon Executive being unable to perform Executive' s duties or fulfill Executive' s obligations under this Agreement by reason of any physical or mental impairment for a continuous period of not less than three months as determined by the Company;

(b) for Cause; or

(c) for any other reason whatsoever or for no reason at all, in the sole discretion of the Company.

3.3 Executive' s Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive shall have the right to terminate Executive' s employment under this Agreement for Good Reason or for any other reason whatsoever or for no reason at all, in the sole discretion of Executive, by providing the Company with a Notice of Termination. In the case of a termination

of employment by Executive pursuant to this Section 3.3, the Date of Termination specified in the Notice of Termination shall not be less than 15 nor more than 60 days from the date such Notice of Termination is given, and the Company may require a Date of Termination earlier than that specified in the Notice of Termination (and, if such earlier Date of Termination is so required, then it shall not change the basis for the termination of Executive' s employment nor be construed or interpreted as a termination of employment pursuant to Section 3.1 or Section 3.2).

3.4 Deemed Resignations. Unless otherwise agreed to in writing by Nine Energy or the Company and Executive prior to the termination of Executive' s employment, any termination of Executive' s employment shall constitute (a) an automatic resignation of Executive as an officer of the Company and each affiliate of the Company and (b) an automatic resignation of Executive from the Board (if applicable), from the board of directors or similar governing body of any affiliate of the Company and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which the Company or any affiliate holds an equity interest and with respect to which board or similar governing body Executive serves as the Company' s or such affiliate' s designee or other representative.

3.5 Meaning of Termination of Employment. For all purposes of this Agreement, Executive shall be considered to have terminated employment with the Company when Executive incurs a "separation from service" with the Company within the meaning of section 409A(a)(2)(A)(i) of the Code and the applicable Treasury regulations and interpretive guidance issued thereunder.

ARTICLE IV
COMPENSATION AND BENEFITS

4.1 Base Salary. During the term of this Agreement, Executive shall receive an annualized base salary of $350,000 (the "***Base Salary***"); provided, however, the Company may decrease Executive' s Base Salary by up to 10% as part of similar reductions of the base salaries applicable to all of the Company' s or Nine Energy' s executive officers. Executive' s Base Salary shall be paid in substantially equal installments in accordance with the Company' s standard policy regarding payment of compensation to executives but no less frequently than monthly.

4.2 Bonuses. Executive shall be eligible to participate in an annual cash incentive bonus program which will provide for a potential annual, calendar-year bonus based on criteria determined in the discretion of the Board (the "***Annual Bonus***"), it being understood that the target bonus at planned or targeted levels of performance and the actual amount of each Annual Bonus shall be determined in the discretion of the Board. The Company shall pay each Annual Bonus, if any, as soon as reasonably practicable after its receipt of audited financial statements for the applicable calendar year to which the bonus relates (the "***Bonus Year***"), but in no event shall such Annual Bonus, if any, be paid later than March 31 of the calendar year that follows such Bonus Year; provided, however, that Executive will be entitled to receive payment of an Annual Bonus for a Bonus Year only if Executive is employed by the Company on December 31 of the Bonus Year to which the Annual Bonus relates.

4.3 Other Benefits. During Executive' s employment hereunder, and subject to the terms and conditions of the applicable benefit plans and programs in effect from time to time, Executive shall be eligible to participate in all benefit plans and programs of the Company, including improvements or modifications of the same, which are now, or may hereafter be, available to other senior executives of the Company. The Company shall not, however, by reason of this Section 4.3, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such benefit plan or program, so long as such changes are similarly applicable to other senior executives generally. In addition, during Executive' s employment hereunder, the Company shall pay for a parking space at the Executive' s principal place of employment by the Company.

4.4 Expenses. The Company shall reimburse Executive for all reasonable business expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and I nthe service of the Company; provided, in each case that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company or Nine Energy. Any reimbursement of expenses shall be made by the Company upon or as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of Executive' s taxable year following the taxable year in which the expense is incurred by Executive); provided, however, that, upon Executive' s termination of employment with the Company, in no event shall any additional reimbursement be made prior to the Section 409A Payment Date to the extent such payment delay is required under section 409A(a)(2)(B)(i) of the Code. In no event shall any reimbursement be made to Executive for such fees and expenses after the later of (a) the first anniversary of the date of Executive' s death or (b) the date that is five years after the date of Executive' s termination of employment with the Company (other than by reason of Executive' s death).

4.5 Vacation and Sick Leave. During Executive' s employment hereunder, Executive shall be entitled to (a) sick leave in accordance with the Company' s policies applicable to its senior executives from time to time and (b) four weeks paid vacation each calendar year (none of which may be carried forward to a succeeding year).

4.6 Offices. Subject to Articles II, III, and IV hereof, Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of Nine Energy or any of the Company' s affiliates (or in an analogous role with such an affiliate) and as a member of any committees of the board of directors or similar governing bodies of any such entities, and in one or more executive positions of any of the Company' s affiliates.

ARTICLE V
PROTECTION OF INFORMATION

5.1 Disclosure to and Property of the Company. For purposes of this Article V, the term "the Company" shall include the Company and any of its affiliates, and any reference to "employment" or similar terms shall include a director, consulting and/or secondment relationship. All information, trade secrets, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed, disclosed to or acquired by Executive, individually or in conjunction with others, during the period of Executive' s employment by the Company (whether during business hours or otherwise and whether on the Company' s premises or otherwise and whether prior to the

Effective Date or after) that relate to the Company' s or any of its affiliates' businesses, trade secrets, products or services (including, without limitation, all such information relating to corporate opportunities, strategies, business plans, product specifications, compositions, manufacturing and distribution methods and processes, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer' s organizations or within the organization of acquisition prospects, or production, marketing and merchandising techniques, prospective names and marks) and all writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Confidential Information***") shall be disclosed to the Company and are and shall be the sole and exclusive property of the Company. Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, E-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type embodying any of such Confidential Information or the Company' s ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Work Product***") are and shall be the sole and exclusive property of the Company. Executive agrees to perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. Upon termination of Executive' s employment with the Company, for any reason, Executive promptly shall deliver all Confidential Information and Work Product, and all copies thereof, to the Company.

5.2 Disclosure to Executive. The Company shall disclose to Executive and place Executive in a position to have access to or develop Confidential Information and Work Product of the Company; and shall entrust Executive with business opportunities of the Company; and shall place Executive in a position to develop business goodwill on behalf of the Company.

5.3 No Unauthorized Use or Disclosure. Executive agrees to preserve and protect the confidentiality of all Confidential Information and Work Product. Executive agrees that Executive will not, at any time during or after Executive' s employment with the Company, make any unauthorized disclosure of, and Executive shall not remove from the Company premises, Confidential Information or Work Product of the Company, or make any use thereof, except, in each case, in the carrying out of Executive' s responsibilities hereunder. Executive shall use all reasonable efforts to cause all persons or entities to whom any Confidential Information shall be disclosed by Executive hereunder to preserve and protect the confidentiality of such Confidential Information. Executive shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent disclosure thereof is specifically required by law; provided, however, that in the event disclosure is required by applicable law, Executive shall provide the Company with prompt notice of such requirement prior to making any such disclosure, so that the Company may seek an appropriate protective order. At the request of the Company at any time, Executive agrees to deliver to the Company all Confidential Information that Executive may possess or control. Executive agrees that all Confidential Information and Work Product (whether now or hereafter existing) conceived, discovered or made by Executive during the period of Executive' s employment by the Company exclusively belongs to the Company (and not to Executive), and upon request by the Company for specified Confidential Information and/or Work Product, Executive will promptly disclose such Confidential Information and/or Work Product to the Company and perform all actions reasonably requested by the Company to

establish and confirm such exclusive ownership. Affiliates of the Company shall be third party beneficiaries of Executive' s obligations under this Article V. As a result of Executive' s employment by the Company, Executive may also from time to time have access to, or knowledge of, confidential information or work product of third parties, such as customers, suppliers, partners, joint venturers, and the like, of the Company and its affiliates. Executive also agrees to preserve and protect the confidentiality of such third party confidential information and work product.

5.4 Ownership by the Company. If, during Executive' s employment by the Company, Executive creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, or acquisitions, computer programs, E-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures, or the like) relating to the Company' s business, products, or services, whether such work is created solely by Executive or jointly with others (whether during business hours or otherwise and whether on the Company' s premises or otherwise), including any Work Product, the Company shall be deemed the author of such work if the work is prepared by Executive in the scope of Executive' s employment; or, if the work relating to the Company' s business, products, or services is not prepared by Executive within the scope of Executive' s employment but is specially ordered by the Company as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, or as an instructional text, then the work shall be considered to be work made for hire and the Company shall be the author of the work. If the work relating to the Company' s business, products, or services is neither prepared by Executive within the scope of Executive' s employment nor a work specially ordered that is deemed to be a work made for hire during Executive' s employment by the Company, then Executive hereby agrees to assign, and by these presents does assign, to the Company all of Executive' s worldwide right, title, and interest in and to such work and all rights of copyright therein.

5.5 Assistance by Executive. During the period of Executive' s employment by the Company, Executive shall assist the Company and its nominee, at any time, in the protection of the Company' s or its affiliates' worldwide right, title and interest in and to Confidential Information and Work Product and the execution of all formal assignment documents requested by the Company or its nominee(s) and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries. After Executive' s employment with the Company terminates, at the request from time to time and expense of the Company, Executive shall assist the Company or its nominee(s) in the protection of the Company' s or its affiliates' worldwide right, title and interest in and to Confidential Information and Work Product and the execution of all formal assignment documents requested by the Company or its nominee and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries provided, however, that such assistance from Executive after Executive' s employment with the Company terminates shall not require Executive to expend unreasonable periods of time or unreasonably interfere with any obligations Executive may have to provide services to other persons or entities.

5.6 Remedies. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Article V by Executive, and the Company shall be entitled to enforce the provisions of this Article V by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article V but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive' s agents. However, if it is determined that Executive has not committed a breach of this Article V, then the Company shall resume the payments and benefits due under this Agreement and pay to Executive and Executive' s spouse, if applicable, all payments and benefits that had been suspended pending such determination.

ARTICLE VI
EFFECT OF TERMINATION OF EMPLOYMENT ON COMPENSATION

6.1 Effect of Termination of Employment on Compensation.

(a) If Executive' s employment hereunder shall terminate at the expiration of the term provided in Section 3.1 after either party has given the other party written notice of non-renewal, for any reason described in Section 3.2(a) or 3.2(b), pursuant to Executive' s resignation for other than Good Reason or by reason of Executive' s death, then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that Executive shall be entitled to (i) payment of all accrued and unpaid Base Salary earned to the Date of Termination as well as any Annual Bonus that has been earned pursuant to Section 4.2 for the calendar year ending on or prior to the Date of Termination but remains unpaid as of the Date of Termination (which Annual Bonus, if any, shall be paid in a lump sum at the time provided for payment in Section 4.2), (ii) reimbursement for all incurred but unreimbursed expenses for which Executive is entitled to reimbursement in accordance with Section 4.4, and (iii) benefits to which Executive is entitled under the terms of any applicable benefit plan or program.

(b) If Executive' s employment hereunder shall terminate pursuant to Executive' s resignation for Good Reason or by action of the Company pursuant to Section 3.2 for any reason other than those encompassed by Section 3.2(a) or 3.2(b), then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that (i) Executive shall be entitled to receive the compensation and benefits described in clauses (i) through (iii) of Section 6.1(a), and (ii) if, on the Date of Termination, the Company does not have a right to terminate Executive' s employment under Section 3.2(a) or 3.2(b), then subject to (x) Executive' s execution and delivery to the Company by the Release Expiration Date (and non-revocation within any time provided to do so) of a release of all claims in a form acceptable to the Company (the ***"Release"***), which shall release and discharge the Company and its affiliates, subsidiaries and benefit plans, and their respective stockholders, officers, directors, managers, members, partners, employees, fiduciaries, agents, representatives and other affiliated persons and entities from any and all claims and causes of action of any kind or character, including all claims and causes of action arising out of Executive' s employment with the Company or its affiliates; and (y) Executive' s continued compliance with Executive' s obligations under Articles V and VII, then Executive shall be entitled to receive the following payments and benefits:

(A) A severance payment equal to the aggregate of: (i) Executive' s then-current annualized Base Salary and (ii) Executive' s then-current target Annual Bonus (the aggregate sum of (i) and (ii) being the "***Severance Amount***"), which Severance Amount will be divided into 12 substantially equal installments. On the last day of the month that includes the date that is 60 days after the Date of Termination, the Company shall pay to Executive, without interest, a number of such installments equal to the number of such installments that would have been paid during the period beginning on the Date of Termination and ending on such last day of the month had the installments been paid on a monthly basis commencing on the Company' s monthly payroll date coincident with or next following the Date of Termination, and each of the remaining installments shall be paid on a monthly basis thereafter; provided, however, that to the extent, if any, that the aggregate amount of such installments that would otherwise be paid pursuant to the preceding provisions of this clause (A) after March 15 of the calendar year following the calendar year in which the Date of Termination occurs (the "***Applicable March 15***") exceeds the maximum exemption amount under Treasury Regulation section 1.409A-1(b)(9)(iii)(A), then such excess shall be paid on the Applicable March 15 (or the first business day preceding the Applicable March 15 if the Applicable March 15 is not a business day) and such installments payable after the Applicable March 15 shall be reduced by such excess (beginning with the installment first payable after the Applicable March 15 and continuing with the next succeeding installments until the aggregate reduction equals such excess). The right to payment of the installment amounts pursuant to this Section 6.1(b)(A) shall be treated as a right to a series of separate payments for purposes of section 409A of the Code.

(B) During the portion, if any, of the 12-month period following the Date of Termination that Executive elects to continue coverage for Executive and Executive' s spouse and eligible dependents, if any, under the Company' s group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***"), and/or sections 601 through 608 of the Employee Retirement Income Security Act of 1974, as amended, the Company shall promptly reimburse Executive on a monthly basis for the entire amount Executive pays to effect and continue such coverage; provided, however, that such monthly reimbursement shall in no event exceed the monthly amount that would be charged by the Company to effect and continue COBRA coverage similar in amount and type of coverage Executive was receiving from the Company immediately prior to the Date of Termination. Notwithstanding the preceding provisions of this clause (B), if the provision of the benefit described in such clause cannot be provided in the manner described in such clause without penalty, tax or other adverse impact on the Company, then the Company and Executive shall negotiate in good faith to determine an alternative manner in which the Company may provide a substantially equivalent benefit to Executive without such adverse impact on the Company.

(c) Notwithstanding the time of payment provisions of Sections 6.1(a) and (b) above, if Executive is a specified employee (as such term is defined in section 409A of the Code and as determined by the Company in accordance with any method permitted under section 409A of the Code) and the payment of the amount described in such Section would be subject to additional taxes and interest under section 409A of the Code because the timing of such payment is not delayed as provided in section 409A(a)(2)(B)(i) of the Code and the regulations thereunder, then such amount shall be accumulated and paid (without interest) in a lump sum within five business days after the Section 409A Payment Date. All subsequent payments, if any, shall be paid in the manner otherwise specified herein.

ARTICLE VII
NON-COMPETITION AGREEMENT

7.1 Definitions. As used in this Article VII, the following terms shall have the following meanings:

"***Business***" means: (x) for the period of time in which Executive is employed by the Company, the provision and sale of the products and services provided by the Nine Energy and its subsidiaries during the course of Executive' s employment with the Company and any of its affiliates and other products and services that are functionally equivalent to the foregoing and (y) for the period of time within the Prohibited Period in which Executive is not employed by the Company, the provision and sale of the products and services that were provided by the Nine Energy and its subsidiaries during the period of time in which Executive was employed by the Company or its affiliates and other products and services that are functionally equivalent to the foregoing. The Business includes for purposes of both clauses (x) and (y), without limitation: (1) the provision of wireline services, cementing services, bridge plug services, tubing conveyed perforating and logging services and the sale or rental of equipment relating thereto in connection with the production of oil and natural gas; and (2) the provision of equipment and services used in the completion of wells for the production of oil and natural gas.

"***Competing Business***" means any business, individual, partnership, firm, corporation or other entity (other than an affiliate of the Nine Energy, L.E. Simmons & Associates, Incorporated ("***LESA***") and its affiliates, or another entity in which SCF-V, L.P., a Delaware limited partnership, SCF-VI, L.P., a Delaware limited partnership, SCF-VII, L.P., a Delaware limited partnership, SCF-VIII, L.P., a Delaware limited partnership, or any future limited partnership established by an affiliate of LESA has an ownership interest) which engages in, or is preparing to engage in, the Business in the Restricted Area. In no event will Nine Energy or any of its subsidiaries be deemed a Competing Business.

"***Governmental Authority***" means any governmental, quasi-governmental, state, county, city or other political subdivision of the United States or any other country, or any agency, court or instrumentality, foreign or domestic, or statutory or regulatory body thereof.

"***Legal Requirement***" means any law, statute, code, ordinance, order, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization, or other directional requirement (including, without limitation, any of the foregoing that relates to environmental standards or controls, energy regulations and occupational, safety and health standards or controls including those arising under environmental laws) of any Governmental Authority.

"***Prohibited Period***" means the period during which Executive is employed hereunder and a period of one year following the date that Executive is not employed by Nine Energy or any of its subsidiaries.

"***Restricted Area***" means the geographic areas set forth on Appendix B hereto and any other geographic area within a 100-mile radius of any other location where the Nine Energy or any of its subsidiaries conducts or has material plans to conduct the Business and Executive has direct or indirect responsibilities for, or Confidential Information about, such Business.

7.2 Non-Competition; Non-Solicitation. Executive and the Company agree that the non-competition and non-solicitation provisions of this Article VII are a material inducement for the Company to employ Executive and that this Article VII is necessary to protect the trade secrets and other Confidential Information of the Company or its affiliates disclosed or entrusted to Executive by the Company or its affiliates or created or developed by Executive for the Company or its affiliates, and to protect the business goodwill of the Company or its affiliates (including Nine Energy) developed through the efforts of Executive and/or the business opportunities disclosed or entrusted to Executive by the Company or its affiliates.

(a) Subject to the exceptions set forth in Section 7.2(b) and 7.2(d) below, Executive expressly covenants and agrees that during the Prohibited Period (i) Executive will refrain from carrying on or engaging in, directly or indirectly, any business similar to that of Nine Energy or any of its subsidiaries in the Restricted Area. Accordingly, Executive covenants and agrees that she will not, and Executive will cause Executive' s affiliates not to, directly or indirectly, own, manage, operate, join, become an employee of, partner in, owner or member of (or an independent contractor to), control or participate in, be connected with or loan money to, sell or lease equipment or property to, or otherwise be affiliated with any business, individual, partnership, firm, corporation or other entity which constitutes a Competing Business in the Restricted Area, as Executive expressly agrees that each of the foregoing activities would represent carrying on or engaging in a business similar to (or the same as) Nine Energy or its subsidiaries, as prohibited by this Section 7.2(a).

(b) Notwithstanding the restrictions contained in Section 7.2(a), Executive or any of Executive' s affiliates may own an aggregate of not more than 2% of the outstanding stock of any class of any corporation that is a Competing Business, if such stock is listed on a national securities exchange or regularly traded in the over-the-counter market by a member of a national securities exchange, without violating the provisions of Section 7.2(a), provided that neither Executive nor any of Executive' s affiliates has the power, directly or indirectly, to control or direct the management or affairs of any such corporation and is not involved in the management of such corporation.

(c) Executive further expressly covenants and agrees that during the Prohibited Period, Executive will not, and Executive will cause Executive' s affiliates not to (i) engage or employ, solicit or contact with a view to the engagement or employment of, or recommend or refer to any person or entity (other than the Company or one of its affiliates) for engagement or employment any person who is an officer or employee of the Company or any of its affiliates or (ii) canvass, solicit, approach or entice away or cause to be canvassed, solicited, approached or enticed away from the Company or any of its affiliates any person or entity who or which is a customer of any of such entities during the period during which Executive is employed by the Company.

(d) Notwithstanding the above-referenced limitations in Sections 7.2(a) and 7.2(c)(ii) above, such limitations shall not apply in those portions of the Restricted Area located within the State of Oklahoma. Instead, Executive agrees that the restrictions on Executive' s activities within those portions of the Restricted Area located within the State of Oklahoma (in addition to those restrictions set forth in Section 7.2(c)(i) and Article V above) shall be as follows: during the Prohibited Period, Executive will not directly or indirectly solicit the sale of goods, services, or a combination of goods and services from the established customers of Nine Energy or its subsidiaries.

(e) Before accepting employment with any other person or entity while employed by the Company or during the Prohibited Period, Executive will inform such person or entity of the restrictions contained in this Article VII.

7.3 Relief. Executive and the Company agree and acknowledge that the limitations as to time, geographical area and scope of activity to be restrained as set forth in Section 7.2 are reasonable in all respects and do not impose any greater restraint than is necessary to protect the legitimate business interests of the Company. Executive and the Company also acknowledge that money damages would not be sufficient remedy for any breach of this Article VII by Executive, and the Company or its affiliates shall be entitled to enforce the provisions of this Article VII by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article VII but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive' s agents. However, if it is determined that Executive has not committed a breach of this Article VII, then the Company shall resume the payments and benefits due under this Agreement and pay to Executive all payments that had been suspended pending such determination. Each affiliate of the Company shall be a third-party beneficiary of Executive' s commitments and obligations under this Article VII.

7.4 Reasonableness; Enforcement. Executive hereby represents to the Company that Executive has read and understands, and agrees to be bound by, the terms of this Article VII. Executive acknowledges that the geographic scope and duration of the covenants contained in this Article VII are the result of arm' s-length bargaining and are fair and reasonable in light of (a) the nature and wide geographic scope of the Company' s and its affiliates' operations of the Business, (b) Executive' s level of control over and contact with the Company' s and Nine Energy' s business in all jurisdictions in which it is conducted, (c) the fact that the Business is conducted by the Company or its affiliates throughout the Restricted Area, (d) the fact that

Executive constitutes managerial and executive personnel of the Company and Nine Energy who will be materially associated with the Company' s and Nine Energy' s goodwill, and (e) the amount of Confidential Information that Executive is receiving in connection with the performance of Executive' s duties hereunder. It is the desire and intent of the parties that the provisions of this Article VII be enforced to the fullest extent permitted under applicable Legal Requirements, whether now or hereafter in effect and therefore, to the extent permitted by applicable Legal Requirements, Executive and the Company hereby waive any provision of applicable Legal Requirements that would render any provision of this Article VII invalid or unenforceable.

7.5 Reformation. The Company and Executive agree that the foregoing restrictions are reasonable in all respects and that any breach of the covenants contained in this Article VII would cause irreparable injury to the Company and Nine Energy. Executive understands that the foregoing restrictions may limit Executive' s ability to engage in certain businesses anywhere in the Restricted Area during the Prohibited Period, but acknowledges that Executive will receive sufficient consideration from the Company to justify such restriction. Further, Executive acknowledges that Executive' s skills are such that Executive can be gainfully employed in non-competitive employment, and that the agreement not to compete will not prevent Executive from earning a living. Nevertheless, if any of the aforesaid restrictions are found by a court of competent jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions herein set forth to be modified by the court making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the Company and Executive intend to make this provision enforceable under the law or laws of all applicable states, provinces and other jurisdictions so that the entire agreement not to compete and this Agreement as prospectively modified shall remain in full force and effect and shall not be rendered void or illegal. Such modification shall not affect the payments made to Executive under this Agreement.

ARTICLE VIII
DISPUTE RESOLUTION

8.1 Arbitration. All claims or disputes between Executive and the Company or its parents, subsidiaries and affiliates (including, without limitation, claims relating to the validity, scope, and enforceability of this Article VIII and claims arising under any federal, state or local law regarding the terms and conditions of employment or prohibiting discrimination in employment or governing the employment relationship in any way) shall be submitted for final and binding arbitration in Houston, Texas in accordance with the then-applicable rules for resolution of employment disputes of the American Arbitration Association ("***AAA***"). The arbitration shall be conducted by a single arbitrator chosen pursuant to the then-applicable rules for resolution of employment disputes of the AAA, and the Company shall bear the costs of such arbitration. For the avoidance of doubt, the Company' s assumption of costs referenced in the previous sentence applies to the costs of the AAA only, and does not include attorney or expert fees or other fees or costs incurred by Executive. The arbitrator shall apply the substantive law of the State of Texas (excluding Texas choice-of-law principles that might call for the application of some other state' s law), or federal law, or both as applicable to the claims asserted. The results of the arbitration and the decision of the arbitrator will be final and binding on the

parties and each party agrees and acknowledges that these results shall be enforceable in a court of law. No demand for arbitration may be made after the date when the institution of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute(s) of limitations. In the event either party must resort to the judicial process to enforce the provisions of this Agreement, the award of an arbitrator or equitable relief granted by an arbitrator, the party successfully seeking enforcement shall be entitled to recover from the other party all costs of such litigation including, but not limited to, reasonable attorneys' fees and court costs. To the fullest extent permitted by law, all proceedings conducted pursuant to this agreement to arbitrate, including any order, decision or award of the arbitrator, shall be kept confidential by the parties. Notwithstanding the foregoing, Executive and the Company further acknowledge and agree that a court of competent jurisdiction residing in Houston, Texas shall have the power to maintain the status quo pending the arbitration of any dispute under this Article VIII, and this Article VIII shall not require the arbitration of any application for emergency, temporary or preliminary injunctive relief (including temporary restraining orders) by either party pending arbitration, including, without limitation, any application for emergency, temporary or preliminary injunctive relief for any claim arising out of Article V or Article VII of this Agreement; provided, however, that the remainder of any such dispute beyond the application for such emergency, temporary or preliminary injunctive relief shall be subject to arbitration under this Article VIII. **THE PARTIES ACKNOWLEDGE THAT, BY SIGNING THIS AGREEMENT, THEY ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHTS THAT THEY MAY HAVE TO A JURY TRIAL OR, EXCEPT AS EXPRESSLY PROVIDED HEREIN, A COURT TRIAL OF ANY CLAIM THAT IS SUBJECT TO THIS ARTICLE VIII.**

ARTICLE IX
MISCELLANEOUS

9.1 Notices. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given (a) when received if delivered personally or by courier, (b) five business days after deposit in the United States mail, if delivered by certified mail, postage prepaid, return receipt requested or (c) one business day after deposit with a delivery service if delivered by a nationally recognized overnight delivery service with proof of receipt maintained as follows:

If to Executive, addressed to:

Ann Fox
_____
_____

If to the Company, addressed to:

Nine Energy Service, LLC
c/o SCF Partners
600 Travis, Suite 6600
Houston, TX 77002
Attn: Andy Waite

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

9.2 Applicable Law; Submission to Jurisdiction.

(a) This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas, without regard to conflicts of laws principles thereof.

(b) With respect to any claim or dispute related to or arising under this Agreement for which an application for emergency or temporary injunctive relief may be made (as provided in Article VIII), the parties hereto hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Harris County, Texas.

9.3 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

9.4 Severability. If an arbitrator or a court of competent jurisdiction determines that any provision of this Agreement (or portion thereof) is invalid or unenforceable, then the invalidity or unenforceability of that provision (or portion thereof) shall not affect the validity or enforceability of any other provision (or portion thereof) of this Agreement, and all other provisions and portions of this Agreement shall remain in full force and effect.

9.5 Counterparts. This Agreement may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together will constitute one and the same instrument.

9.6 Withholding of Taxes and Other Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes and withholdings as may be required pursuant to any law or governmental regulation or ruling and all other customary deductions made with respect to the Company' s employees generally.

9.7 Headings. The Section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

9.8 Gender and Plurals. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely.

9.9 Affiliate and Subsidiary. As used in this Agreement, (a) the term "***affiliate***" as used with respect to a particular person or entity shall mean any other person or entity which owns or controls, is owned or controlled by, or is under common ownership or control with, such particular person or entity and (b) the term ***"subsidiary"*** as used with respect to a particular entity shall mean a direct or indirect subsidiary of such entity.

9.10 Successors. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company. The Company may assign this Agreement, including to any affiliate or subsidiary or successor, without the consent of Executive. Except as provided in the preceding sentences, this Agreement, and the rights and obligations of the parties hereunder, are personal and neither this Agreement, nor any right, benefit or obligation of either party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the prior written consent of the other party.

9.11 Effect of Termination of Employment Relationship. The provisions of Articles V, VI, VII and VIII, and those provisions necessary to interpret, apply and enforce them, shall survive any termination of this Agreement and any termination of the employment relationship between Executive and the Company.

9.12 Entire Agreement. Except as provided in any signed written agreement contemporaneously or hereafter executed by the Company and Executive, this Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the employment of Executive by the Company. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof including, without limitation, any prior employment agreement between Executive and the Company or an affiliate, are hereby null and void and of no further force and effect, and this Agreement shall supersede all other agreements, written or oral, that purport to govern the terms of Executive' s employment (including Executive' s compensation) with the Company or any of its affiliates. Notwithstanding the foregoing, nothing herein shall supersede or replace that certain Subscription Agreement dated as of February 28, 2013 between Executive and Nine Energy or that certain Nonstatutory Stock Option Agreement made as of February 28, 2013 between Executive and the Nine Energy.

9.13 Modification; Waiver. Any modification to or waiver of this Agreement will be effective only if it is in writing and signed by the parties to this Agreement.

9.14 Actions by the Board. Any and all determinations or other actions required of the Board hereunder that relate specifically to Executive or the terms and conditions of Executive' s service to Nine Energy shall be made by the members of the Board other than Executive if Executive is a member of the Board, and Executive shall not have any right to vote or decide upon any such matter.

9.15 Executive' s Representations and Warranties. Executive represents and warrants to the Company that (a) Executive does not have any agreements with Executive' s prior employers or other third parties that will prohibit Executive from working for the Company or fulfilling Executive' s duties and obligations to the Company or any of its affiliates pursuant to this Agreement and (b) Executive has complied with all duties imposed on Executive with respect to Executive' s former employers; Executive does not possess any tangible property belonging to Executive' s former employers and Executive will not use or disclose any legally protected information belonging to any former employer or other third party in the course of Executive' s employment hereunder.

9.16 Delayed Payment Restriction. Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under section 409A of the Code if Executive' s receipt of such payment or benefit is not delayed until the Section 409A Payment Date, then such payment or benefit shall not be provided to Executive (or Executive' s estate, if applicable) until the Section 409A Payment Date. Notwithstanding the foregoing or any other provision in this Agreement, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, section 409A of the Code and in no event shall the Company or any of its affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Executive on account of non-compliance with section 409A of the Code.

[Signatures begin on next page.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the 6th day of July 2015.

NINE ENERGY SERVICE, LLC

By: /s/ Andrew L. Waite
Name: Andrew L. Waite
Title: President & Chief Executive Officer

ANN FOX

/s/ Ann Fox

APPENDIX A

PERMITTED ACTIVITIES

As of the Effective Date, Executive is serving on the board of directors or similar governing body of the following entities:

NONE.

APPENDIX B

RESTRICTED AREA

The following States: Alaska, Colorado, Montana, New Mexico, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, West Virginia and Wyoming

The following parishes within the State of Louisiana: Acadia, Allen, Ascension, Assumption, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Cameron, Catahoula, Claiborne, Concordia, DeSoto, East Baton Rouge, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson, Jefferson Davis, Lafayette, Lafourche, LaSalle, Lincoln, Livingston, Madison, Morehouse, Natchitoches, Orleans, Ouachita, Plaquemines, Pointe Coupee, Rapides, Red River, Richland, Sabine, St. Bernard, St. Charles, St. Helena, St. James, St. John, St. Landry, St. Martin, St. Mary, St. Tammany, Tangipahoa, Tensas, Terrebonne, Union, Vermilion, Vernon, Washington, Webster, West Baton Rouge, West Carroll, West Feliciana, and Winn.

Exhibit 10.16

Execution Version

EMPLOYMENT AGREEMENT

This **EMPLOYMENT AGREEMENT** (this "***Agreement***") is made as of June 30, 2014 (the "***Effective Date***"), by and between Crest Pumping Technologies, LLC, a Delaware limited liability company (the "***Company***"), and David Crombie ("***Executive***"). The Company and Executive are sometimes referred to individually in this Agreement as a "***Party***" and collectively as the "***Parties***."

W I T N E S S E T H:

WHEREAS, the Company desires to employ Executive on the terms and conditions, and for the consideration, hereinafter set forth and Executive desires to be employed by the Company on such terms and conditions and for such consideration.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the Company and Executive agree as follows:

ARTICLE I
DEFINITIONS

In addition to the terms defined in the body of this Agreement, for purposes of this Agreement, the following capitalized words shall have the meanings indicated below:

1.1 "***Affiliate***" means with respect to any Person, any Person that directly or indirectly controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") as used in this definition means the possession directly or indirectly of the power to direct or cause the direction of management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. With respect to any natural person, the term "Affiliate" shall also mean (a) the spouse, children (including those by adoption) and siblings of such Person, and any trust whose primary beneficiary is such Person, such Person' s spouse, such Person' s siblings or one or more of such Person' s lineal descendants, (b) the legal representative or guardian of such Person or of any such immediate family member in the event such Person or any such immediate family member becomes mentally incompetent and (c) any Person controlled by any of the Persons described in clauses (a) or (b) of this definition.

1.2 "***Board***" means the Board of Directors of the Company' s parent, Nine Energy Service, Inc., a Delaware corporation ("***Nine***"), or, if designated by such Board of Directors, the analogous governing body of the Company.

1.3 "***Cause***" means Executive (a) has engaged in gross negligence or willful misconduct in the performance of Executive' s duties with respect to the Company or any Affiliate of the Company, (b) has willfully refused without a proper legal reason to perform Executive' s duties and responsibilities to the Company or any of its Affiliates hereunder, which refusal to perform such duties and responsibilities continues by Executive for more than 30 days after written notice from the Company or one of its Affiliates to Executive to perform such duties and responsibilities, (c) has breached any material provision of this Agreement or any other written agreement with the Company or any of its Affiliates, as such agreement(s) may be

amended from time to time, and such breach, if curable, is not remedied by Executive within 30 days of written notice thereof from the Company or one of its Affiliates to Executive, (d) has violated in any material respect a material corporate policy or material code of conduct established by the Company or any of its Affiliates (as such policies may be amended from time to time), (e) has committed an act of theft, fraud, embezzlement, or misappropriation against the Company or any of its Affiliates, (f) has been convicted of (or pleaded no contest to) a crime involving fraud, dishonesty or moral turpitude or any felony (or a crime of similar import in a foreign jurisdiction), or (g) has willfully and knowingly violated any material legal requirement applicable to the Company or any of its Affiliates.

1.4 "***Code***" means the Internal Revenue Code of 1986, as amended.

1.5 "***Confidential Information***" means any and all confidential or proprietary information and materials, as well as all trade secrets, whether patentable or not, belonging to the Company or its Affiliates. Confidential Information includes, without limitation: (a) business information and materials, including, without limitation, information about the provision of equipment and services used in the completion, maintenance and workover of wells for the production of oil and natural gas; pricing models; market and business analyses; investments or investment opportunities; growth plans; acquisition prospects; strategy; finances; business plans, methods and processes; business proposals, operations, products or services; evaluations; contract terms and conditions; pricing and bidding methodologies and data; sales data; customer information; supplier and vendor information; credit information; financial data; purchasing, pricing, bidding, selling and marketing data and contracts; (b) technical information and materials, including, without limitation, computer programs; software; databases; methods; know-how; formulae; compositions; technological data; technological prototypes, processes, discoveries, inventions, ideas, concepts, surveys, improvements and designs; developmental or experimental work; training programs and procedures; diagrams, charts, products and services (including, without limitation, product developments, product specifications and technical specifications); (c) information and materials relating to future plans including, without limitation, marketing strategies and techniques; intellectual property; projects and proposals; acquisition and financing plans; strategic alliances; production processes; and research and development efforts; and (d) any other information that gives the Company or its Affiliates an advantage with respect to its competitors by virtue of not being known by those competitors.

1.6 "***Date of Termination***" means the date Executive' s employment with the Company is considered to have terminated pursuant to Section 3.5.

1.7 ***"Good Reason"*** means, without Executive' s consent, the occurrence of one or more of the following: (a) a reassignment of Executive to a position with the Company (or any successor or Affiliate of the Company to whom this Agreement may be assigned) not commensurate with the position specifically designated and set forth in Section 2.2 and Executive' s level of seniority, (b) a reduction by the Company in Executive' s annual Base Salary of more than 10% of Executive' s Base Salary in effect immediately prior to such reduction; (c) without duplication of clause (a), any material breach of this Agreement of any material provision of this Agreement by the Company that is not otherwise covered in this definition; or (d) a change in the location of Executive' s principal place of work outside a 50 mile radius of Tarrant County, Texas. Notwithstanding the foregoing provisions of this definition or any other

provision in this Agreement to the contrary, any assertion by Executive of a termination of employment for "Good Reason" shall not be effective unless all of the following conditions are satisfied: (i) Executive must provide written notice to the Company in accordance with Section 9.1 of the occurrence of the condition which would otherwise constitute Good Reason under clauses (a)-(d) of this definition within 30 days after Executive first has actual knowledge of the initial existence of the condition (or, if cured, within 30 days after written notice by Executive to the Company of the subsequent occurrence of the condition); (ii) such condition must remain uncured for 30 days after receipt by the Company of such notice; and (iii) the date of Executive' s termination of employment must occur within 75 days after Executive' s written notice to the Company of the occurrence of the condition.

1.8 "***Notice of Termination***" means a written notice delivered by one Party to the other Party setting forth the specific termination provision in this Agreement relied upon for termination of Executive' s employment and the intended Date of Termination.

1.9 "***Person***" means any natural person, firm, limited partnership, general partnership, association, corporation, limited liability company, company, trust, other organization (whether or not a legal entity), public body or government, including any governmental authority.

1.10 "***Release Expiration Date***" means the date that is 21 days following the date the Company delivers the Release (as defined below) to Executive (which shall occur no later than seven days after the Date of Termination), or in the event that such termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), the date that is 45 days following such delivery date.

1.11 "***Section 409A Payment Date***" means the earlier of (a) the date of Executive' s death or (b) the date that is six months after the Date of Termination.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Employment; Effective Date. The Company agrees to employ Executive, and Executive agrees to be employed by the Company, pursuant to the terms of this Agreement beginning as of the Effective Date and continuing for the period of time set forth in Article III of this Agreement, subject to the terms and conditions of this Agreement.

2.2 Position. From and after the Effective Date, the Company shall employ Executive in the position of Vice President, U.S. Cementing or such other position or positions as the Company may designate that are commensurate with the position specifically designated and Executive' s level of seniority.

2.3 Duties and Services. Executive agrees to serve in the position(s) assigned pursuant to Section 2.2 and to use his reasonable best efforts to perform diligently and effectively Executive' s lawful duties and services commensurate with Executive' s position(s) and status and as are customary for those positions in a company of the size, type and nature of the Company and as may be assigned to Executive by the Chief Executive Officer of Nine from time to time consistent with such position(s). Executive' s employment shall be subject to the policies maintained and established by the Company, as such policies may be amended from time to time.

2.4 Other Interests. Executive agrees, during the period of Executive' s employment by the Company and excluding paid holiday, and sick and personal leave to which Executive is entitled, to devote all of Executive' s business time, energy and attention during business hours to the business and affairs of the Company and, as applicable, its Affiliates. Notwithstanding the foregoing, the Parties acknowledge and agree that Executive may (a) engage in and manage Executive' s passive personal investments, and (b) engage in charitable and civic activities; *provided, however*, that such activities described in clauses (a) and (b) above shall be permitted only so long as such activities do not materially conflict with the business and affairs of the Company or its Affiliates or materially interfere with Executive' s performance of Executive' s duties hereunder.

2.5 Duty of Loyalty. Executive acknowledges and agrees that Executive owes a fiduciary duty of loyalty to the Company. In keeping with this duty, Executive shall make full disclosure to the Company of all business opportunities pertaining to the Company' s business and shall not appropriate for Executive' s own benefit business opportunities concerning the subject matter without first giving the Company and its Affiliates the opportunity to act on such opportunity, and in no event in breach of any provision of this Agreement.

ARTICLE III
TERM AND TERMINATION OF EMPLOYMENT

3.1 Term. Unless sooner terminated pursuant to other provisions of this Agreement, the Company agrees to employ Executive for the period beginning on the Effective Date and ending on the third anniversary of the Effective Date (the "***Initial Expiration Date***"); *provided, however*, that beginning on the Initial Expiration Date, and on each anniversary of the Initial Expiration Date thereafter, if Executive' s employment under this Agreement has not been terminated pursuant to Section 3.2 or Section 3.3, then said term of employment shall automatically be extended for an additional one-year period, unless, on or before the date that is 60 days prior to the first day of any such extension period, either Party gives written notice to the other Party that no such automatic extension shall occur, in which case the term of employment shall terminate as of the Initial Expiration Date or the anniversary of the Initial Expiration Date immediately following the giving of such notice, as applicable.

3.2 Company' s Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive' s employment with the Company shall automatically terminate upon the death of Executive, and the Company shall have the right to terminate Executive' s employment under this Agreement at any time for any of the following reasons by providing Executive with a Notice of Termination:

(a) upon Executive' s becoming incapacitated by accident, sickness or other circumstance that renders him mentally or physically incapable of performing the duties and services required of him hereunder on a full-time basis for a period of at least 120 consecutive days or for a period of at least 180 days (whether or not consecutive) during any consecutive 12-month period;

(b) for Cause; or

(c) for any other reason whatsoever or for no reason at all, in the sole discretion of the Company.

3.3 Executive' s Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive shall have the right to terminate Executive' s employment under this Agreement at any time for any of the following reasons by providing the Company with a Notice of Termination (provided that in the case of a termination of employment by Executive pursuant to Section 3.3(b), the Date of Termination specified in the Notice of Termination shall not be less than 60 nor more than 90 days from the date such Notice of Termination is given, provided, that, the Company may require a Date of Termination earlier than that specified in the Notice of Termination (and, if such earlier Date of Termination is so required, it shall not change the basis for Executive' s termination nor be construed or interpreted as a termination of employment pursuant to Section 3.2)):

(a) for Good Reason; or

(b) for any other reason whatsoever or for no reason at all, in the sole discretion of Executive.

3.4 Deemed Resignations. Unless otherwise agreed to in writing by the Parties prior to the termination of Executive' s employment, any termination of Executive' s employment shall constitute (a) an automatic resignation of Executive as an officer of the Company and each Affiliate of the Company and (b) an automatic resignation of Executive from the Board (if applicable), from the board of directors or similar governing body of the Company or any Affiliate of the Company and from the board of directors or similar governing body of any Person in which the Company or any Affiliate holds any interests and with respect to which board or similar governing body Executive serves as the Company' s or such Affiliate' s designee or other representative.

3.5 Meaning of Termination of Employment. For all purposes of this Agreement, Executive shall be considered to have terminated employment with the Company when Executive incurs a "separation from service" with the Company within the meaning of section 409A(a)(2)(A)(i) of the Code and applicable administrative guidance issued thereunder.

ARTICLE IV
COMPENSATION AND BENEFITS

4.1 Base Salary. During the term of this Agreement, Executive shall receive an annualized base salary of $250,000 (the "***Base Salary***"). Executive' s Base Salary shall be paid in substantially equal installments in accordance with the Company' s standard policy regarding payment of compensation to similarly situated employees in effect from time to time, but no less frequently than monthly.

4.2 Bonuses. Executive shall be eligible to participate in the annual cash incentive bonus program of the Company, which will provide for a potential annual, calendar-year bonus of up to 200% of Executive' s Bases Salary based on, and subject to the satisfaction of, criteria determined in the sole discretion of the Company (the "***Annual Bonus***"), it being understood that the target bonus at planned or targeted levels of performance and the actual amount of each Annual Bonus (if any) shall be determined in the sole discretion of the Company by the Board. Executive will be entitled to receive payment of such Annual Bonus (if any) only if Executive is employed by the Company on the date of payment, except as otherwise provided by Section 6.1(a) or Section 6.1(b) of this Agreement. The Annual Bonus shall be payable not later than March 31 of the year immediately following the calendar year to which the Annual Bonus relates, except as otherwise provided by Section 6.1(a) or Section 6.1(b). In addition to the Annual Bonus, Executive shall be entitled to an annual guaranteed bonus of $50,000 (the "***Guaranteed Bonus***"). The Guaranteed Bonus shall be prorated for any partial calendar year based on a fraction, the numerator of which shall be the number of days employed during the calendar year to which the Guaranteed Bonus relates, and the denominator of which shall be 365. The Guaranteed Bonus shall be payable not later than March 15 of the year immediately following the calendar year to which such Guaranteed Bonus relates, except as otherwise provided by Section 6.1(a) or Section 6.1(b) of this Agreement.

4.3 Other Benefits. During Executive' s employment hereunder, and subject to the terms and conditions of the applicable benefit plans and programs in effect from time to time, Executive shall be eligible to participate in all benefit plans and programs of the Company, including improvements or modifications of the same, which are now, or may hereafter be, available to similarly situated executive employees of the Company. The Company shall not, however, by reason of this Section 4.3, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such benefit plan or program, so long as such changes are similarly applicable to similarly situated employees generally.

4.4 Expenses. The Company shall reimburse Executive for all reasonable business expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company; *provided that* in each case such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company. Any such reimbursement of expenses shall be made by the Company upon or as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of Executive' s taxable year following the taxable year in which the expense is incurred by Executive); *provided, however*, that, upon Executive' s termination of employment with the Company, in no event shall any additional reimbursement be made prior to the Section 409A Payment Date to the extent such payment delay is required under section 409A(a)(2)(B)(i) of the Code. In no event shall any reimbursement be made to Executive for such fees and expenses after the later of (a) the first anniversary of the date of Executive' s death or (b) the date that is five years after the date of Executive' s termination of employment with the Company (other than by reason of Executive' s death).

4.5 Vacation. During Executive' s employment hereunder, Executive shall be entitled to four (4) weeks of paid vacation per calendar year, which shall be accrued, scheduled and taken in accordance with the Company' s vacation policy, as the same may be amended from time to time.

4.6 Offices. Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of the Company or any of the Company' s Affiliates and as a member of any committees of the board of directors of any such entities, and in one or more executive positions of any of the Company' s Affiliates.

ARTICLE V
PROTECTION OF INFORMATION

5.1 Disclosure to and Property of the Company. For purposes of this Article V, the term "the Company" shall include the Company and any of its Affiliates, and any reference to "employment" or similar terms shall include a director and/or consulting relationship. All Confidential Information, including, without limitation, all intellectual property rights therein, is, and shall be, the sole and exclusive property of the Company. Moreover, all documents, videotapes, presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, email, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type embodying any of such Confidential Information or the Company' s ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Work Product***") are and shall be the sole and exclusive property of the Company. Executive agrees to perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. Upon termination of Executive' s employment with the Company, for any reason, Executive promptly shall deliver all Confidential Information and Work Product, and all copies thereof, to the Company.

5.2 Disclosure to Executive. During Executive' s employment hereunder, the Company shall disclose to Executive and place Executive in a position to have access to or develop Confidential Information. Executive acknowledges and agrees that Executive will be entrusted with business opportunities of the Company and shall be in a position to develop business goodwill on behalf of the Company during Executive' s employment hereunder.

5.3 No Unauthorized Use or Disclosure. Executive agrees that Executive will not, at any time during or after Executive' s employment with the Company, make any unauthorized disclosure of, and Executive shall not remove from the Company premises or other authorized premises, Confidential Information or Work Product of the Company, or with respect to any Confidential Information or Work Product of the Company (excluding the Company' s Affiliates, except to the extent such Confidential Information or Work Product of the Company' s Affiliate is disclosed or provided to Executive) make any use thereof, except, in each case, in the carrying out of Executive' s responsibilities hereunder. Executive shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent disclosure thereof is specifically required by law; *provided, however*, that in the event disclosure is required by applicable law and Executive is making such disclosure, Executive shall provide the Company with prompt notice of such requirement, and shall use Executive' s reasonable best efforts to give such notice prior to making any such disclosure, so that the Company may seek an appropriate protective order. Executive agrees to deliver to the Company, at any time during the term of employment when requested by the Company and upon the termination of such employment, all Confidential Information that Executive may possess or control. Executive agrees that all Confidential Information of the Company (whether now or hereafter existing) conceived,

discovered or made by Executive during the period of Executive' s employment by the Company exclusively belongs to the Company (and not to Executive), and upon request by the Company for specified Confidential Information, Executive will promptly disclose such Confidential Information to the Company and perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. Affiliates of the Company shall be third-party beneficiaries of Executive' s obligations under this Article V.

5.4 Ownership by the Company. If, during Executive' s employment by the Company, Executive creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, computer programs, e-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures, or the like) relating to the Business (as defined in Article VII), whether such work is created solely by Executive or jointly with others (whether during business hours or otherwise, whether patentable or not and whether on the Company' s premises or otherwise), including, without limitation, any Work Product, the Company shall be deemed the author of such work if the work is prepared by Executive in the scope of Executive' s employment; or, if the work is not prepared by Executive within the scope of Executive' s employment but is specially ordered from Executive by the Company as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, or as an instructional text, then the work shall be considered to be work made for hire and the Company shall be the author of the work. If such work is neither prepared by Executive within the scope of Executive' s employment nor a work specially ordered from Executive that is deemed to be a work made for hire during Executive' s employment by the Company, then Executive hereby agrees to assign, and by these presents does assign, to the Company all of Executive' s worldwide right, title, and interest in and to such work and all rights of copyright therein.

5.5 Assistance by Executive. During the period of Executive' s employment by the Company, Executive shall assist the Company and its nominee, at any time, in the protection of the Company' s worldwide right, title and interest in and to Confidential Information and Work Product, including, without limitation, all intellectual property rights therein, and the execution of all formal assignment documents requested by the Company or its nominee(s) and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries. After Executive' s employment with the Company terminates, from time to time at the request and expense of the Company, Executive shall assist the Company or its nominee(s) (i) in the protection of the Company' s worldwide right, title and interest in and to Confidential Information and Work Product, subject to the payment for services at a rate of $100 per hour and provided such assistance does not unreasonably disrupt Executive' s obligation to his then current employer or other service recipient, and (ii) the execution of all formal assignment documents requested by the Company or its nominee and the execution of all lawful oaths and applications for patents and registration of copyrights in the United States and foreign countries.

5.6 Remedies. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Article V by Executive, and the Company shall be entitled to enforce the provisions of this Article V by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as

remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article V but shall be in addition to all remedies available to the Company at law or in equity, including, without limitation, the recovery of damages from Executive and Executive' s agents. However, if it is determined that Executive has not committed a breach of this Article V, then the Company shall resume the payments and benefits due under this Agreement and pay to Executive and Executive' s spouse, if applicable, all payments and benefits that had been suspended pending such determination.

5.7 Statements by Executive. Executive shall refrain, both during and after the termination of Executive' s employment relationship with the Company, from publishing any oral or written statements about the Company or any of the Company' s directors, managers, officers, employees, consultants, agents or representatives that (a) are slanderous, libelous or defamatory, or (b) place the Company or any of the Company' s directors, managers, officers, employees, consultants, agents or representatives in a false light before the public; provided, that nothing in this Section 5.7 shall prevent the Company from pursuing all remedies available to it in connection with this Agreement or any other agreement or obligation that the Company or its Affiliates may have with or to Executive or his Affiliates, including statements in public court documents and related pleadings. The Company may seek to have a violation or threatened violation of this prohibition enjoined by the courts. The rights afforded the Company under this provision are in addition to any and all rights and remedies otherwise afforded by law.

ARTICLE VI
EFFECT OF TERMINATION OF EMPLOYMENT ON COMPENSATION

6.1 Effect of Termination of Employment on Compensation.

(a) If Executive' s employment hereunder shall terminate at the expiration of the term due to notice of non-renewal duly given by Executive to the Company in accordance with Section 3.1, for any reason described in Section 3.2(a) or 3.2(b), pursuant to Section 3.3(b) or by reason of Executive' s death, then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that Executive shall be entitled to (i) payment of all accrued and unpaid Base Salary through the Date of Termination, (ii) reimbursement for all incurred but unreimbursed expenses for which Executive is entitled to reimbursement in accordance with Section 4.4, (iii) benefits to which Executive is entitled under the terms of any applicable benefit plan or program, (iv) in the case of a termination of Executive' s Employment, for any reason described in Section 3.2(a) or by reason of Executive' s death, any unpaid Annual Bonus earned by Executive prior to the Date of Termination (which amount shall be paid not later than the date the annual bonus, if any (for the same calendar year as relates to such earned and unpaid Annual Bonus), is paid to the other executives of the Company of a similar seniority level that remain employed by the Company on the normal payment date of such annual bonus (but in no event later than December 31 of the year immediately following the calendar year to which such Annual Bonus relates), and (v) the Guaranteed Bonus for the calendar year in which the Date of Termination occurs, which amount shall be prorated for any partial calendar year and shall be paid not later than March 15 of the calendar year immediately following the calendar year in which the Date of Termination occurs. Executive shall be deemed to "earn" the Annual Bonus for solely purposes of this Article VI if Executive remained continuously employed by the Company or its Affiliates through December 31 of the calendar year to which such Annual Bonus relates.

(b) If Executive' s employment hereunder shall terminate by (x) expiration of the then-existing term due to notice of non-renewal duly given by the Company to Executive in accordance with Section 3.1, (y) by action of the Company pursuant to Section 3.2(c) or (z) by action of Executive pursuant to Section 3.3(a), then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that:

(i) Executive shall be entitled to receive the compensation and benefits described in clauses (i) through (iii) of Section 6.1(a);

(ii) Executive shall be entitled to receive any unpaid Annual Bonus earned by Executive prior to the Date of Termination, which payment will be made not later than the date the annual bonus, if any (for the same calendar year as relates to such earned and unpaid Annual Bonus), is paid to the other executives of the Company of a similar seniority level that remain employed by the Company on the normal payment date of such annual bonus (but in no event later than December 31 of the year immediately following the calendar year to which such Annual Bonus relates);

(iii) Executive shall be entitled to receive the Guaranteed Bonus (prorated for any partial calendar) for the calendar year in which the Date of Termination occurs, which payment will be made not later than March 15 of the calendar year immediately following the calendar year in which the Date of Termination occurs; and

(iv) if, on the Date of Termination, the Company does not have a right to terminate Executive' s employment under Section 3.2(a) or Section 3.2(b) and subject to Executive' s delivery, on or before the Release Expiration Date, and non-revocation in the time provided to do so, of an executed release in a form reasonably satisfactory to the Company (which shall release and discharge the Company, its Affiliates, and their respective stockholders, officers, directors, managers, members, partners, employees, agents, representatives, benefit plans (and the trustees and fiduciaries of such plans) and other affiliated Persons from any and all claims and causes of action of any kind or character, including, without limitation, all claims and causes of action arising out of Executive' s employment with the Company or its Affiliates or the termination of such employment) (the "***Release***"), Executive shall receive the following compensation and benefits from the Company:

(A) the Company shall pay to Executive an amount equal to eighteen (18) months of Executive' s Base Salary as of the Date of Termination, which amount shall be divided into eighteen (18) substantially equal monthly installments. On the last day of the month that includes the date that is sixty (60)

days after the Date of Termination, the Company shall pay to Executive, without interest, a number of such installments equal to the number of such installments that would have been paid during the period beginning on the Date of Termination and ending on such last day of the month had the installments been paid on a monthly basis commencing on the Company' s monthly payroll date coincident with or next following the Date of Termination, and each of the remaining installments shall be paid on a monthly basis thereafter; *provided, however*, that to the extent, if any, that the aggregate amount of such installments that would otherwise be paid pursuant to the preceding provisions of this clause (A) after March 15 of the calendar year following the calendar year in which the Date of Termination occurs (the "***Applicable March 15***") exceeds the maximum exemption amount under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A), then such excess shall be paid on the Applicable March 15 (or the first business day preceding the Applicable March 15 if the Applicable March 15 is not a business day) and such installments payable after the Applicable March 15 shall be reduced by such excess (beginning with the installment first payable after the Applicable March 15 and continuing with the next succeeding installments until the aggregate reduction equals such excess). The right to payment of the installment amounts pursuant to this paragraph shall be treated as a right to a series of separate payments for purposes of section 409A of the Code; and

(B) during the portion, if any, of the eighteen (18) month period following the Date of Termination that Executive elects to continue coverage for Executive and Executive' s spouse and eligible dependents, if any, under the Company' s group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA), and/or sections 601 through 608 of the Employee Retirement Income Security Act of 1974, as amended, similar in the amounts and types of coverage provided by the Company to Executive prior to the Date of Termination, the Company shall promptly reimburse Executive on a monthly basis for the entire amount Executive pays to effect and continue such coverage. Notwithstanding the preceding provisions of this paragraph (B), if the provision of the benefit described in such paragraph cannot be provided in the manner described in such paragraph without penalty, tax or other adverse impact on the Company, then the Company and Executive shall negotiate in good faith to determine an alternative manner in which the Company may provide a substantially equivalent benefit to Executive without such adverse impact on the Company.

(c) Notwithstanding the time of payment provisions of Sections 6.1(a) and (b) above, if Executive is a specified employee (as such term is defined in section 409A of the Code and as determined by the Company in accordance with any method permitted under section 409A of the Code) and the payment of the amount described in such Section would be subject to additional taxes and interest under section 409A of the Code because the timing of such payment is not delayed as provided in section 409A(a)(2)(B)(i) of the Code and the regulations thereunder, then such amount shall be accumulated and paid (without interest) in a lump sum within five business days after the Section 409A Payment Date. All subsequent payments, if any, shall be paid in the manner otherwise specified herein.

ARTICLE VII
NON-COMPETITION AGREEMENT

7.1 Definitions. As used in this Article VII, the following terms shall have the following meanings:

"***Business***" means (a) for the period of time in which Executive is employed by the Company or any of its Affiliates, the provision and sale of the products and services provided by the Company or its Affiliates during such period and other products and services that are functionally equivalent to the foregoing and (b) for the period of time within the Prohibited Period in which Executive is not employed by the Company or any of its Affiliates, the provision and sale of the products and services that were provided by the Company or its Affiliates during the period of time in which Executive was employed by the Company or its Affiliates, in each case under clauses (a) and (b), excluding the provision of and sale of products and services as part of any business, product or service line, or division in which Executive was not directly involved as a manager or supervisor during such employment. The Business includes for purposes of both clauses (a) and (b), without limitation, the provision of equipment and services, including primary downhole cementing and related ancillary services, used in remedial cementing, maintenance and workover of wells for the production of oil and natural gas.

"***Prohibited Period***" means the period during which Executive is employed by the Company, any of its Affiliates or any of their respective permitted assignees and a period of two years after the date that Executive is no longer employed by the Company, any of its Affiliates or any of their respective permitted assignees.

"***Restricted Area***" means (a) the geographic areas set forth on Exhibit A hereto and (b) any other geographical areas in which the Company and its Affiliates engage in the Business, and for which Executive has material responsibilities, during the period that Executive is employed hereunder.

7.2 Non-Competition; Non-Solicitation. Executive and the Company agree to the non-competition and non-solicitation provisions of this Article VII to protect the trade secrets and other Confidential Information of the Company disclosed or entrusted to Executive by the Company or its Affiliates or created or developed by Executive for the Company, to protect the goodwill of the Company and as a condition of Executive' s employment with the Company.

(a) Subject to the exceptions set forth in Section 7.2(b) below, Executive covenants and agrees from the Effective Date up to the Date of Termination, other than on behalf of the Company or any of its Affiliates, Executive will refrain from carrying on or engaging directly or indirectly in the Business, and that after the Date of Termination and prior to the expiration of the Prohibited Period, other than on behalf of the Company or any of its Affiliates, Executive will refrain from carrying on or engaging directly or indirectly in the Business in the Restricted Area. Executive further agrees and covenants that, because the following conduct would effectively constitute carrying on or engaging

in the Business, Executive will not, and Executive will cause Executive' s Affiliates not to, in the applicable area during the Prohibited Period, other than on behalf of the Company or its Affiliates, directly or indirectly, (A) own, manage, operate, join, become an employee of, control or participate in any business or Person which engages in the Business or (B) loan money to or sell or lease equipment related to the Business to any business or Person that engages in the Business.

(b) Notwithstanding the restrictions contained in Section 7.2(a), Executive may own an aggregate of not more than 3% of (i) the outstanding stock or other equity securities of any class of any corporation or other entity engaged in the Business, if such stock or equity securities are listed on a national securities exchange or regularly traded in the over-the-counter market by a member of a national securities exchange or (ii) of the outstanding limited partnership interests or other passive equity interests in a private investment fund entity not Affiliated with Executive that invests or owns interest or may invest or own interests in any corporation or other entity engaged in the Business, without violating the provisions of Section 7.2(a), in each case, provided that neither Executive nor any of Executive' s Affiliates has the power, directly or indirectly, to control or direct the management or affairs of any such corporation or entity and is not involved in the management of such corporation or entity.

(c) Executive further expressly covenants and agrees that, other than on behalf of the Company or its Affiliates: (i) prior to the Date of Termination, Executive will not, and Executive will cause Executive' s Affiliates not to, canvass, solicit, approach or entice away, or cause to be canvassed, solicited, approached or enticed away, any customer of the Company or its Affiliates that was a customer or supplier of the Company or the Business during the period during which Executive is employed by the Company or any of its Affiliates for the purpose of engaging in the Business; and (ii) after the Date of Termination and prior to the expiration of the Prohibited Period, Executive will not, and Executive will cause Executive' s Affiliates not to, within the Restricted Area, canvass, solicit, approach or entice away, or cause to be canvassed, solicited, approached or enticed away, any customer of the Company or its Affiliates that was a customer, consultant or supplier of the Company or the Business during the period during which Executive is employed by the Company or any of its Affiliates for the purpose of engaging in the Business.

(d) Executive further covenants and agrees that during the Prohibited Period, Executive will not, and Executive will cause Executive' s Affiliates not to, engage or employ, or solicit or contact with a view to the engagement or employment of, any Person who is an officer, director, manager or employee of the Company or its Affiliates.

(e) Notwithstanding the foregoing, the above-referenced limitations in Section 7.2(a) and Section 7.2(c) shall not apply in those portions of the Restricted Area located within the State of Oklahoma. Instead, Executive agrees that, in addition to the limitations in Article V and Section 7.2(d), the restrictions on Executive' s activities within those portions of the Restricted Area located within the State of Oklahoma shall be as follows: during the Prohibited Period, Executive will not directly solicit the sale of goods, services, or a combination of goods and services from the established customers of the Company or its Affiliates, except when acting on behalf of the Company or its Affiliates.

7.3 Relief. The Parties agree that the any breach of the covenants contained in this Article VII would cause irreparable injury to the Company. The Parties also acknowledge that money damages may not be sufficient remedy for any breach of this Article VII by Executive, and the Company and its Affiliates shall be entitled to seek enforce the provisions of this Article VII by terminating payments then owing to Executive under this Agreement or otherwise and obtaining specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article VII but shall be in addition to all remedies available at law or in equity, including, without limitation, the recovery of damages from Executive and Executive' s agents.

7.4 Reasonableness; Enforcement. Executive hereby represents to the Company that Executive has read and understands the terms of this Article VII. Executive acknowledges that Executive is an executive-level employee and that the geographic scope and duration of the covenants contained in this Article VII are the result of arm' s-length bargaining and are fair and reasonable in light of (a) Executive' s level of control over and contact with the Business conducted by the Company and its Affiliates in all jurisdictions in which it is conducted, which includes the entire Restricted Area, and (b) the amount of consideration and Confidential Information that Executive is receiving in connection with the performance of Executive' s duties hereunder and the goodwill that Executive has built and will continue to help build during Executive' s employment hereunder. It is the desire and intent of the Parties that the provisions of this Article VII be enforced to the fullest extent permitted under applicable legal requirements, whether now or hereafter in effect and therefore, to the extent permitted by applicable legal requirements, the Parties hereby waive any provision of applicable legal requirements that would render any provision of this Article VII invalid or unenforceable.

7.5 Reformation. Executive understands that the foregoing restrictions may limit Executive' s ability to engage in certain businesses during the Prohibited Period. If any of the aforesaid restrictions are found by a court of competent jurisdiction or arbitrator to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the Parties intend for the restrictions herein set forth to be modified by the court or arbitrator making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the Parties intend to make this provision enforceable under the law or laws of all applicable states and other applicable jurisdictions so that the entire agreement not to compete or to solicit other employees or customers and this Agreement as prospectively modified shall remain in full force and effect and shall not be rendered void or illegal.

ARTICLE VIII
DISPUTE RESOLUTION

8.1 Arbitration. Any and all claims or disputes between the Parties or their respective Affiliates (including, without limitation, claims or disputes regarding the validity, scope, and enforceability of this Section 8.1 and claims arising under any federal, state or local law prohibiting discrimination in employment or governing the employment relationship in any

way) shall be submitted for final and binding arbitration before a single arbitrator in accordance with the then-applicable rules for resolution of employment disputes of the American Arbitration Association ("***AAA***"). The arbitration proceeding shall be held in Houston, Texas. The arbitrator shall issue a reasoned decision and apply the substantive law of the State of Texas (without regard to conflicts of law principles thereof). The results of the arbitration and the decision of the arbitrator will be final and binding on the Parties and each Party agrees and acknowledges that these results shall be enforceable in a court of law. No demand for arbitration may be made after the date when the institution of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute of limitations. In the event either Party must resort to the judicial process to enforce the provisions of this Agreement, the award of an arbitrator or equitable relief granted by an arbitrator, the Party seeking enforcement, if successful on the merits, shall be entitled to recover from the other Party all costs of litigation including, but not limited to, reasonable attorneys' fees and court costs. All proceedings conducted pursuant to this agreement to arbitrate, including, without limitation, any order, decision or award of the arbitrator, shall be kept confidential by all Parties. Notwithstanding the foregoing, the Parties acknowledge and agree that a court of competent jurisdiction shall have the power to maintain the status quo pending the arbitration of any dispute under this Section 8.1, and this Section 8.1 shall not require the arbitration of an application for emergency or temporary injunctive relief by either Party pending arbitration; *provided, however*, that the remainder of any such dispute beyond the application for emergency or temporary injunctive relief shall be subject to arbitration under this Section 8.1. **THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT THEY HAVE READ AND UNDERSTOOD THIS SECTION 8.1 AND THAT THEY ARE HEREBY KNOWINGLY AND VOLUNTARILY WAIVING THEIR RIGHT TO A JURY TRIAL.**

ARTICLE IX
MISCELLANEOUS

9.1 Notices. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given (a) when received if delivered personally or by courier, or (b) on the date receipt is acknowledged if delivered by certified mail, postage prepaid, return receipt requested, as follows:

If to Executive, addressed to Executive at the address set forth under Executive' s signature on the signature page to this Agreement.

If to the Company, addressed to:

Crest Pumping Technologies, LLC
c/o Nine Energy Service, Inc.
16945 Northchase Drive
Suite 1600
Houston, TX 77060
Attention: Ann G. Fox

or to such other address as either Party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

9.2 Applicable Law; Submission to Jurisdiction.

(a) This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas (without regard to conflicts of law principles thereof).

(b) With respect to any claim or dispute related to or arising under this Agreement for which an application for emergency or temporary injunctive relief may be made (as provided in Section 8.1 above), the Parties hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Harris County, Texas.

9.3 No Waiver. No failure by either Party hereto at any time to give notice of any breach by the other Party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

9.4 Severability. If an arbitrator or court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

9.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same instrument.

9.6 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes and withholdings as may be required pursuant to any law or governmental regulation or ruling and all other customary deductions made with respect to the Company' s employees generally.

9.7 Headings. The Article and Section titles and headings in this Agreement are inserted for convenience of reference only and are not intended to be a part of, or to affect the meaning or interpretation of, this Agreement.

9.8 Gender and Plurals. Wherever the context so requires in this Agreement, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely.

9.9 Successors; Assigns. This Agreement shall be binding upon and inure to the benefit of the Company and any successor or permitted assign of the Company. The Company shall be permitted to assign this Agreement to any Affiliate of the Company or any successor by merger, purchase or otherwise to all or substantially all of the equity, assets or business of the Company, assuming such Affiliate or successor assumes the liabilities, obligations and duties of the Company contained in this Agreement (either contractually or by operation of law) (and in the case of an assignment by the Company to an Affiliate, such assignment shall not relieve the Company of its obligations hereunder) and shall be assignable by the Company to any such Affiliate or successor without the consent of Executive. This Agreement is personal to Executive. Accordingly, except as provided in the first sentence of this Section 9.9, this

Agreement, and the rights and obligations of the Parties hereunder, shall not be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the prior written consent of the other Party. Notwithstanding the foregoing, any payment owed to Executive hereunder after the date of Executive' s death shall be paid to Executive' s estate.

9.10 Effect of Termination of Employment Relationship. This Section 9.10 and the provisions of Articles V, VI, VII and VIII and those portions of this Agreement necessary to interpret and apply them shall survive any termination of this Agreement and any termination of the employment relationship between Executive and the Company.

9.11 Entire Agreement. Except as provided in any signed written agreement contemporaneously or hereafter executed by the Company and Executive, including, without limitation, as provided in Section 6.2 and Section 6.8 of the Agreement and Plan of Merger by and among Nine, the Company and the other parties thereto, of even date herewith (the "***Merger Agreement***"), or elsewhere in the Merger Agreement, this Agreement constitutes the entire agreement of the Parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the Parties with respect to the employment of Executive by the Company. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof, are hereby null and void and of no further force or effect, and this Agreement shall supersede all other agreements, written or oral, that purport to govern the terms of Executive' s employment (including Executive' s compensation) with the Company or any of its Affiliates. For avoidance of doubt, this Section 9.11 shall not limit or restrict Executives rights under the Merger Agreement or any rights to indemnification or advancement of expenses related thereto based on Executive' s status as an officer or director or manager (or comparable position) of the Company or any of its Affiliates under the respective organizational documents of the Company or its Affiliates.

9.12 Modification; Waiver. Any amendment, modification to or waiver of this Agreement will be effective only if it is in writing and signed by the Parties.

9.13 Actions by the Board. Any and all determinations or other actions required of the Board hereunder shall be made by the members of the Board other than Executive if Executive is a member of the Board, and Executive shall not have any right to vote or decide upon any such matter.

9.14 Executive' s Representations and Warranties. Executive represents and warrants to the Company that (a) Executive does not have any agreements with Executive' s prior employers or any other Person that will prohibit Executive, after the Effective Date, from working for the Company or fulfilling Executive' s duties and obligations to the Company pursuant to this Agreement and (b) Executive has complied with all duties imposed on Executive with respect to Executive' s former employers, and in the course of Executive' s employment for the Company, Executive will not unlawfully use or disclose any legally protected information belonging to Executive' s former employers.

9.15 Section 409A. Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under section 409A of the Code if Executive' s receipt of such payment or benefit is not delayed until the Section 409A Payment Date, then such payment or benefit shall not be provided to Executive (or Executive' s estate, if applicable) until the Section 409A Payment Date. The intent of the Parties is that payments and benefits under this Agreement comply with section 409A of the Code and the regulations and guidance promulgated thereunder to the extent applicable (collectively "***Code Section 409A***") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If Executive notifies the Company (with specificity as to the reason therefore) that Executive believes that any provision of this Agreement (or of any award of compensation, including equity compensation, or benefits hereunder) would cause Executive to incur any additional tax or interest under Code Section 409A and the Company concurs with such belief or the Company independently makes such determination, the Company shall, after consulting with Executive, use reasonable efforts to reform such provision to try to comply with Code Section 409A through good faith modifications to the minimum extent reasonably appropriate to comply with the requirements of Code Section 409A to the extent applicable; provided, however, that in no event shall the Company have any liability to Executive for any taxes, interest, penalties or other costs or expenses incurred by Executive under or with respect to Code Section 409A. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Executive and the Company of the applicable provision without violating the provisions of Code Section 409A.

[*Signature page follows.*]

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

CREST PUMPING TECHNOLOGIES, LLC

By: /s/ Ann G. Fox
Name: Ann G. Fox
Title: Vice President, Chief Financial Officer and Secretary

/s/ David Crombie

David Crombie

Address:

SIGNATURE PAGE TO
EMPLOYMENT AGREEMENT

Exhibit A

Restricted Area

1. The State of Texas

2. The State of New Mexico

3. Oklahoma County in the State of Oklahoma and the counties contiguous thereto, which include King-Fisher County, Canadian County, Cleveland County, Pottawatomie County, Lincoln County, and Logan County.

Exhibit 10.17

Execution Version

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***") is made by and between Nine Energy Service, LLC, a Delaware limited liability company (the "***Company***"), and Douglas S. Aron ("***Executive***"). Nine Energy Service, Inc., a Delaware corporation ("***Parent***"), joins this Agreement for the limited purposes of acknowledging and agreeing to the provisions of Sections 4.3 and 6.1(b)(iii) below.

W I T N E S S E T H:

WHEREAS, the Company desires to employ Executive on the terms and conditions, and for the consideration, hereinafter set forth and Executive desires to be employed by the Company on such terms and conditions and for such consideration.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the Company and Executive agree as follows:

ARTICLE I
DEFINITIONS

In addition to the terms defined in the body of this Agreement, for purposes of this Agreement, the following capitalized words shall have the meanings indicated below:

1.1 "***Board***" shall mean the Board of Directors of Parent.

1.2 "***Cause***" shall mean a determination by the Board that Executive (a) has engaged in gross negligence or willful misconduct in the performance of Executive' s duties with respect to the Company or any other member of the Company Group, (b) has breached any material provision of this Agreement or any other written agreement among Executive and the Company or any other member of the Company Group, as such agreement(s) may be amended from time to time, or any corporate policy or code of conduct established by the Company or any other member of the Company Group as in effect from time to time, (c) has willfully engaged in conduct that is injurious to the Company or any other member of the Company Group, or (d) has committed or been convicted of, pleaded no contest to or received adjudicated probation or deferred adjudication with respect to (i) a felony or (ii) any crime or misdemeanor involving fraud, dishonesty or moral turpitude (or a crime or misdemeanor of similar import in a foreign jurisdiction), that results, or could reasonably be expected to result, in material harm to the Company or any other member of the Company Group.

1.3 "***Code***" shall mean the Internal Revenue Code of 1986, as amended.

1.4 "***Company Group***" shall mean Parent and each of its direct and indirect subsidiaries (including the Company), and any of such entities' respective successors.

1.5 "***Date of Termination***" shall mean the date Executive' s employment with the Company is considered to have terminated pursuant to Section 3.5.

1.6 "***Good Reason***" shall mean the occurrence of any of the following events:

(a) a material diminution in Executive' s Base Salary, other than as part of a decrease of up to 10% of the base salaries for all of the Company' s executive officers;

(b) the relocation of the geographic location of Executive' s principal place of employment by more than 75 miles from the location of Executive' s principal place of employment as of the Effective Date; or

(c) a material diminution in Executive' s authority, duties or responsibilities, including a removal of Executive from the positions set forth in Section 2.2.

Notwithstanding the foregoing provisions of this Section 1.6 or any other provision in this Agreement to the contrary, any assertion by Executive of a termination of employment for "***Good Reason***" shall not be effective unless all of the following requirements are satisfied: (i) the condition described in Section 1.6(a), (b) or (c) giving rise to Executive' s termination of employment must have arisen without Executive' s consent; (ii) Executive must provide written notice to the Company of such condition in accordance with Section 9.1 within 45 days of Executive' s first becoming aware of the existence of the condition; (iii) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company; and (iv) the date of Executive' s termination of employment must occur within 60 days after the date that Executive provides the Company with written notice of such condition.

1.7 "***Notice of Termination***" shall mean a written notice delivered by one party to the other party indicating the termination provision in this Agreement relied upon for termination of Executive' s employment and the intended Date of Termination.

1.8 "***Parent Common Stock***" shall mean the common stock, par value $0.01 per share, of Parent.

1.9 "***Release***" means a release of all claims in a form acceptable to the Company, which shall release each member of the Company Group and their respective affiliates, and the foregoing entities' respective shareholders, members, partners, officers, managers, directors, fiduciaries, employees, representatives, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of Executive' s employment with the Company and any other member of the Company Group or the termination of such employment, but excluding all claims to severance payments Executive may have under Section 6.1(b) and any vested rights Executive may have under any benefit plans provided as part of Executive' s employment.

1.10 "***Release Expiration Date***" means the date that is 21 days following the date upon which the Company timely delivers to Executive the Release (which shall occur no later than seven days after the Date of Termination) or, in the event that such termination of Executive' s employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), the date that is 45 days following such delivery date.

1.11 "***Section 409A Payment Date***" shall mean the earlier of (a) the date of Executive' s death or (b) the date that is six months after the Date of Termination.

1.12 "***Stock Incentive Plan***" shall mean the Nine Energy Service, Inc. 2011 Stock Incentive Plan, as amended, restated or otherwise modified from time to time.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Employment; Effective Date. The Company agrees to employ Executive, and Executive agrees to be employed by the Company, pursuant to the terms of this Agreement beginning as of March 31, 2017 (the "***Effective Date***") and continuing for the period of time set forth in Article III of this Agreement, subject to the terms and conditions of this Agreement.

2.2 Positions. From and after the Effective Date, the Company shall employ Executive and Executive shall serve in the position of Executive Vice President and Chief Financial Officer of the Company and Parent or in such other position or positions as the Board or the Company may designate from time to time, which may include providing services to other members of the Company Group as the Board or the Company may reasonably assign from time to time.

2.3 Duties and Services. Executive agrees to serve in the position(s) referred to in Section 2.2 and to perform diligently and to the best of Executive' s abilities the duties and services appertaining to such position(s), as well as such additional duties and services appropriate to such position(s) that the Board or the Company may designate from time to time.

2.4 Other Interests. Executive agrees, during the period of Executive' s employment hereunder, to devote substantially all of Executive' s business time, energy, and Executive' s best efforts, to the business and affairs of the Company and the other members of the Company Group. Notwithstanding the foregoing, the parties acknowledge and agree that Executive may (a) engage in and manage Executive' s passive personal investments, (b) engage in charitable and civic activities, and (c) serve on the board of directors or similar governing body of any entity approved by the Board in writing (or a committee thereof); *provided*, *however*, that such activities set forth in clauses (a), (b) and (c) above shall only be permitted so long as such activities do not conflict with the business and affairs of the Company or another member of the Company Group or interfere in any material respect with the performance of Executive' s duties hereunder.

2.5 Duty of Loyalty. Executive shall make full disclosure to the Company of all business opportunities pertaining to the Company Group' s business and shall not appropriate for Executive' s own benefit business opportunities concerning the subject matter of the fiduciary relationship. Executive acknowledges that Executive owes each member of the Company Group a fiduciary duty of loyalty, fidelity and allegiance to act in the best interests of the Company Group.

ARTICLE III
TERM AND TERMINATION OF EMPLOYMENT

3.1 Term. Unless sooner terminated pursuant to other provisions hereof, the Company agrees to employ Executive for the period beginning on the Effective Date and ending on the third anniversary of the Effective Date (the "***Initial Expiration Date***"); *provided*, *however*, that beginning on the Initial Expiration Date, and on each anniversary of the Initial Expiration Date thereafter, if Executive' s employment under this Agreement has not been terminated pursuant to Sections 3.2 or 3.3, then said term of employment shall automatically be extended for additional one-year periods (each, a "***Renewal Term***") unless on or before the date that is 60 days prior to the first day of any such Renewal Term, either party gives written notice to the other party that no such automatic extension shall occur, in which case the term of employment shall terminate as of the Initial Expiration Date or the end of the then-current Renewal Term, as applicable.

3.2 Company' s Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive' s employment with the Company shall automatically terminate upon Executive' s death and the Company may terminate Executive' s employment under this Agreement at any time for any of the following reasons by providing Executive with a Notice of Termination:

(a) upon Executive being unable to perform Executive' s duties or fulfill Executive' s obligations under this Agreement by reason of any physical or mental impairment (after accounting for reasonable accommodation, if applicable) for a continuous period of not less than three months, as reasonably determined by the Company;

(b) for Cause; or

(c) for any other reason whatsoever or for no reason at all, in the sole discretion of the Company.

3.3 Executive' s Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive shall have the right to terminate Executive' s employment under this Agreement for Good Reason or for any other reason whatsoever or for no reason at all, in the sole discretion of Executive, by providing the Company with a Notice of Termination. In the case of a termination of employment by Executive pursuant to this Section 3.3, the Date of Termination specified in the Notice of Termination shall not be less than 15 nor more than 90 days from the date such Notice of Termination is given, and the Company may require a Date of Termination earlier than that specified in the Notice of Termination (and, if such earlier Date of Termination is so required, then it shall not change the basis for the termination of Executive' s employment nor be construed or interpreted as a termination of employment pursuant to Section 3.1 or Section 3.2).

3.4 Deemed Resignations. Unless otherwise agreed to in writing by Parent or the Company and Executive prior to the termination of Executive' s employment, any termination of Executive' s employment shall constitute (a) an automatic resignation of Executive as an officer of the Company and each other member of the Company Group (as applicable) and (b) an

automatic resignation of Executive from the board of directors or similar governing body of any member of the Company Group, and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which any member of the Company Group holds an equity interest and with respect to which board or similar governing body Executive serves as any member of the Company Group' s designee or other representative.

3.5 Meaning of Termination of Employment. For all purposes of this Agreement, Executive' s employment with the Company shall be considered to have terminated when Executive incurs a "separation from service" with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code and the applicable Treasury regulations and interpretive guidance issued thereunder.

ARTICLE IV
COMPENSATION AND BENEFITS

4.1 Base Salary. During the term of this Agreement, Executive shall receive an annualized base salary of $400,000 (the "***Base Salary***"), which amount (a) shall be reviewed at least annually by the Board (or a committee thereof) and (b) may be (but shall not be required to be) increased from time to time in the sole discretion of the Board (or a committee thereof). Notwithstanding any provision of this Agreement, the Company may decrease Executive' s Base Salary by up to 10% as part of similar reductions of the base salaries applicable to all of the Company' s or Parent' s executive officers. Executive' s Base Salary shall be paid in substantially equal installments in accordance with the Company' s standard policy regarding payment of compensation to executives as in effect from time to time but no less frequently than monthly.

4.2 Bonuses. Executive shall be eligible to participate in an annual cash incentive bonus program which will provide for a potential annual, calendar-year bonus based on criteria determined in the discretion of the Board (the "***Annual Bonus***"), with a target bonus at a sum between 80% and 100% of the Base Salary if levels of performance are satisfied or exceeded, it being understood that the target bonus at planned or targeted levels of performance and the actual amount of each Annual Bonus shall be determined in the discretion of the Board. The Company shall pay each Annual Bonus, if any, as soon as reasonably practicable after its receipt of audited financial statements for the applicable calendar year to which the bonus relates (the "***Bonus Year***"), but in no event shall such Annual Bonus, if any, be paid later than March 31 of the calendar year that follows such Bonus Year; *provided*, *however*, that Executive will be entitled to receive payment of an Annual Bonus for a Bonus Year only if Executive is employed by the Company on December 31 of the Bonus Year to which the Annual Bonus relates.

4.3 Stock Purchase and Equity Compensation Awards.

(a) During the 30-day period beginning on the Effective Date, Employee shall purchase 4,000 shares of Parent Common Stock at a cash purchase price of $250.27 per share of Parent Common Stock on such terms and conditions as shall be set forth in a subscription agreement between Parent and Employee.

(b) In consideration of Executive entering into this Agreement and as an inducement for Executive to assume employment with the Company, as soon as reasonably practicable following Employee' s purchase of Parent Common Stock pursuant to Section 4.3(a), upon approval of the Board (or a committee thereof), Parent shall grant the following awards to Executive pursuant to the Stock Incentive Plan:

(i) A one-time award of options to purchase 12,000 shares of Parent Common Stock at an exercise price per share of Parent Common Stock equal to the fair market value of a share of Parent Common Stock on the applicable date of grant, which options shall (x) not be treated as incentive stock options within the meaning of Section 422(b) of the Code, (y) except as otherwise expressly provided in Section 6.1(b)(iii), become vested in three substantially equal installments on each of the first three anniversaries of the date of grant so long as Executive remains continuously employed by the Company or another member of the Company Group through each applicable vesting date; and (z) be subject to the terms and conditions of the Stock Incentive Plan and a Nonstatutory Stock Option Agreement to be entered into between Parent and Executive; and

(ii) A one-time restricted stock award of 9,000 shares of Parent Common Stock, which award shall (x) except as otherwise expressly provided in Section 6.1(b)(iii), become vested only upon the third anniversary of the date of grant so long as Executive remains continuously employed by the Company or another member of the Company Group through such anniversary date; and (y) be subject to the terms and conditions of the Stock Incentive Plan and a Restricted Stock Agreement to be entered into between Parent and Executive.

(c) During Executive' s employment hereunder, beginning in the 2018 calendar year, Executive shall be eligible to receive annual equity compensation awards pursuant to the Stock Incentive Plan or such other equity compensation plan offered by Parent or another member of the Company Group to similarly situated executives of the Company on such terms and conditions as the Board (or a committee thereof) shall determine from time to time. All awards, if any, granted to Executive under the Stock Incentive Plan or any such other plan shall be subject to and governed by the terms and provisions of the Stock Incentive Plan or such other plan as in effect from time to time and the award agreements evidencing such awards. Nothing in this Section 4.3(c) shall be construed to give Executive any rights to any amount or type of grant or award except as approved by the Board (or a committee thereof) and set forth in a written or electronic award agreement provided to Executive with respect to such grant or award.

4.4 Other Benefits. During Executive' s employment hereunder, and subject to the terms and conditions of the applicable benefit plans and programs in effect from time to time, Executive shall be eligible to participate in all benefit plans and programs of the Company, including improvements or modifications of the same, which are now, or may hereafter be, available to other senior executives of the Company. The Company shall not, however, by reason of this Section 4.4, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such benefit plan or program, so long as such changes are similarly applicable to other senior executives generally. In addition, during Executive' s employment hereunder, the Company shall pay for a parking space at Executive' s principal place of employment by the Company.

4.5 Expenses. Subject to Section 9.14, the Company shall reimburse Executive for all reasonable business expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company; *provided*, in each case, that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company or Parent. Any such reimbursement of expenses shall be made by the Company upon or as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of Executive' s taxable year following the taxable year in which the expense is incurred by Executive); *provided*, *however*, that, upon Executive' s termination of employment with the Company, in no event shall any additional reimbursement be made prior to the Section 409A Payment Date to the extent such payment delay is required under section 409A(a)(2)(B)(i) of the Code. In no event shall any reimbursement be made to Executive for expenses incurred after the Date of Termination.

4.6 Vacation and Sick Leave. During Executive' s employment hereunder, Executive shall be entitled to (a) sick leave in accordance with the Company' s policies applicable to its senior executives from time to time and (b) five weeks paid vacation each calendar year (none of which may be carried forward to a succeeding year), which shall be accrued, scheduled and taken in accordance with the Company' s vacation policy as in effect from time to time.

ARTICLE V
PROTECTION OF INFORMATION

5.1 Disclosure to and Property of the Company. For purposes of this Article V, the term "the Company" shall include the Company and any other member of the Company Group, and any reference to "employment" or similar terms shall include a director or consulting relationship. All information, trade secrets, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed, disclosed to or acquired by Executive, individually or in conjunction with others, during the period of Executive' s employment by the Company (whether during business hours or otherwise and whether on the Company' s premises or otherwise) that relate to the Company' s business, trade secrets, products or services (including all such information relating to corporate opportunities, strategies, business plans, product specifications, compositions, manufacturing and distribution methods and processes, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer' s organizations or within the organization of acquisition prospects, or production, marketing and merchandising techniques, prospective names and marks) and all writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Confidential Information***") shall be disclosed to the Company and are and shall be the sole and exclusive property of the Company. For purposes of this Agreement, Confidential

Information shall not include any information that (i) is or becomes generally available to the public other than as a result of a disclosure or wrongful act of Executive or any of Executive' s agents; (ii) was available to Executive on a non-confidential basis before its disclosure to Executive; or (iii) becomes available to Executive on a non-confidential basis from a source other than the Company; *provided* that such source is not known by Executive to be bound by a confidentiality agreement with, or other obligation with respect to confidentiality to, the Company. All documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, E-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression are and shall be the sole and exclusive property of the Company. Executive agrees to perform all actions reasonably requested by the Company or its affiliates to establish and confirm such exclusive ownership. Upon termination of Executive' s employment with the Company (and at any other time upon request by the Company), Executive promptly shall deliver all documents, files (including electronically stored information) and other materials constituting or reflecting Confidential Information, and all copies thereof, to the Company; *provided*, that Executive shall be entitled to retain a copy of those documents that constitute his personal address book and those documents provided to him by the Company that reflect his benefit plan elections.

5.2 Disclosure to Executive. During Executive' s employment hereunder, the Company shall disclose to Executive, and place Executive in a position to have access to or develop, Confidential Information.

5.3 No Unauthorized Use or Disclosure. Executive agrees to preserve and protect the confidentiality of all Confidential Information. Executive agrees that Executive will not, at any time during or after Executive' s employment hereunder, make any unauthorized disclosure of, Confidential Information, or make any use thereof, except, in each case, in the carrying out of Executive' s responsibilities hereunder. Executive shall use reasonable efforts to cause all persons or entities to whom or which any Confidential Information shall be disclosed by Executive hereunder to preserve and protect the confidentiality of such Confidential Information. Executive shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent disclosure thereof is specifically required by law. Executive agrees that all Confidential Information (whether now or hereafter existing) conceived, discovered or made by Executive during the period of Executive' s employment by the Company belongs to the Company (and not to Executive), and upon request by the Company for specified Confidential Information, Executive will promptly disclose such Confidential Information to the Company and perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. As a result of Executive' s employment by the Company, Executive may also from time to time have access to, or knowledge of, confidential information of third parties that provide such information to the Company with an expectation of confidence, including customers, suppliers, partners, joint venturers, and the like. Executive also agrees to preserve and protect the confidentiality of all such third-party confidential information in accordance with the Company' s obligations relating thereto.

5.4 Ownership by the Company. If, during Executive' s employment by the Company, Executive creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, computer programs, E-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures, or the like) relating to the Company' s business, products, or services, whether such work is created solely by Executive or jointly with others (whether during business hours or otherwise and whether on the Company' s premises or otherwise), the Company shall be deemed the author of such work if the work is prepared by Executive in the scope of Executive' s employment; or, if the work relating to the Company' s business, products, or services is not prepared by Executive within the scope of Executive' s employment but is specially ordered by the Company as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, or as an instructional text, then the work shall be considered to be work made for hire and the Company shall be the author of the work. If the work relating to the Company' s business, products, or services is neither prepared by Executive within the scope of Executive' s employment nor a work specially ordered that is deemed to be a work made for hire during Executive' s employment by the Company, then Executive hereby agrees to assign, and by these presents does assign, to the Company, all of Executive' s worldwide right, title, and interest in and to such work and all rights of copyright therein.

5.5 Assistance by Executive. During the period of Executive' s employment by the Company, Executive shall assist the Company and any Company nominee, at any time, in the protection of the Company' s worldwide right, title and interest in and to Confidential Information and the execution of all formal assignment documents requested by the Company or its nominee(s) and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries. After Executive' s employment with the Company terminates, at the request from time to time and expense of the Company, Executive shall assist the Company or its nominee(s) in the protection of the Company' s worldwide right, title and interest in and to Confidential Information and the execution of all formal assignment documents requested by the Company or its nominee and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries *provided*, *however*, that such assistance from Executive after Executive' s employment with the Company terminates shall be at the Company' s expense and shall not require Executive to expend unreasonable periods of time or unreasonably interfere with any obligations Executive may have to provide services to other persons or entities.

5.6 Remedies. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Article V by Executive, and the Company shall be entitled to enforce the provisions of this Article V by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article V but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive' s agents.

5.7 Permitted Disclosures. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall prohibit or restrict Executive from lawfully (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by any governmental or regulatory agency, entity, or official(s) (collectively, "***Governmental Authorities***") regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to Executive individually from any such Governmental Authorities; (iii) testifying, participating or otherwise assisting in an action or proceeding by any such Governmental Authorities relating to a possible violation of law; or (iv) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made to Executive' s attorney in relation to a lawsuit for retaliation against Executive for reporting a suspected violation of law; or (iii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nor does this Agreement require Executive to obtain prior authorization from the Company before engaging in any conduct described in this paragraph, or to notify the Company that Executive has engaged in any such conduct.

ARTICLE VI
EFFECT OF TERMINATION OF EMPLOYMENT ON COMPENSATION

6.1 Effect of Termination of Employment on Compensation.

(a) If Executive' s employment hereunder shall terminate: (i) at the expiration of the term provided in Section 3.1 after either (x) Executive has given the Company written notice of non-renewal, or (y) the Company has given Executive written notice of non-renewal and provided Executive a Notice of Non-Compete Waiver pursuant to the terms of Section 7.1(c) below, (ii) for any reason described in Section 3.2(a) or 3.2(b), (iii) pursuant to Executive' s resignation for other than Good Reason, or (iv) by reason of Executive' s death, then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that Executive shall be entitled to (1) payment of all accrued and unpaid Base Salary earned to the Date of Termination as well as any Annual Bonus that has been earned pursuant to Section 4.2 for the calendar year ending on or prior to the Date of Termination but remains unpaid as of the Date of Termination (which Annual Bonus, if any, shall be paid in a lump sum at the time provided for payment in Section 4.2), (2) reimbursement for all incurred but unreimbursed expenses for which Executive is entitled to reimbursement in accordance with Section 4.5, and (3) benefits to which Executive is entitled under the terms of any applicable benefit plan or program.

(b) If Executive' s employment hereunder shall terminate: (i) at the expiration of the term provided in Section 3.1 after the Company has given Executive written notice of non-renewal and not provided Executive a Notice of Non-Compete Waiver pursuant to the terms of Section 7.1(c) below, (ii) pursuant to Executive' s resignation for Good Reason, or (iii) pursuant to a termination by the Company pursuant to Section 3.2(c), then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that (A) Executive shall be entitled to receive the compensation and benefits described in clauses (1) through (3) of Section 6.1(a), and (B) subject to (x) Executive' s execution and delivery to the Company by the Release Expiration Date (and non-revocation within any time provided to do so) of the Release; and (y) Executive' s abiding by the terms of Articles V and VII, then Executive shall be entitled to receive the payments and benefits set forth in Section 6.1(b)(i), (ii) and (iii) below.

(i) The Company shall pay to Executive a total amount equal to the sum of: (x) 12 months' worth of Executive' s Base Salary for the year in which such termination occurs; and (y) Executive' s then-current target Annual Bonus, which for purposes of this clause (y), shall be deemed to be not less than 100% of Executive' s Base Salary for the year in which such termination occurs (the sum of (x) and (y) being referred to as the "***Severance Payment***"). The Severance Payment will be divided into 12 substantially equal installments. On the Company' s first regularly scheduled pay date that is on or after the date that is sixty (60) days after Date of Termination, the Company shall pay to Executive, without interest, a number of such installments equal to the number of such installments that would have been paid during the period beginning on the Date of Termination and ending on the Company' s first regularly scheduled pay date that is on or after the date that is sixty (60) days after the Date of Termination had the installments been paid on a monthly basis commencing on the Company' s first regularly scheduled pay date coincident with or next following the Date of Termination, and each of the remaining installments shall be paid on a monthly basis thereafter; *provided, however*, that to the extent, if any, that the aggregate amount of the installments of the Severance Payment that would otherwise be paid pursuant to the preceding provisions of this Section 6.1(b)(i) after March 15 of the calendar year following the calendar year in which the Date of Termination occurs (the "***Applicable March 15***") exceeds the maximum exemption amount under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A), then such excess shall be paid to Executive in a lump sum on the Applicable March 15 (or the first business day preceding the Applicable March 15 if the Applicable March 15 is not a business day) and the installments of the Severance Payment payable after the Applicable March 15 shall be reduced by such excess (beginning with the installment first payable after the Applicable March 15 and continuing with the next succeeding installment until the aggregate reduction equals such excess).

(ii) During the portion, if any, of the 12-month period following the Termination Date (the "***Reimbursement Period***") that Executive elects to continue coverage for Executive and Executive' s spouse and eligible dependents, if any, under the Company' s group health plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***"), the Company shall promptly reimburse Executive on a monthly basis for the entire amount Executive pays to effect

and continue such coverage (the "***Monthly Reimbursement Amount***"). Each payment of the Monthly Reimbursement Amount shall be paid to Executive on the Company' s first regularly scheduled pay date in the calendar month immediately following the calendar month in which Executive submits to the Company documentation of the applicable premium payment having been paid by Executive, which documentation shall be submitted by Executive to the Company within 60 days following the date on which the applicable premium payment is paid. Executive shall be eligible to receive such reimbursement payments until the earliest of: (x) the last day of the Reimbursement Period; (y) the date Executive is no longer eligible to receive COBRA continuation coverage; and (z) the date on which Executive becomes eligible to receive coverage under a group health plan sponsored by another employer (and any such eligibility shall be promptly reported to the Company by Executive); *provided, however*, that the election of COBRA continuation coverage and the payment of any premiums due with respect to such COBRA continuation coverage shall remain Executive' s sole responsibility, and the Company shall not assume any obligation for payment of any such premiums relating to such COBRA continuation coverage. Notwithstanding the foregoing, if the provision of the benefits described in this paragraph cannot be provided in the manner described above without penalty, tax or other adverse impact on the Company, then the Company and Executive shall negotiate in good faith to determine an alternative manner in which the Company may provide substantially equivalent benefits to Executive without such adverse impact on the Company.

(iii) With respect to the outstanding equity compensation awards granted to Executive pursuant to the Stock Incentive Plan or any other equity compensation plan of Parent or another member of the Company Group prior to the Date of Termination (collectively, the "***Outstanding Equity Awards***"): (x) except as otherwise provided in this Section 6.1(b)(iii), the Applicable Pro-Rated Portion (as defined below), if any, of each Outstanding Equity Award that remains unvested as of the Date of Termination shall become immediately fully vested as of the Date of Termination; *provided, however*, that if any Outstanding Equity Award is subject to a performance requirement (other than continued employment or service by Executive), then no portion of any such Outstanding Equity Award shall become immediately fully vested as of the Date of Termination and such Outstanding Equity Award shall remain subject to the terms and conditions set forth in the applicable award agreement(s) pursuant to which such Outstanding Equity Award was granted; and (y) all outstanding stock options that have become vested as of the Date of Termination (determined after giving effect to clause (x) of this Section 6.1(b)(iii)) shall remain exercisable through the original expiration dates of such stock options. As used herein, the "***Applicable Pro-Rated Portion***" means, with respect to an Outstanding Equity Award, the number of shares of Parent Common Stock subject to such Outstanding Equity Award equal to the difference (if positive) between "A" and "B," where:

"***A***" equals the total number of shares of Parent Common Stock subject to such Outstanding Equity Award *multiplied by* a fraction, the numerator of which is the total number of days during the period beginning on the date the vesting period applicable to such Outstanding Equity Award (the "***Vesting Period***") commenced pursuant to the applicable award agreement and ending on the Date of Termination and the denominator of which is the total number of days in the Vesting Period; and

"***B***" equals the total number of shares of Parent Common Stock subject to such Outstanding Equity Award, if any, that have become vested in accordance with the applicable award agreement prior to the Date of Termination.

(c) Notwithstanding any other provision in this Agreement, if Executive is a "disqualified individual" (as defined in Section 280G(c) of the Code), and the payments and benefits provided for in this Agreement, together with any other payments and benefits that Executive has the right to receive from the Company or any other member of the Company Group, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement shall be either (i) reduced (but not below zero) so that the present value of such total amounts and benefits received by Executive from the Company and any other members of the Company Group will be one dollar ($1.00) less than three times Executive' s "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Executive shall be subject to the excise tax imposed by Section 4999 of the Code or (ii) paid in full, whichever produces the better net after-tax position to Executive (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company and any other members of the Company Group used in determining whether a "parachute payment" exists, exceeds one dollar ($1.00) less than three times Executive' s base amount, then Executive shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 6.1(c) shall require the Company or any other member of the Company Group to be responsible for, or have any liability or obligation with respect to, Executive' s excise tax liabilities under Section 4999 of the Code.

ARTICLE VII
NON-COMPETITION AGREEMENT

7.1 Definitions. As used in this Article VII, the following terms shall have the following meanings:

(a) "***Business***" means: (x) for the period of time in which Executive is employed by any member of the Company Group, the provision and sale of the products and services provided by the Company Group during the course of Executive' s employment therewith and other products and services that are functionally equivalent to the foregoing and (y) for the period of time within the Prohibited Period in which Executive is not employed by any member of the Company Group, the provision and sale of the products and services that were provided by the Company Group during the period of time in which Executive was employed by such member of the Company Group and other products and services that are functionally equivalent to the foregoing. The Business includes for purposes of both clauses (x) and (y): (1) the provision of equipment and services used in the completion of wells for the production of oil and natural gas (including cementing, wireline and coiled tubing services), and (2) the provision of production enhancement and well workover services and the sale or rental of equipment relating thereto in connection with the production of oil and natural gas.

(b) "***Competing Business***" means any business, individual, partnership, firm, corporation or other entity (other than any member of the Company Group) which engages in, or is preparing to engage in, the Business in the Restricted Area.

(c) "***Prohibited Period***" means the period during which Executive is employed by any member of the Company Group and a period of 12 months following the date that Executive is no longer employed by any member of the Company Group. Notwithstanding the foregoing, if: (i) Executive ceases to be employed by any member of the Company Group as the result of, and following, the Company' s issuance of a notice of non-renewal pursuant to Section 3.1 above, and (ii) on or before the date that is five days following the date that Executive is no longer employed by any member of the Company Group, the Company provides Executive with written notice of its intent to waive the provisions of Sections 7.2(a) and 7.2(c) below (such notice, a "***Notice of Non-Compete Waiver***"), then the Prohibited Period shall end on the date on which Executive is no longer employed by any member of the Company Group.

(d) "***Restricted Area***" means the geographic areas set forth on Appendix A hereto and any other geographic area within a 100-mile radius of any other location where any member of the Company Group conducts or has material plans to conduct the Business and Executive has direct or indirect responsibilities for, or Confidential Information about, such Business.

7.2 Non-Competition; Non-Solicitation. Executive and the Company agree that the non-competition and non-solicitation provisions of this Article VII are a material inducement for the Company to employ Executive and that this Article VII is necessary to protect the Confidential Information of the Company and the other members of the Company Group disclosed or entrusted to Executive by the Company Group or created or developed by Executive for the Company Group, and to protect the business goodwill of the Company Group.

(a) Subject to the exceptions set forth in Sections 7.2(b) and 7.2(d), Executive expressly covenants and agrees that during the Prohibited Period (i) Executive will refrain from carrying on or engaging in, directly or indirectly, any business that is competitive with, or similar to, that of any member of the Company Group in the Restricted Area. Accordingly, Executive covenants and agrees that Executive will not, directly or indirectly, own, manage, operate, join, become an employee of, partner in, owner or member of (or an independent contractor to), control or participate in, be connected with or otherwise be affiliated with any business, individual, partnership, firm, corporation or other entity which constitutes a Competing Business in the Restricted Area, as Executive expressly agrees that each of the foregoing activities would represent carrying on or engaging in a business similar to (or the same as) any member of the Company Group, as prohibited by this Section 7.2(a).

(b) Notwithstanding the restrictions contained in Section 7.2(a), Executive may own an aggregate of not more than 5% of the outstanding stock of any class of any corporation that is a Competing Business, if such stock is listed on a national securities exchange or regularly traded in the over-the-counter market by a member of a national securities exchange, without violating the provisions of Section 7.2(a), *provided* that neither Executive nor any of Executive' s affiliates has the power, directly or indirectly, to control or direct the management or affairs of any such corporation and is not involved in the management of such corporation.

(c) Executive further expressly covenants and agrees that during the Prohibited Period, Executive will not, directly or indirectly solicit, canvass, approach, encourage, entice or induce any customer or supplier of any member of the Company Group to cease or lessen such customer' s or supplier' s business with the Company Group.

(d) Notwithstanding the above-referenced limitations in Sections 7.2(a) and 7.2(c) above, such limitations shall not apply in those portions of the Restricted Area located within the State of Oklahoma. Instead, Executive agrees that the restrictions on Executive' s activities within those portions of the Restricted Area located within the State of Oklahoma (in addition to those restrictions set forth in Section 7.2(e) and Article V above) shall be as follows: during the Prohibited Period, Executive will not directly or indirectly solicit the sale of goods, services, or a combination of goods and services from the established customers of the Company or any other member of the Company Group.

(e) Executive further expressly covenants and agrees that during the period that Executive is employed by any member of the Company Group and a period of 12 months following the date that Executive is no longer employed by any member of the Company Group, Executive will not directly or indirectly solicit, canvass, approach, encourage, entice or induce any employee of, or individual acting as a consultant to, the Company Group to terminate his or her employment or engagement with any member of the Company Group.

(f) Before accepting employment with any other person or entity during the Prohibited Period, Executive will inform such person or entity of the restrictions contained in this Article VII.

7.3 Relief. Executive and the Company agree and acknowledge that the limitations as to time, geographical area and scope of activity to be restrained as set forth in Section 7.2 are reasonable in all respects and do not impose any greater restraint than is necessary to protect the legitimate business interests of the Company Group. Executive and the Company also acknowledge that money damages would not be sufficient remedy for any breach of this Article VII by Executive, and the Company or any other member of the Company Group shall be entitled to enforce the provisions of this Article VII by terminating payments then owing to Executive under this Agreement or otherwise and to seek specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article VII but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive' s agents.

7.4 Reasonableness; Enforcement. Executive hereby represents to the Company that Executive has read and understands, and agrees to be bound by, the terms of this Article VII. Executive acknowledges that the geographic scope and duration of the covenants contained in this Article VII are the result of arm' s-length bargaining and are fair and reasonable in light of (a) the nature and wide geographic scope of the Company Group' s operations of the Business, which is conducted throughout the Restricted Area (b) Executive' s level of control over and contact with the Company' s Group' s business in all jurisdictions in which it is conducted, and (c) the amount of Confidential Information to which Executive has or will have access in connection with the performance of Executive' s duties hereunder.

7.5 Reformation. The Company and Executive agree that the foregoing restrictions are reasonable in all respects and that any breach of the covenants contained in this Article VII would cause irreparable injury to the Company Group. Executive understands that the foregoing restrictions may limit Executive' s ability to engage in certain businesses anywhere in the Restricted Area during the Prohibited Period, but acknowledges that Executive will receive sufficient consideration from the Company to justify such restriction. Further, Executive acknowledges that Executive' s skills are such that Executive can be gainfully employed in non-competitive employment, and that the agreement not to compete will not prevent Executive from earning a living. Nevertheless, if any of the aforesaid restrictions are found by a court of competent jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions herein set forth to be modified by the court making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the Company and Executive intend to make this provision enforceable under the law or laws of all applicable jurisdictions so that the entire agreement not to compete and this Agreement as prospectively modified shall remain in full force and effect and shall not be rendered void or illegal. Such modification shall not affect the payments made to Executive under this Agreement.

ARTICLE VIII
DISPUTE RESOLUTION

8.1 Arbitration. All claims or disputes between Executive and the Company or any other member of the Company Group (including claims relating to the validity, scope, and enforceability of this Article VIII and claims arising under any federal, state or local law regarding the terms and conditions of employment or prohibiting discrimination in employment or governing the employment relationship in any way) shall be submitted for final and binding arbitration in Houston, Texas in accordance with the then-applicable rules for resolution of employment disputes of the American Arbitration Association ("***AAA***"). The arbitration shall be conducted by a single arbitrator chosen pursuant to the then-applicable rules for resolution of employment disputes of the AAA, and the Company or another member of the Company Group shall bear the costs of such arbitration. For the avoidance of doubt, the Company' s (or another member of the Company Group' s) assumption of costs referenced in the previous sentence applies to the costs of the AAA only, and does not include attorney or expert fees or other fees or costs incurred by Executive. The arbitrator shall apply the substantive law of the State of Texas (excluding Texas choice-of-law principles that might call for the application of some other state' s law), or federal law, or both as applicable to the claims asserted. The results of the arbitration and the decision of the arbitrator will be final and binding on the parties and each party agrees and acknowledges that these results shall be enforceable in a court of law. No demand for arbitration may be made after the date when the institution of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute(s) of limitations. In the event either party must resort to the judicial process to enforce the provisions of this Agreement, the award of an arbitrator or equitable relief granted by an arbitrator, the party successfully seeking enforcement shall be entitled to recover from the other party all costs of such litigation, including reasonable attorneys' fees and court costs. To the fullest extent permitted by law, all proceedings conducted pursuant to this agreement to arbitrate, including any order, decision or award of the arbitrator, shall be kept confidential by the parties. Notwithstanding the foregoing, Executive and the Company further acknowledge and agree that a court of competent jurisdiction residing in Houston, Texas shall have the power to maintain the status quo pending the arbitration of any dispute under this Article VIII, and this Article VIII shall not require the arbitration of any application for emergency, temporary or preliminary injunctive relief (including temporary restraining orders) by either party pending arbitration, including any application for emergency, temporary or preliminary injunctive relief for any claim arising out of Article V or Article VII of this Agreement; *provided*, *however*, that the remainder of any such dispute beyond the application for such emergency, temporary or preliminary injunctive relief shall be subject to arbitration under this Article VIII. **THE PARTIES ACKNOWLEDGE THAT, BY SIGNING THIS AGREEMENT, THEY ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHTS THAT THEY MAY HAVE TO A JURY TRIAL OR, EXCEPT AS EXPRESSLY PROVIDED HEREIN, A COURT TRIAL OF ANY CLAIM THAT IS SUBJECT TO THIS ARTICLE VIII.**

ARTICLE IX
MISCELLANEOUS

9.1 Notices. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given (a) when received if delivered personally or by courier, (b) five business days after deposit in the United States mail, if delivered by certified mail, postage prepaid, return receipt requested or (c) one business day after deposit with a delivery service if delivered by a nationally recognized overnight delivery service with proof of receipt maintained as follows:

If to Executive, addressed to:	Executive' s home address on file with the Company.
If to the Company, addressed to:	Nine Energy Service, LLC 16945 Northchase Drive, Suite 1600 Houston, TX 77060 Attn: Chief Executive Officer

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

9.2 Applicable Law; Submission to Jurisdiction.

(a) This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas, without regard to conflicts of laws principles thereof.

(b) With respect to any claim or dispute related to or arising under this Agreement, the parties hereby consent to the arbitration provisions of Article VIII and recognize and agree that should any resort to a court be necessary and permitted under this Agreement, then they consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Harris County, Texas. Notwithstanding the foregoing, the Company may seek emergency, temporary or preliminary injunctive relief (including temporary restraining orders) with respect to any breaches or threatened breaches by Executive of Article V or Article VII in any court of competent jurisdiction.

9.3 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

9.4 Severability. If an arbitrator or a court of competent jurisdiction determines that any provision of this Agreement (or part thereof) is invalid or unenforceable, then the invalidity or unenforceability of that provision (or part thereof) shall not affect the validity or enforceability of any other provision (or part thereof) of this Agreement, and all other provisions (and parts thereof) shall remain in full force and effect.

9.5 Counterparts. This Agreement may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

9.6 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes and withholdings as may be required pursuant to any law or governmental regulation or ruling and all other customary deductions made with respect to the Company' s employees generally.

9.7 Titles and Headings; Interpretation. The Section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes. and headings to Sections hereof are for the purpose of reference only and shall in no way limit, define or otherwise affect the provisions hereof. Any and all Exhibits or Attachments referred to in this Agreement are, by such reference, incorporated herein and made a part hereof for all purposes. Unless the context requires otherwise, all references herein to an agreement, instrument or other document shall be deemed to refer to such agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. The word "or" as used herein is not exclusive and is deemed to have the meaning "and/or." All references to "dollars" or "$" in this Agreement refer to United States dollars. The words "herein", "hereof", "hereunder" and other compounds of the word "here" shall refer to the entire Agreement, including all Exhibits attached hereto, and not to any particular provision hereof. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely. The use herein of the word "including" following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation", "but not limited to", or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

9.8 Successors. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company. The Company may assign this Agreement, including to any affiliate or subsidiary or successor that succeeds to all or substantially all of the assets, business or operations of the Company, without the consent of Executive. Except as provided in the preceding sentences, this Agreement, and the rights and obligations of the parties hereunder, are personal and neither this Agreement, nor any right, benefit or obligation of either party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the prior written consent of the other party.

9.9 Effect of Termination of Employment Relationship. The provisions of Articles V, VI, VII, and VIII and those provisions necessary to interpret, apply and enforce them, shall survive any termination of this Agreement and any termination of the employment relationship between Executive and the Company.

9.10 Entire Agreement. Except as provided in any signed written agreement contemporaneously or hereafter executed by the Company and Executive, this Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the employment of Executive by the Company. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof are hereby null and void and of no further force and effect.

9.11 Modification; Waiver. Any modification to or waiver of this Agreement will be effective only if it is in writing and signed by the parties to this Agreement.

9.12 Third-Party Beneficiaries. Any member of the Company Group that is not a signatory to this Agreement shall be a third-party beneficiary of Executive' s commitments, representations, covenants and promises set forth in Articles V, VII and VIII and shall be entitled to enforce such commitments, representations, covenants and promises as if a party hereto.

9.13 Executive' s Representations and Warranties. Executive represents and warrants to the Company that (a) Executive does not have any agreements or obligations with Executive' s prior employers or other third parties that will prohibit Executive from working for any member of the Company Group or fulfilling Executive' s duties and obligations to the Company Group pursuant to this Agreement and (b) Executive has complied, and will comply, with all duties imposed on Executive with respect to Executive' s former employers and all other third parties. Executive expressly promises that Executive will not: (i) introduce any confidential, proprietary or other similar information belonging to any prior employer to the premises or computer systems of any member of the Company Group; or (ii) use or disclose any legally protected information belonging to any former employer or other third party in the course of Executive' s employment hereunder.

9.14 Section 409A.

(a) Notwithstanding any provision of this Agreement to the contrary, all provisions of this Agreement are intended to comply with Section 409A of the Code and the applicable Treasury regulations and administrative guidance issued thereunder (collectively, "***Section 409A***") or an applicable exemption therefrom and shall be construed and administered in accordance with such intent. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment.

(b) To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A), (i) any such expense reimbursement shall be made by the Company no later than the last day of the taxable year following the taxable year in which such expense was incurred by Executive, (ii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; *provided*, that the foregoing clause shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period in which the arrangement is in effect.

(c) Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if Executive' s receipt of such payment or benefit is not delayed until the Section 409A Payment Date, then such payment or benefit shall not be provided to Executive (or Executive' s estate, if applicable) until the Section 409A Payment Date. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall any member of the Company Group be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Executive on account of non-compliance with Section 409A.

9.15 Clawback. To the extent required by applicable law or any applicable securities exchange listing standards, or as otherwise determined by the Board (or a committee thereof), amounts paid or payable under this Agreement shall be subject to the provisions of any applicable clawback policies or procedures adopted by Parent, the Company or any other member of the Company Group, which clawback policies or procedures may provide for forfeiture and/or recoupment of amounts paid or payable under this Agreement. Notwithstanding any provision of this Agreement to the contrary, Parent, the Company and each other member of the Company Group reserves the right, without the consent of Executive, to adopt any such clawback policies and procedures, including such policies and procedures applicable to this Agreement with retroactive effect.

[*Signature page follows*.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this 31st day of March, 2017.

NINE ENERGY SERVICE, LLC

By: /s/ Ann G. Fox
Ann G. Fox
President and Chief Executive Officer

For the limited purpose of acknowledging and agreeing to Sections 4.3 and 6.1(b)(iii):

NINE ENERGY SERVICE, INC.

By: /s/ Ann G. Fox
Ann G. Fox
President and Chief Executive Officer

DOUGLAS S. ARON

/s/ Douglas S. Aron

APPENDIX A

RESTRICTED AREA

The following States: Alaska, Colorado, Montana, New Mexico, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, West Virginia and Wyoming

The following parishes within the State of Louisiana: Acadia, Allen, Ascension, Assumption, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Cameron, Catahoula, Claiborne, Concordia, DeSoto, East Baton Rouge, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson, Jefferson Davis, Lafayette, Lafourche, LaSalle, Lincoln, Livingston, Madison, Morehouse, Natchitoches, Orleans, Ouachita, Plaquemines, Pointe Coupee, Rapides, Red River, Richland, Sabine, St. Bernard, St. Charles, St. Helena, St. James, St. John, St. Landry, St. Martin, St. Mary, St. Tammany, Tangipahoa, Tensas, Terrebonne, Union, Vermilion, Vernon, Washington, Webster, West Baton Rouge, West Carroll, West Feliciana, and Winn.

Exhibit 10.18

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***") is made by and between Nine Energy Service, LLC, a Delaware limited liability company (the "***Company***"), and Edward Bruce Morgan ("***Executive***"). Nine Energy Service, Inc., a Delaware corporation ("***Parent***"), joins this Agreement for the limited purposes of acknowledging and agreeing to the provisions of Sections 4.3 and 6.1(b)(iii) below.

W I T N E S S E T H:

WHEREAS, the Company desires to employ Executive on the terms and conditions, and for the consideration, hereinafter set forth and Executive desires to be employed by the Company on such terms and conditions and for such consideration.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the Company and Executive agree as follows:

ARTICLE I
DEFINITIONS

In addition to the terms defined in the body of this Agreement, for purposes of this Agreement, the following capitalized words shall have the meanings indicated below:

1.1 "***Board***" shall mean the Board of Directors of Parent.

1.2 "***Cause***" shall mean a determination by the Board that Executive (a) has engaged in gross negligence or willful misconduct in the performance of Executive' s duties with respect to the Company or any other member of the Company Group, (b) has breached any material provision of this Agreement or any other written agreement among Executive and the Company or any other member of the Company Group, as such agreement(s) may be amended from time to time, or any corporate policy or code of conduct established by the Company or any other member of the Company Group as in effect from time to time, (c) has willfully engaged in conduct that is injurious to the Company or any other member of the Company Group, or (d) has committed or been convicted of, pleaded no contest to or received adjudicated probation or deferred adjudication with respect to (i) a felony or (ii) any crime or misdemeanor involving fraud, dishonesty or moral turpitude (or a crime or misdemeanor of similar import in a foreign jurisdiction), that results, or could reasonably be expected to result, in material harm to the Company or any other member of the Company Group.

1.3 "***Code***" shall mean the Internal Revenue Code of 1986, as amended.

1.4 "***Company Group***" shall mean Parent and each of its direct and indirect subsidiaries (including the Company), and any of such entities' respective successors.

1.5 "***Date of Termination***" shall mean the date Executive' s employment with the Company is considered to have terminated pursuant to Section 3.5.

1.6 "***Good Reason***" shall mean the occurrence of any of the following events:

(a) a material diminution in Executive' s Base Salary, other than as part of a decrease of up to 10% of the base salaries for all of the Company' s executive officers;

(b) the relocation of the geographic location of Executive' s principal place of employment by more than 75 miles from the location of Executive' s principal place of employment as of the Effective Date; or

(c) a material diminution in Executive' s authority, duties or responsibilities, including a removal of Executive from the positions set forth in Section 2.2.

Notwithstanding the foregoing provisions of this Section 1.6 or any other provision in this Agreement to the contrary, any assertion by Executive of a termination of employment for "***Good Reason***" shall not be effective unless all of the following requirements are satisfied: (i) the condition described in Section 1.6(a), (b) or (c) giving rise to Executive' s termination of employment must have arisen without Executive' s consent; (ii) Executive must provide written notice to the Company of such condition in accordance with Section 9.1 within 45 days of the initial existence of the condition; (iii) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company; and (iv) the date of Executive' s termination of employment must occur within 90 days after the date that Executive provides the Company with written notice of such condition.

1.7 "***Notice of Termination***" shall mean a written notice delivered by one party to the other party indicating the termination provision in this Agreement relied upon for termination of Executive' s employment and the intended Date of Termination.

1.8 "***Parent Common Stock***" shall mean the common stock, par value $0.01 per share, of Parent.

1.9 "***Release***" means a release of all claims in a form acceptable to the Company, which shall release each member of the Company Group and their respective affiliates, and the foregoing entities' respective shareholders, members, partners, officers, managers, directors, fiduciaries, employees, representatives, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of Executive' s employment with the Company and any other member of the Company Group or the termination of such employment, but excluding all claims to severance payments Executive may have under Section 6.1(b) and any vested rights Executive may have under any benefit plans provided as part of Executive' s employment.

1.10 "***Release Expiration Date***" means the date that is 21 days following the date upon which the Company timely delivers to Executive the Release (which shall occur no later than seven days after the Date of Termination) or, in the event that such termination of Executive' s employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), the date that is 45 days following such delivery date.

1.11 "***Section 409A Payment Date***" shall mean the earlier of (a) the date of Executive' s death or (b) the date that is six months after the Date of Termination.

1.12 "***Stock Incentive Plan***" shall mean the Nine Energy Service, Inc. 2011 Stock Incentive Plan, as amended, restated or otherwise modified from time to time.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Employment; Effective Date. The Company agrees to employ Executive, and Executive agrees to be employed by the Company, pursuant to the terms of this Agreement beginning as of April 6, 2017 (the "***Effective Date***") and continuing for the period of time set forth in Article III of this Agreement, subject to the terms and conditions of this Agreement.

2.2 Positions. From and after the Effective Date, the Company shall employ Executive and Executive shall serve in the position of President, Production Solutions of the Company and Parent or in such other position or positions as the Board or the Company may designate from time to time, which may include providing services to other members of the Company Group as the Board or the Company may reasonably assign from time to time.

2.3 Duties and Services. Executive agrees to serve in the position(s) referred to in Section 2.2 and to perform diligently and to the best of Executive' s abilities the duties and services appertaining to such position(s), as well as such additional duties and services appropriate to such position(s) that the Board or the Company may designate from time to time.

2.4 Other Interests. Executive agrees, during the period of Executive' s employment hereunder, to devote all of Executive' s business time, energy, and Executive' s best efforts, to the business and affairs of the Company and the other members of the Company Group. Notwithstanding the foregoing, the parties acknowledge and agree that Executive may (a) engage in and manage Executive' s passive personal investments, (b) engage in charitable and civic activities, and (c) serve on the board of directors or similar governing body of any entity approved by the Board in writing (or a committee thereof); *provided*, *however*, that such activities set forth in clauses (a), (b) and (c) above shall only be permitted so long as such activities do not conflict with the business and affairs of the Company or another member of the Company Group or interfere with the performance of Executive' s duties hereunder.

2.5 Duty of Loyalty. Executive shall make full disclosure to the Company of all business opportunities pertaining to the Company Group' s business and shall not appropriate for Executive' s own benefit business opportunities concerning the subject matter of the fiduciary relationship. Executive acknowledges that Executive owes each member of the Company Group a fiduciary duty of loyalty, fidelity and allegiance to act in the best interests of the Company Group.

ARTICLE III
TERM AND TERMINATION OF EMPLOYMENT

3.1 Term. Unless sooner terminated pursuant to other provisions hereof, the Company agrees to employ Executive for the period beginning on the Effective Date and ending on the third anniversary of the Effective Date (the "***Initial Expiration Date***"); *provided*, *however*, that beginning on the Initial Expiration Date, and on each anniversary of the Initial Expiration Date thereafter, if Executive' s employment under this Agreement has not been terminated pursuant to Sections 3.2 or 3.3, then said term of employment shall automatically be extended for additional one-year periods (each, a "***Renewal Term***") unless on or before the date that is 60 days prior to the first day of any such Renewal Term, either party gives written notice to the other party that no such automatic extension shall occur, in which case the term of employment shall terminate as of the Initial Expiration Date or the end of the then-current Renewal Term, as applicable.

3.2 Company' s Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive' s employment with the Company shall automatically terminate upon Executive' s death and the Company may terminate Executive' s employment under this Agreement at any time for any of the following reasons by providing Executive with a Notice of Termination:

(a) upon Executive being unable to perform Executive' s duties or fulfill Executive' s obligations under this Agreement by reason of any physical or mental impairment (after accounting for reasonable accommodation, if applicable) for a continuous period of not less than three months, as reasonably determined by the Company;

(b) for Cause; or

(c) for any other reason whatsoever or for no reason at all, in the sole discretion of the Company.

3.3 Executive' s Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive shall have the right to terminate Executive' s employment under this Agreement for Good Reason or for any other reason whatsoever or for no reason at all, in the sole discretion of Executive, by providing the Company with a Notice of Termination. In the case of a termination of employment by Executive pursuant to this Section 3.3, the Date of Termination specified in the Notice of Termination shall not be less than 15 nor more than 60 days from the date such Notice of Termination is given, and the Company may require a Date of Termination earlier than that specified in the Notice of Termination (and, if such earlier Date of Termination is so required, then it shall not change the basis for the termination of Executive' s employment nor be construed or interpreted as a termination of employment pursuant to Section 3.1 or Section 3.2).

3.4 Deemed Resignations. Unless otherwise agreed to in writing by Parent or the Company and Executive prior to the termination of Executive' s employment, any termination of Executive' s employment shall constitute (a) an automatic resignation of Executive as an officer of the Company and each other member of the Company Group (as applicable) and (b) an

automatic resignation of Executive from the board of directors or similar governing body of any member of the Company Group, and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which any member of the Company Group holds an equity interest and with respect to which board or similar governing body Executive serves as any member of the Company Group' s designee or other representative.

3.5 Meaning of Termination of Employment. For all purposes of this Agreement, Executive' s employment with the Company shall be considered to have terminated when Executive incurs a "separation from service" with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code and the applicable Treasury regulations and interpretive guidance issued thereunder.

ARTICLE IV
COMPENSATION AND BENEFITS

4.1 Base Salary. During the term of this Agreement, Executive shall receive an annualized base salary of $250,000 (the "***Base Salary***"), which amount (a) shall be reviewed at least annually by the Board (or a committee thereof) and (b) may be (but shall not be required to be) increased from time to time in the sole discretion of the Board (or a committee thereof). Notwithstanding any provision of this Agreement, the Company may decrease Executive' s Base Salary by up to 10% as part of similar reductions of the base salaries applicable to all of the Company' s or Parent' s executive officers. Executive' s Base Salary shall be paid in substantially equal installments in accordance with the Company' s standard policy regarding payment of compensation to executives as in effect from time to time but no less frequently than monthly.

4.2 Bonuses. Executive shall be eligible to participate in an annual cash incentive bonus program which will provide for a potential annual, calendar-year bonus based on criteria determined in the discretion of the Board (the "***Annual Bonus***"), with a target bonus at a sum between 80% and 100% of the Base Salary if levels of performance are satisfied or exceeded, it being understood that the target bonus at planned or targeted levels of performance and the actual amount of each Annual Bonus shall be determined in the discretion of the Board. The Company shall pay each Annual Bonus, if any, as soon as reasonably practicable after its receipt of audited financial statements for the applicable calendar year to which the bonus relates (the "***Bonus Year***"), but in no event shall such Annual Bonus, if any, be paid later than March 31 of the calendar year that follows such Bonus Year; *provided*, *however*, that Executive will be entitled to receive payment of an Annual Bonus for a Bonus Year only if Executive is employed by the Company on December 31 of the Bonus Year to which the Annual Bonus relates.

4.3 Equity Compensation Awards. During Executive' s employment hereunder, beginning in the 2018 calendar year, Executive shall be eligible to receive annual equity compensation awards pursuant to the Stock Incentive Plan or such other equity compensation plan offered by Parent or another member of the Company Group to similarly situated executives of the Company on such terms and conditions as the Board (or a committee thereof) shall determine from time to time. All awards, if any, granted to Executive under the Stock Incentive Plan or any such other plan shall be subject to and governed by the terms and provisions of the Stock Incentive Plan or such other plan as in effect from time to time and the award agreements

evidencing such awards. Nothing in this Section 4.3 shall be construed to give Executive any rights to any amount or type of grant or award except as approved by the Board (or a committee thereof) and set forth in a written or electronic award agreement provided to Executive with respect to such grant or award.

4.4 Other Benefits. During Executive' s employment hereunder, and subject to the terms and conditions of the applicable benefit plans and programs in effect from time to time, Executive shall be eligible to participate in all benefit plans and programs of the Company, including improvements or modifications of the same, which are now, or may hereafter be, available to other senior executives of the Company. The Company shall not, however, by reason of this Section 4.4, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such benefit plan or program, so long as such changes are similarly applicable to other senior executives generally. In addition, during Executive' s employment hereunder, the Company shall pay for a parking space at Executive' s principal place of employment by the Company.

4.5 Expenses. Subject to Section 9.14, the Company shall reimburse Executive for all reasonable business expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company; *provided*, in each case, that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company or Parent. Any such reimbursement of expenses shall be made by the Company upon or as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of Executive' s taxable year following the taxable year in which the expense is incurred by Executive); *provided*, *however*, that, upon Executive' s termination of employment with the Company, in no event shall any additional reimbursement be made prior to the Section 409A Payment Date to the extent such payment delay is required under section 409A(a)(2)(B)(i) of the Code. In no event shall any reimbursement be made to Executive for expenses incurred after the Date of Termination.

4.6 Vacation and Sick Leave. During Executive' s employment hereunder, Executive shall be entitled to (a) sick leave in accordance with the Company' s policies applicable to its senior executives from time to time and (b) up to 5 weeks paid vacation each calendar year (none of which may be carried forward to a succeeding year), which shall be accrued, scheduled and taken in accordance with the Company' s vacation policy as in effect from time to time.

ARTICLE V
PROTECTION OF INFORMATION

5.1 Disclosure to and Property of the Company. For purposes of this Article V, the term "the Company" shall include the Company and any other member of the Company Group, and any reference to "employment" or similar terms shall include a director or consulting relationship. All information, trade secrets, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed, disclosed to or acquired by Executive, individually or in conjunction with others,

during the period of Executive' s employment by the Company (whether during business hours or otherwise and whether on the Company' s premises or otherwise) that relate to the Company' s business, trade secrets, products or services (including all such information relating to corporate opportunities, strategies, business plans, product specifications, compositions, manufacturing and distribution methods and processes, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer' s organizations or within the organization of acquisition prospects, or production, marketing and merchandising techniques, prospective names and marks) and all writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Confidential Information***") shall be disclosed to the Company and are and shall be the sole and exclusive property of the Company. For purposes of this Agreement, Confidential Information shall not include any information that (i) is or becomes generally available to the public other than as a result of a disclosure or wrongful act of Executive or any of Executive' s agents; (ii) was available to Executive on a non-confidential basis before its disclosure to Executive; or (iii) becomes available to Executive on a non-confidential basis from a source other than the Company; *provided* that such source is not bound by a confidentiality agreement with, or other obligation with respect to confidentiality to, the Company. All documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, E-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression are and shall be the sole and exclusive property of the Company. Executive agrees to perform all actions reasonably requested by the Company or its affiliates to establish and confirm such exclusive ownership. Upon termination of Executive' s employment with the Company (and at any other time upon request by the Company), Executive promptly shall deliver all documents, files (including electronically stored information) and other materials constituting or reflecting Confidential Information, and all copies thereof, to the Company.

5.2 Disclosure to Executive. During Executive' s employment hereunder, the Company shall disclose to Executive, and place Executive in a position to have access to or develop, Confidential Information.

5.3 No Unauthorized Use or Disclosure. Executive agrees to preserve and protect the confidentiality of all Confidential Information. Executive agrees that Executive will not, at any time during or after Executive' s employment hereunder, make any unauthorized disclosure of, Confidential Information, or make any use thereof, except, in each case, in the carrying out of Executive' s responsibilities hereunder. Executive shall use reasonable efforts to cause all persons or entities to whom or which any Confidential Information shall be disclosed by Executive hereunder to preserve and protect the confidentiality of such Confidential Information. Executive shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent disclosure thereof is specifically required by law. Executive agrees that all Confidential Information (whether now or hereafter existing) conceived, discovered or made by Executive during the period of Executive' s employment by the Company belongs to the

Company (and not to Executive), and upon request by the Company for specified Confidential Information, Executive will promptly disclose such Confidential Information to the Company and perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. As a result of Executive' s employment by the Company, Executive may also from time to time have access to, or knowledge of, confidential information of third parties that provide such information to the Company with an expectation of confidence, including customers, suppliers, partners, joint venturers, and the like. Executive also agrees to preserve and protect the confidentiality of all such third-party confidential information in accordance with the Company' s obligations relating thereto.

5.4 Ownership by the Company. If, during Executive' s employment by the Company, Executive creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, computer programs, E-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures, or the like) relating to the Company' s business, products, or services, whether such work is created solely by Executive or jointly with others (whether during business hours or otherwise and whether on the Company' s premises or otherwise), the Company shall be deemed the author of such work if the work is prepared by Executive in the scope of Executive' s employment; or, if the work relating to the Company' s business, products, or services is not prepared by Executive within the scope of Executive' s employment but is specially ordered by the Company as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, or as an instructional text, then the work shall be considered to be work made for hire and the Company shall be the author of the work. If the work relating to the Company' s business, products, or services is neither prepared by Executive within the scope of Executive' s employment nor a work specially ordered that is deemed to be a work made for hire during Executive' s employment by the Company, then Executive hereby agrees to assign, and by these presents does assign, to the Company, all of Executive' s worldwide right, title, and interest in and to such work and all rights of copyright therein.

5.5 Assistance by Executive. During the period of Executive' s employment by the Company, Executive shall assist the Company and any Company nominee, at any time, in the protection of the Company' s worldwide right, title and interest in and to Confidential Information and the execution of all formal assignment documents requested by the Company or its nominee(s) and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries. After Executive' s employment with the Company terminates, at the request from time to time and expense of the Company, Executive shall assist the Company or its nominee(s) in the protection of the Company' s worldwide right, title and interest in and to Confidential Information and the execution of all formal assignment documents requested by the Company or its nominee and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries *provided*, *however*, that such assistance from Executive after Executive' s employment with the Company terminates shall be at the Company' s expense and shall not require Executive to expend unreasonable periods of time or unreasonably interfere with any obligations Executive may have to provide services to other persons or entities.

5.6 Remedies. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Article V by Executive, and the Company shall be entitled to enforce the provisions of this Article V by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article V but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive' s agents.

5.7 Permitted Disclosures. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall prohibit or restrict Executive from lawfully (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by any governmental or regulatory agency, entity, or official(s) (collectively, "***Governmental Authorities***") regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to Executive individually from any such Governmental Authorities; (iii) testifying, participating or otherwise assisting in an action or proceeding by any such Governmental Authorities relating to a possible violation of law; or (iv) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made to Executive' s attorney in relation to a lawsuit for retaliation against Executive for reporting a suspected violation of law; or (iii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nor does this Agreement require Executive to obtain prior authorization from the Company before engaging in any conduct described in this paragraph, or to notify the Company that Executive has engaged in any such conduct.

ARTICLE VI
EFFECT OF TERMINATION OF EMPLOYMENT ON COMPENSATION

6.1 Effect of Termination of Employment on Compensation.

(a) If Executive' s employment hereunder shall terminate: (i) at the expiration of the term provided in Section 3.1 after either (x) Executive has given the Company written notice of non-renewal, or (y) the Company has given Executive written notice of non-renewal and provided Executive a Notice of Non-Compete Waiver pursuant to the terms of Section 7.1(c) below, (ii) for any reason described in Section 3.2(a) or 3.2(b), (iii) pursuant to Executive' s resignation for other than Good Reason, or (iv) by reason of Executive' s death, then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that Executive shall be entitled to (1) payment of all accrued and unpaid Base Salary earned to the Date of Termination as well as any Annual Bonus that has been earned pursuant to Section 4.2 for the calendar year ending on or prior to the Date of Termination but remains unpaid as of the Date of Termination (which Annual Bonus, if any, shall be paid

in a lump sum at the time provided for payment in Section 4.2), (2) reimbursement for all incurred but unreimbursed expenses for which Executive is entitled to reimbursement in accordance with Section 4.5, and (3) benefits to which Executive is entitled under the terms of any applicable benefit plan or program.

(b) If Executive' s employment hereunder shall terminate: (i) at the expiration of the term provided in Section 3.1 after the Company has given Executive written notice of non-renewal and not provided Executive a Notice of Non-Compete Waiver pursuant to the terms of Section 7.1(c) below, (ii) pursuant to Executive' s resignation for Good Reason, or (iii) pursuant to a termination by the Company pursuant to Section 3.2(c), then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that (A) Executive shall be entitled to receive the compensation and benefits described in clauses (1) through (3) of Section 6.1(a), and (B) subject to (x) Executive' s execution and delivery to the Company by the Release Expiration Date (and non-revocation within any time provided to do so) of the Release; and (y) Executive' s abiding by the terms of Articles V and VII, then Executive shall be entitled to receive the payments and benefits set forth in Section 6.1(b)(i), (ii) and (iii) below.

(i) The Company shall pay to Executive a total amount equal to the sum of: (x) 12 months' worth of Executive' s Base Salary for the year in which such termination occurs; and (y) Executive' s then-current target Annual Bonus, which for purposes of this clause (y), shall be deemed to be not less than 100% of Executive' s Base Salary for the year in which such termination occurs (the sum of (x) and (y) being referred to as the "***Severance Payment***"). The Severance Payment will be divided into 12 substantially equal installments. On the Company' s first regularly scheduled pay date that is on or after the date that is sixty (60) days after Date of Termination, the Company shall pay to Executive, without interest, a number of such installments equal to the number of such installments that would have been paid during the period beginning on the Date of Termination and ending on the Company' s first regularly scheduled pay date that is on or after the date that is sixty (60) days after the Date of Termination had the installments been paid on a monthly basis commencing on the Company' s first regularly scheduled pay date coincident with or next following the Date of Termination, and each of the remaining installments shall be paid on a monthly basis thereafter; *provided, however*, that to the extent, if any, that the aggregate amount of the installments of the Severance Payment that would otherwise be paid pursuant to the preceding provisions of this Section 6.1 after March 15 of the calendar year following the calendar year in which the Date of Termination occurs (the "***Applicable March 15***") exceeds the maximum exemption amount under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A), then such excess shall be paid to Executive in a lump sum on the Applicable March 15 (or the first business day preceding the Applicable March 15 if the Applicable March 15 is not a business day) and the installments of the Severance Payment payable after the Applicable March 15 shall be reduced by such excess (beginning with the installment first payable after the Applicable March 15 and continuing with the next succeeding installment until the aggregate reduction equals such excess).

(ii) During the portion, if any, of the 12-month period following the Termination Date (the "***Reimbursement Period***") that Executive elects to continue coverage for Executive and Executive' s spouse and eligible dependents, if any, under the Company' s group health plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***"), the Company shall promptly reimburse Executive on a monthly basis for the entire amount Executive pays to effect and continue such coverage (the "***Monthly Reimbursement Amount***"). Each payment of the Monthly Reimbursement Amount shall be paid to Executive on the Company' s first regularly scheduled pay date in the calendar month immediately following the calendar month in which Executive submits to the Company documentation of the applicable premium payment having been paid by Executive, which documentation shall be submitted by Executive to the Company within 60 days following the date on which the applicable premium payment is paid. Executive shall be eligible to receive such reimbursement payments until the earliest of: (x) the last day of the Reimbursement Period; (y) the date Executive is no longer eligible to receive COBRA continuation coverage; and (z) the date on which Executive becomes eligible to receive coverage under a group health plan sponsored by another employer (and any such eligibility shall be promptly reported to the Company by Executive); *provided, however*, that the election of COBRA continuation coverage and the payment of any premiums due with respect to such COBRA continuation coverage shall remain Executive' s sole responsibility, and the Company shall not assume any obligation for payment of any such premiums relating to such COBRA continuation coverage. Notwithstanding the foregoing, if the provision of the benefits described in this paragraph cannot be provided in the manner described above without penalty, tax or other adverse impact on the Company, then the Company and Executive shall negotiate in good faith to determine an alternative manner in which the Company may provide substantially equivalent benefits to Executive without such adverse impact on the Company.

(iii) With respect to the outstanding equity compensation awards granted to Executive pursuant to the Stock Incentive Plan or any other equity compensation plan of Parent or another member of the Company Group prior to the Date of Termination (collectively, the "***Outstanding Equity Awards***"): (x) except as otherwise provided in this Section 6.1(b)(iii), the Applicable Pro-Rated Portion (as defined below), if any, of each Outstanding Equity Award that remains unvested as of the Date of Termination shall become immediately fully vested as of the Date of Termination; *provided, however*, that if any Outstanding Equity Award is subject to a performance requirement (other than continued employment or service by Executive), then no portion of any such Outstanding Equity Award shall become immediately fully vested as of the Date of Termination and such Outstanding Equity Award shall remain subject to the terms and conditions set forth in the applicable award agreement(s) pursuant to which such Outstanding Equity Award was granted; and (y) all outstanding stock options that have become vested as of the Date of Termination (determined after giving effect to

clause (x) of this Section 6.1(b)(iii)) shall remain exercisable through the original expiration dates of such stock options. As used herein, the "***Applicable Pro-Rated Portion***" means, with respect to an Outstanding Equity Award, the number of shares of Parent Common Stock subject to such Outstanding Equity Award equal to the difference (if positive) between "A" and "B," where:

"***A***" equals the total number of shares of Parent Common Stock subject to such Outstanding Equity Award *multiplied by* a fraction, the numerator of which is the total number of days during the period beginning on the date the vesting period applicable to such Outstanding Equity Award (the "***Vesting Period***") commenced pursuant to the applicable award agreement and ending on the Date of Termination and the denominator of which is the total number of days in the Vesting Period; and

"***B***" equals the total number of shares of Parent Common Stock subject to such Outstanding Equity Award, if any, that have become vested in accordance with the applicable award agreement prior to the Date of Termination.

(c) Notwithstanding any other provision in this Agreement, if Executive is a "disqualified individual" (as defined in Section 280G(c) of the Code), and the payments and benefits provided for in this Agreement, together with any other payments and benefits that Executive has the right to receive from the Company or any other member of the Company Group, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement shall be either (i) reduced (but not below zero) so that the present value of such total amounts and benefits received by Executive from the Company and any other members of the Company Group will be one dollar ($1.00) less than three times Executive' s "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Executive shall be subject to the excise tax imposed by Section 4999 of the Code or (ii) paid in full, whichever produces the better net after-tax position to Executive (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company and any other members of the Company Group used in determining whether a "parachute payment" exists, exceeds one dollar ($1.00) less than three times Executive' s base amount, then Executive shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 6.1(c) shall require the Company or any other member of the Company Group to be responsible for, or have any liability or obligation with respect to, Executive' s excise tax liabilities under Section 4999 of the Code.

ARTICLE VII
NON-COMPETITION AGREEMENT

7.1 Definitions. As used in this Article VII, the following terms shall have the following meanings:

(a) "***Business***" means: (x) for the period of time in which Executive is employed by any member of the Company Group, the provision and sale of the products and services provided by the Company Group during the course of Executive' s employment therewith and other products and services that are functionally equivalent to the foregoing and (y) for the period of time within the Prohibited Period in which Executive is not employed by any member of the Company Group, the provision and sale of the products and services that were provided by the Company Group during the period of time in which Executive was employed by such member of the Company Group and other products and services that are functionally equivalent to the foregoing. The Business includes for purposes of both clauses (x) and (y): (1) the provision of equipment and services used in the completion of wells for the production of oil and natural gas (including cementing, wireline and coiled tubing services), and (2) the provision of production enhancement and well workover services and the sale or rental of equipment relating thereto in connection with the production of oil and natural gas.

(b) "***Competing Business***" means any business, individual, partnership, firm, corporation or other entity (other than any member of the Company Group) which engages in, or is preparing to engage in, the Business in the Restricted Area.

(c) "***Prohibited Period***" means the period during which Executive is employed by any member of the Company Group and a period of 12 months following the date that Executive is no longer employed by any member of the Company Group. Notwithstanding the foregoing, if: (i) Executive ceases to be employed by any member of the Company Group as the result of, and following, the Company' s issuance of a notice of non-renewal pursuant to Section 3.1 above, and (ii) on or before the date that is five days following the date that Executive is no longer employed by any member of the Company Group, the Company provides Executive with written notice of its intent to waive the provisions of Sections 7.2(a) and 7.2(c) below (such notice, a "***Notice of Non-Compete Waiver***"), then the Prohibited Period shall end on the date on which Executive is no longer employed by any member of the Company Group.

(d) "***Restricted Area***" means the geographic areas set forth on Appendix A hereto and any other geographic area within a 100-mile radius of any other location where any member of the Company Group conducts or has material plans to conduct the Business and Executive has direct or indirect responsibilities for, or Confidential Information about, such Business.

7.2 Non-Competition; Non-Solicitation. Executive and the Company agree that the non-competition and non-solicitation provisions of this Article VII are a material inducement for the Company to employ Executive and that this Article VII is necessary to protect the Confidential Information of the Company and the other members of the Company Group disclosed or entrusted to Executive by the Company Group or created or developed by Executive for the Company Group, and to protect the business goodwill of the Company Group.

(a) Subject to the exceptions set forth in Sections 7.2(b) and 7.2(d), Executive expressly covenants and agrees that during the Prohibited Period (i) Executive will refrain from carrying on or engaging in, directly or indirectly, any business that is competitive with, or similar to, that of any member of the Company Group in the Restricted Area. Accordingly, Executive covenants and agrees that Executive will not, directly or indirectly, own, manage, operate, join, become an employee of, partner in, owner or member of (or an independent contractor to), control or participate in, be connected with or otherwise be affiliated with any business, individual, partnership, firm, corporation or other entity which constitutes a Competing Business in the Restricted Area, as Executive expressly agrees that each of the foregoing activities would represent carrying on or engaging in a business similar to (or the same as) any member of the Company Group, as prohibited by this Section 7.2(a).

(b) Notwithstanding the restrictions contained in Section 7.2(a), Executive may own an aggregate of not more than 5% of the outstanding stock of any class of any corporation that is a Competing Business, if such stock is listed on a national securities exchange or regularly traded in the over-the-counter market by a member of a national securities exchange, without violating the provisions of Section 7.2(a), *provided* that neither Executive nor any of Executive' s affiliates has the power, directly or indirectly, to control or direct the management or affairs of any such corporation and is not involved in the management of such corporation.

(c) Executive further expressly covenants and agrees that during the Prohibited Period, Executive will not, directly or indirectly solicit, canvass, approach, encourage, entice or induce any customer or supplier of any member of the Company Group to cease or lessen such customer' s or supplier' s business with the Company Group.

(d) Notwithstanding the above-referenced limitations in Sections 7.2(a) and 7.2(c) above, such limitations shall not apply in those portions of the Restricted Area located within the State of Oklahoma. Instead, Executive agrees that the restrictions on Executive' s activities within those portions of the Restricted Area located within the State of Oklahoma (in addition to those restrictions set forth in Section 7.2(e) and Article V above) shall be as follows: during the Prohibited Period, Executive will not directly or indirectly solicit the sale of goods, services, or a combination of goods and services from the established customers of the Company or any other member of the Company Group.

(e) Executive further expressly covenants and agrees that during the period that Executive is employed by any member of the Company Group and a period of 12 months following the date that Executive is no longer employed by any member of the Company Group, Executive will not directly or indirectly solicit, canvass, approach, encourage, entice or induce any employee of, or individual acting as a consultant to, the Company Group to terminate his or her employment or engagement with any member of the Company Group.

(f) Before accepting employment with any other person or entity during the Prohibited Period, Executive will inform such person or entity of the restrictions contained in this Article VII.

7.3 Relief. Executive and the Company agree and acknowledge that the limitations as to time, geographical area and scope of activity to be restrained as set forth in Section 7.2 are reasonable in all respects and do not impose any greater restraint than is necessary to protect the legitimate business interests of the Company Group. Executive and the Company also acknowledge that money damages would not be sufficient remedy for any breach of this Article VII by Executive, and the Company or any other member of the Company Group shall be entitled to enforce the provisions of this Article VII by terminating payments then owing to Executive under this Agreement or otherwise and to seek specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article VII but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive' s agents.

7.4 Reasonableness; Enforcement. Executive hereby represents to the Company that Executive has read and understands, and agrees to be bound by, the terms of this Article VII. Executive acknowledges that the geographic scope and duration of the covenants contained in this Article VII are the result of arm' s-length bargaining and are fair and reasonable in light of (a) the nature and wide geographic scope of the Company Group' s operations of the Business, which is conducted throughout the Restricted Area (b) Executive' s level of control over and contact with the Company' s Group' s business in all jurisdictions in which it is conducted, and (c) the amount of Confidential Information to which Executive has or will have access in connection with the performance of Executive' s duties hereunder.

7.5 Reformation. The Company and Executive agree that the foregoing restrictions are reasonable in all respects and that any breach of the covenants contained in this Article VII would cause irreparable injury to the Company Group. Executive understands that the foregoing restrictions may limit Executive' s ability to engage in certain businesses anywhere in the Restricted Area during the Prohibited Period, but acknowledges that Executive will receive sufficient consideration from the Company to justify such restriction. Further, Executive acknowledges that Executive' s skills are such that Executive can be gainfully employed in non-competitive employment, and that the agreement not to compete will not prevent Executive from earning a living. Nevertheless, if any of the aforesaid restrictions are found by a court of competent jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions herein set forth to be modified by the court making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the

Company and Executive intend to make this provision enforceable under the law or laws of all applicable jurisdictions so that the entire agreement not to compete and this Agreement as prospectively modified shall remain in full force and effect and shall not be rendered void or illegal. Such modification shall not affect the payments made to Executive under this Agreement.

ARTICLE VIII
DISPUTE RESOLUTION

8.1 Arbitration. All claims or disputes between Executive and the Company or any other member of the Company Group (including claims relating to the validity, scope, and enforceability of this Article VIII and claims arising under any federal, state or local law regarding the terms and conditions of employment or prohibiting discrimination in employment or governing the employment relationship in any way) shall be submitted for final and binding arbitration in Houston, Texas in accordance with the then-applicable rules for resolution of employment disputes of the American Arbitration Association ("***AAA***"). The arbitration shall be conducted by a single arbitrator chosen pursuant to the then-applicable rules for resolution of employment disputes of the AAA, and the Company or another member of the Company Group shall bear the costs of such arbitration. For the avoidance of doubt, the Company' s (or another member of the Company Group' s) assumption of costs referenced in the previous sentence applies to the costs of the AAA only, and does not include attorney or expert fees or other fees or costs incurred by Executive. The arbitrator shall apply the substantive law of the State of Texas (excluding Texas choice-of-law principles that might call for the application of some other state' s law), or federal law, or both as applicable to the claims asserted. The results of the arbitration and the decision of the arbitrator will be final and binding on the parties and each party agrees and acknowledges that these results shall be enforceable in a court of law. No demand for arbitration may be made after the date when the institution of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute(s) of limitations. In the event either party must resort to the judicial process to enforce the provisions of this Agreement, the award of an arbitrator or equitable relief granted by an arbitrator, the party successfully seeking enforcement shall be entitled to recover from the other party all costs of such litigation, including reasonable attorneys' fees and court costs. To the fullest extent permitted by law, all proceedings conducted pursuant to this agreement to arbitrate, including any order, decision or award of the arbitrator, shall be kept confidential by the parties. Notwithstanding the foregoing, Executive and the Company further acknowledge and agree that a court of competent jurisdiction residing in Houston, Texas shall have the power to maintain the status quo pending the arbitration of any dispute under this Article VIII, and this Article VIII shall not require the arbitration of any application for emergency, temporary or preliminary injunctive relief (including temporary restraining orders) by either party pending arbitration, including any application for emergency, temporary or preliminary injunctive relief for any claim arising out of Article V or Article VII of this Agreement; *provided*, *however*, that the remainder of any such dispute beyond the application for such emergency, temporary or preliminary injunctive relief shall be subject to arbitration under this Article VIII. **THE PARTIES ACKNOWLEDGE THAT, BY SIGNING THIS AGREEMENT, THEY ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHTS THAT THEY MAY HAVE TO A JURY TRIAL OR, EXCEPT AS EXPRESSLY PROVIDED HEREIN, A COURT TRIAL OF ANY CLAIM THAT IS SUBJECT TO THIS ARTICLE VIII.**

ARTICLE IX
MISCELLANEOUS

9.1 Notices. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given (a) when received if delivered personally or by courier, (b) five business days after deposit in the United States mail, if delivered by certified mail, postage prepaid, return receipt requested or (c) one business day after deposit with a delivery service if delivered by a nationally recognized overnight delivery service with proof of receipt maintained as follows:

If to Executive, addressed to:	Executive' s home address on file with the Company.
If to the Company, addressed to:	Nine Energy Service, LLC 16945 Northchase Drive, Suite 1600 Houston, TX 77060 Attn: Chief Executive Officer

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

9.2 Applicable Law; Submission to Jurisdiction.

(a) This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas, without regard to conflicts of laws principles thereof.

(b) With respect to any claim or dispute related to or arising under this Agreement, the parties hereby consent to the arbitration provisions of Article VIII and recognize and agree that should any resort to a court be necessary and permitted under this Agreement, then they consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Harris County, Texas. Notwithstanding the foregoing, the Company may seek emergency, temporary or preliminary injunctive relief (including temporary restraining orders) with respect to any breaches or threatened breaches by Executive of Article V or Article VII in any court of competent jurisdiction.

9.3 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

9.4 Severability. If an arbitrator or a court of competent jurisdiction determines that any provision of this Agreement (or part thereof) is invalid or unenforceable, then the invalidity or unenforceability of that provision (or part thereof) shall not affect the validity or enforceability of any other provision (or part thereof) of this Agreement, and all other provisions (and parts thereof) shall remain in full force and effect.

9.5 Counterparts. This Agreement may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

9.6 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes and withholdings as may be required pursuant to any law or governmental regulation or ruling and all other customary deductions made with respect to the Company' s employees generally.

9.7 Titles and Headings; Interpretation. The Section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes. and headings to Sections hereof are for the purpose of reference only and shall in no way limit, define or otherwise affect the provisions hereof. Any and all Exhibits or Attachments referred to in this Agreement are, by such reference, incorporated herein and made a part hereof for all purposes. Unless the context requires otherwise, all references herein to an agreement, instrument or other document shall be deemed to refer to such agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. The word "or" as used herein is not exclusive and is deemed to have the meaning "and/or." All references to "dollars" or "$" in this Agreement refer to United States dollars. The words "herein", "hereof", "hereunder" and other compounds of the word "here" shall refer to the entire Agreement, including all Exhibits attached hereto, and not to any particular provision hereof. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely. The use herein of the word "including" following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation", "but not limited to", or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

9.8 Successors. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company. The Company may assign this Agreement, including to any affiliate or subsidiary or successor that succeeds to all or substantially all of the assets, business or operations of the Company, without the consent of Executive. Except as provided in the preceding sentences, this Agreement, and the rights and obligations of the parties hereunder, are personal and neither this Agreement, nor any right, benefit or obligation of either party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the prior written consent of the other party.

9.9 Effect of Termination of Employment Relationship. The provisions of Articles V, VI, VII, and VIII and those provisions necessary to interpret, apply and enforce them, shall survive any termination of this Agreement and any termination of the employment relationship between Executive and the Company.

9.10 Entire Agreement. Except as provided in any signed written agreement contemporaneously or hereafter executed by the Company and Executive, this Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the employment of Executive by the Company. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof are hereby null and void and of no further force and effect. In entering into this Agreement, Executive expressly acknowledges and agrees that Executive has received all sums and compensation that he has been owed or ever could be owed by the Company or any other member of the Company Group (including pursuant to any prior employment agreement between Executive and any member of the Company Group) for all services provided during periods prior to the date Executive signs this Agreement.

9.11 Modification; Waiver. Any modification to or waiver of this Agreement will be effective only if it is in writing and signed by the parties to this Agreement.

9.12 Third-Party Beneficiaries. Any member of the Company Group that is not a signatory to this Agreement shall be a third-party beneficiary of Executive' s commitments, representations, covenants and promises set forth in Articles V, VII and VIII and shall be entitled to enforce such commitments, representations, covenants and promises as if a party hereto.

9.13 Executive' s Representations and Warranties. Executive represents and warrants to the Company that (a) Executive does not have any agreements or obligations with Executive' s prior employers or other third parties that will prohibit Executive from working for any member of the Company Group or fulfilling Executive' s duties and obligations to the Company Group pursuant to this Agreement and (b) Executive has complied, and will comply, with all duties imposed on Executive with respect to Executive' s former employers and all other third parties. Executive expressly promises that Executive will not: (i) introduce any confidential, proprietary or other similar information belonging to any prior employer to the premises or computer systems of any member of the Company Group; or (ii) use or disclose any legally protected information belonging to any former employer or other third party in the course of Executive' s employment hereunder.

9.14 Section 409A.

(a) Notwithstanding any provision of this Agreement to the contrary, all provisions of this Agreement are intended to comply with Section 409A of the Code and the applicable Treasury regulations and administrative guidance issued thereunder (collectively, "***Section 409A***") or an applicable exemption therefrom and shall be construed and administered in accordance with such intent. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment.

(b) To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A), (i) any such expense reimbursement shall be made by the Company no later than the last day of the taxable year following the taxable year in which such expense was incurred by Executive, (ii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; *provided*, that the foregoing clause shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period in which the arrangement is in effect.

(c) Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if Executive' s receipt of such payment or benefit is not delayed until the Section 409A Payment Date, then such payment or benefit shall not be provided to Executive (or Executive' s estate, if applicable) until the Section 409A Payment Date. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall any member of the Company Group be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Executive on account of non-compliance with Section 409A.

9.15 Clawback. To the extent required by applicable law or any applicable securities exchange listing standards, or as otherwise determined by the Board (or a committee thereof), amounts paid or payable under this Agreement shall be subject to the provisions of any applicable clawback policies or procedures adopted by Parent, the Company or any other member of the Company Group, which clawback policies or procedures may provide for forfeiture and/or recoupment of amounts paid or payable under this Agreement. Notwithstanding any provision of this Agreement to the contrary, Parent, the Company and each other member of the Company Group reserves the right, without the consent of Executive, to adopt any such clawback policies and procedures, including such policies and procedures applicable to this Agreement with retroactive effect.

[*Signature page follows*.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this 6th day of April, 2017.

NINE ENERGY SERVICE, LLC

By: /s/ Ann G. Fox
Ann G. Fox
President and Chief Executive Officer

For the limited purpose of acknowledging and agreeing to Sections 4.3 and 6.1(b)(iii):

NINE ENERGY SERVICE, INC.

By: /s/ Ann G. Fox
Ann G. Fox
President and Chief Executive Officer

EXECUTIVE

/s/ Edward Bruce Morgan

APPENDIX A

RESTRICTED AREA

The following States: Alaska, Colorado, Montana, New Mexico, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, West Virginia and Wyoming

The following parishes within the State of Louisiana: Acadia, Allen, Ascension, Assumption, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Cameron, Catahoula, Claiborne, Concordia, DeSoto, East Baton Rouge, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson, Jefferson Davis, Lafayette, Lafourche, LaSalle, Lincoln, Livingston, Madison, Morehouse, Natchitoches, Orleans, Ouachita, Plaquemines, Pointe Coupee, Rapides, Red River, Richland, Sabine, St. Bernard, St. Charles, St. Helena, St. James, St. John, St. Landry, St. Martin, St. Mary, St. Tammany, Tangipahoa, Tensas, Terrebonne, Union, Vermilion, Vernon, Washington, Webster, West Baton Rouge, West Carroll, West Feliciana, and Winn.

Exhibit 10.19

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***") is made by and between Nine Energy Service, LLC, a Delaware limited liability company (the "***Company***"), and Theodore R. Moore ("***Executive***"). Nine Energy Service, Inc., a Delaware corporation ("***Parent***"), joins this Agreement for the limited purposes of acknowledging and agreeing to the provisions of Sections 4.3 and 6.1(b)(iii) below.

W I T N E S S E T H:

WHEREAS, the Company desires to employ Executive on the terms and conditions, and for the consideration, hereinafter set forth and Executive desires to be employed by the Company on such terms and conditions and for such consideration.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the Company and Executive agree as follows:

ARTICLE I
DEFINITIONS

In addition to the terms defined in the body of this Agreement, for purposes of this Agreement, the following capitalized words shall have the meanings indicated below:

1.1 "***Board***" shall mean the Board of Directors of Parent.

1.2 "***Cause***" shall mean a determination by the Board that Executive (a) has engaged in gross negligence or willful misconduct in the performance of Executive' s duties with respect to the Company or any other member of the Company Group, (b) has breached any material provision of this Agreement or any other written agreement among Executive and the Company or any other member of the Company Group, as such agreement(s) may be amended from time to time, or any corporate policy or code of conduct established by the Company or any other member of the Company Group as in effect from time to time, (c) has willfully engaged in conduct that is injurious to the Company or any other member of the Company Group, or (d) has committed or been convicted of, pleaded no contest to or received adjudicated probation or deferred adjudication with respect to (i) a felony or (ii) any crime or misdemeanor involving fraud, dishonesty or moral turpitude (or a crime or misdemeanor of similar import in a foreign jurisdiction) that results, or could reasonably be expected to result, in material harm to the Company or any other member of the Company Group.

1.3 "***Code***" shall mean the Internal Revenue Code of 1986, as amended.

1.4 "***Company Group***" shall mean Parent and each of its direct and indirect subsidiaries (including the Company), and any of such entities' respective successors.

1.5 "***Date of Termination***" shall mean the date Executive' s employment with the Company is considered to have terminated pursuant to Section 3.5.

1.6 "***Good Reason***" shall mean the occurrence of any of the following events:

(a) a material diminution in Executive' s Base Salary, other than as part of a decrease of up to 10% of the base salaries for all of the Company' s executive officers;

(b) the involuntary relocation of the geographic location of Executive' s principal place of employment by more than 75 miles from the location of Executive' s principal place of employment as of the Effective Date; or

(c) a material diminution in Executive' s authority, duties or responsibilities, including a removal of Executive from the positions set forth in Section 2.2.

Notwithstanding the foregoing provisions of this Section 1.6 or any other provision in this Agreement to the contrary, any assertion by Executive of a termination of employment for "***Good Reason***" shall not be effective unless all of the following requirements are satisfied: (i) the condition described in Section 1.6(a), (b) or (c) giving rise to Executive' s termination of employment must have arisen without Executive' s consent; (ii) Executive must provide written notice to the Company of such condition in accordance with Section 9.1 within 45 days of the initial existence of the condition; (iii) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company; and (iv) the date of Executive' s termination of employment must occur within 90 days after the initial existence of the condition specified in such notice.

1.7 "***Notice of Termination***" shall mean a written notice delivered by one party to the other party indicating the termination provision in this Agreement relied upon for termination of Executive' s employment and the intended Date of Termination.

1.8 "***Parent Common Stock***" shall mean the common stock, par value $0.01 per share, of Parent.

1.9 "***Release***" means a release of all claims in a form acceptable to the Company, which shall release each member of the Company Group and their respective affiliates, and the foregoing entities' respective shareholders, members, partners, officers, managers, directors, fiduciaries, employees, representatives, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of Executive' s employment with the Company and any other member of the Company Group or the termination of such employment, but excluding all claims to severance payments Executive may have under Section 6.1(b).

1.10 "***Release Expiration Date***" means the date that is 21 days following the date upon which the Company timely delivers to Executive the Release (which shall occur no later than seven days after the Date of Termination) or, in the event that such termination of Executive' s employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), the date that is 45 days following such delivery date.

1.11 "***Section 409A Payment Date***" shall mean the earlier of (a) the date of Executive' s death or (b) the date that is six months after the Date of Termination.

1.12 "***Stock Incentive Plan***" shall mean the Nine Energy Service, Inc. 2011 Stock Incentive Plan, as amended, restated or otherwise modified from time to time.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Employment; Effective Date. The Company agrees to employ Executive, and Executive agrees to be employed by the Company, pursuant to the terms of this Agreement beginning as of March 20, 2017 (the "***Effective Date***") and continuing for the period of time set forth in Article III of this Agreement, subject to the terms and conditions of this Agreement.

2.2 Positions. From and after the Effective Date, the Company shall employ Executive and Executive shall serve in the position of Senior Vice President and General Counsel of the Company and Parent or in such other position or positions as the Board or the Company may designate from time to time, which may include providing services to other members of the Company Group.

2.3 Duties and Services. Executive agrees to serve in the position(s) referred to in Section 2.2 and to perform diligently and to the best of Executive' s abilities the duties and services appertaining to such position(s), as well as such additional duties and services appropriate to such position(s) that the Board or the Company may designate from time to time.

2.4 Other Interests. Executive agrees, during the period of Executive' s employment hereunder, to devote all of Executive' s business time, energy and best efforts to the business and affairs of the Company and the other members of the Company Group. Notwithstanding the foregoing, the parties acknowledge and agree that Executive may (a) engage in and manage Executive' s passive personal investments, (b) engage in charitable and civic activities, and (c) serve on the board of directors or similar governing body of any entity approved by the Board in writing (or a committee thereof); *provided*, *however*, that such activities set forth in clauses (a), (b) and (c) above shall only be permitted so long as such activities do not conflict with the business and affairs of the Company or another member of the Company Group or interfere with the performance of Executive' s duties hereunder.

2.5 Duty of Loyalty. Executive acknowledges and agrees that Executive owes a fiduciary duty of loyalty, fidelity and allegiance to act in the best interests of Parent and the Company and to commit no act that would injure the business, interests, or reputation of Parent, the Company or any other member of the Company Group. In keeping with these duties, Executive shall make full disclosure to the Company of all business opportunities pertaining to the Company Group' s business and shall not appropriate for Executive' s own benefit business opportunities concerning the subject matter of the fiduciary relationship.

ARTICLE III
TERM AND TERMINATION OF EMPLOYMENT

3.1 Term. Unless sooner terminated pursuant to other provisions hereof, the Company agrees to employ Executive for the period beginning on the Effective Date and ending on the third anniversary of the Effective Date (the "***Initial Expiration Date***"); *provided*, *however*, that beginning on the Initial Expiration Date, and on each anniversary of the Initial

Expiration Date thereafter, if Executive' s employment under this Agreement has not been terminated pursuant to Sections 3.2 or 3.3, then said term of employment shall automatically be extended for additional one-year periods (each, a "***Renewal Term***") unless on or before the date that is 60 days prior to the first day of any such Renewal Term, either party gives written notice to the other party that no such automatic extension shall occur, in which case the term of employment shall terminate as of the Initial Expiration Date or the end of the then-current Renewal Term, as applicable.

3.2 Company' s Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive' s employment with the Company shall automatically terminate upon Executive' s death and the Company may terminate Executive' s employment under this Agreement at any time for any of the following reasons by providing Executive with a Notice of Termination:

(a) upon Executive being unable to perform Executive' s duties or fulfill Executive' s obligations under this Agreement by reason of any physical or mental impairment (after accounting for reasonable accommodation, if applicable) for a continuous period of not less than three months, as determined by the Company;

(b) for Cause; or

(c) for any other reason whatsoever or for no reason at all, in the sole discretion of the Company.

3.3 Executive' s Right to Terminate. Notwithstanding the provisions of Section 3.1, Executive shall have the right to terminate Executive' s employment under this Agreement for Good Reason or for any other reason whatsoever or for no reason at all, in the sole discretion of Executive, by providing the Company with a Notice of Termination. In the case of a termination of employment by Executive pursuant to this Section 3.3, the Date of Termination specified in the Notice of Termination shall not be less than 15 nor more than 60 days from the date such Notice of Termination is given, and the Company may require a Date of Termination earlier than that specified in the Notice of Termination (and, if such earlier Date of Termination is so required, then it shall not change the basis for the termination of Executive' s employment nor be construed or interpreted as a termination of employment pursuant to Section 3.1 or Section 3.2).

3.4 Deemed Resignations. Unless otherwise agreed to in writing by Parent or the Company and Executive prior to the termination of Executive' s employment, any termination of Executive' s employment shall constitute (a) an automatic resignation of Executive as an officer of the Company and each other member of the Company Group (as applicable) and (b) an automatic resignation of Executive from the board of directors or similar governing body of any member of the Company Group, and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which any member of the Company Group holds an equity interest and with respect to which board or similar governing body Executive serves as any member of the Company Group' s designee or other representative.

3.5 Meaning of Termination of Employment. For all purposes of this Agreement, Executive' s employment with the Company shall be considered to have terminated when Executive incurs a "separation from service" with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code and the applicable Treasury regulations and interpretive guidance issued thereunder.

ARTICLE IV
COMPENSATION AND BENEFITS

4.1 Base Salary. During the term of this Agreement, Executive shall receive an annualized base salary of $300,000 (the "***Base Salary***"), which amount (a) shall be reviewed at least annually by the Board (or a committee thereof) and (b) may be (but shall not be required to be) increased from time to time in the sole discretion of the Board (or a committee thereof). Notwithstanding any provision of this Agreement, the Company may decrease Executive' s Base Salary by up to 10% as part of similar reductions of the base salaries applicable to all of the Company' s or Parent' s executive officers. Executive' s Base Salary shall be paid in substantially equal installments in accordance with the Company' s standard policy regarding payment of compensation to executives as in effect from time to time but no less frequently than monthly.

4.2 Bonuses. Executive shall be eligible to participate in an annual cash incentive bonus program which will provide for a potential annual, calendar-year bonus based on criteria determined in the discretion of the Board (the "***Annual Bonus***"), with a target bonus at a sum between 50% and 100% of the Base Salary if levels of performance are satisfied or exceeded, it being understood that the target bonus at planned or targeted levels of performance and the actual amount of each Annual Bonus shall be determined in the discretion of the Board. The Company shall pay each Annual Bonus, if any, as soon as reasonably practicable after its receipt of audited financial statements for the applicable calendar year to which the bonus relates (the "***Bonus Year***"), but in no event shall such Annual Bonus, if any, be paid later than March 31 of the calendar year that follows such Bonus Year; *provided*, *however*, that Executive will be entitled to receive payment of an Annual Bonus for a Bonus Year only if Executive is employed by the Company on December 31 of the Bonus Year to which the Annual Bonus relates.

4.3 Equity Compensation Awards.

(a) In consideration of Executive entering into this Agreement and as an inducement for Executive to assume employment with the Company, as soon as reasonably practicable following the Effective Date, subject to the approval of the Board (or a committee thereof), Parent shall grant the following awards to Executive pursuant to the Stock Incentive Plan:

(i) A one-time award of options to purchase 999 shares of Parent Common Stock at an exercise price per share of Parent Common Stock equal to the fair market value of a share of Parent Common Stock on the applicable date of grant, which options shall (x) not be treated as incentive stock options within the meaning of Section 422(b) of the Code, (y) except as otherwise expressly provided in Section 6.1(b)(iii), become vested in three substantially equal installments on each of the first three anniversaries of the date of grant so long as Executive remains continuously employed by the Company or another member of the Company Group through each applicable vesting date; and (z) be subject to the terms and conditions of the Stock Incentive Plan and a Nonstatutory Stock Option Agreement to be entered into between Parent and Executive; and

(ii) A one-time restricted stock award of 999 shares of Parent Common Stock, which award shall (x) except as otherwise expressly provided in Section 6.1(b)(iii), become vested only upon the third anniversary of the date of grant so long as Executive remains continuously employed by the Company or another member of the Company Group through such anniversary date; and (y) be subject to the terms and conditions of the Stock Incentive Plan and a Restricted Stock Agreement to be entered into between Parent and Executive.

(b) During Executive' s employment hereunder, beginning in the 2018 calendar year, Executive shall be eligible to receive annual equity compensation awards pursuant to the Stock Incentive Plan or such other equity compensation plan offered by Parent or another member of the Company Group to similarly situated executives of the Company on such terms and conditions as the Board (or a committee thereof) shall determine from time to time. All awards, if any, granted to Executive under the Stock Incentive Plan or any such other plan shall be subject to and governed by the terms and provisions of the Stock Incentive Plan or such other plan as in effect from time to time and the award agreements evidencing such awards. Nothing in this Section 4.3(b) shall be construed to give Executive any rights to any amount or type of grant or award except as approved by the Board (or a committee thereof) and set forth in a written or electronic award agreement provided to Executive with respect to such grant or award.

4.4 Other Benefits. During Executive' s employment hereunder, and subject to the terms and conditions of the applicable benefit plans and programs in effect from time to time, Executive shall be eligible to participate in all benefit plans and programs of the Company, including improvements or modifications of the same, which are now, or may hereafter be, available to other senior executives of the Company. The Company shall not, however, by reason of this Section 4.4, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such benefit plan or program, so long as such changes are similarly applicable to other senior executives generally. In addition, during Executive' s employment hereunder, the Company shall pay for a parking space at Executive' s principal place of employment by the Company.

4.5 Expenses. Subject to Section 9.14, the Company shall reimburse Executive for all reasonable business expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company; *provided*, in each case, that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company or Parent. Any such reimbursement of expenses shall be made by the Company upon or as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of Executive' s taxable year following the taxable year in which the expense is incurred by Executive); *provided*, *however*, that, upon Executive' s termination of employment with the Company, in no event shall any additional reimbursement be made prior to the Section 409A Payment Date to the extent such payment delay is required under section 409A(a)(2)(B)(i) of the Code. In no event shall any reimbursement be made to Executive for expenses incurred after the Date of Termination.

4.6 Vacation and Sick Leave. During Executive' s employment hereunder, Executive shall be entitled to (a) sick leave in accordance with the Company' s policies applicable to its senior executives from time to time and (b) four weeks paid vacation each calendar year (none of which may be carried forward to a succeeding year), which shall be accrued, scheduled and taken in accordance with the Company' s vacation policy as in effect from time to time.

ARTICLE V
PROTECTION OF INFORMATION

5.1 Disclosure to and Property of the Company. For purposes of this Article V, the term "the Company" shall include the Company and any other member of the Company Group, and any reference to "employment" or similar terms shall include a director or consulting relationship. All information, trade secrets, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed, disclosed to or acquired by Executive, individually or in conjunction with others, during the period of Executive' s employment by the Company (whether during business hours or otherwise and whether on the Company' s premises or otherwise) that relate to the Company' s business, trade secrets, products or services (including all such information relating to corporate opportunities, strategies, business plans, product specifications, compositions, manufacturing and distribution methods and processes, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer' s organizations or within the organization of acquisition prospects, or production, marketing and merchandising techniques, prospective names and marks) and all writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "***Confidential Information***") shall be disclosed to the Company and are and shall be the sole and exclusive property of the Company. For purposes of this Agreement, Confidential Information shall not include any information that (i) is or becomes generally available to the public other than as a result of a disclosure or wrongful act of Executive or any of Executive' s agents; (ii) was available to Executive on a non-confidential basis before its disclosure by the Company; or (iii) becomes available to Executive on a non-confidential basis from a source other than the Company; *provided* that such source is not bound by a confidentiality agreement with, or other obligation with respect to confidentiality to, the Company. All documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, E-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression are and shall be the sole and exclusive property of the Company. Executive agrees to perform all actions reasonably requested by the Company or its affiliates to establish and confirm such exclusive ownership. Upon termination of Executive' s employment with the Company (and at any other time upon request by the Company), Executive promptly shall deliver all documents, files (including electronically stored information) and other materials constituting or reflecting Confidential Information, and all copies thereof, to the Company.

5.2 Disclosure to Executive. During Executive' s employment hereunder, the Company shall disclose to Executive, and place Executive in a position to have access to or develop, Confidential Information.

5.3 No Unauthorized Use or Disclosure. Executive agrees to preserve and protect the confidentiality of all Confidential Information. Executive agrees that Executive will not, at any time during or after Executive' s employment hereunder, make any unauthorized disclosure of, Confidential Information, or make any use thereof, except, in each case, in the carrying out of Executive' s responsibilities hereunder. Executive shall use all reasonable efforts to cause all persons or entities to whom or which any Confidential Information shall be disclosed by Executive hereunder to preserve and protect the confidentiality of such Confidential Information. Executive shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent disclosure thereof is specifically required by law. Executive agrees that all Confidential Information (whether now or hereafter existing) conceived, discovered or made by Executive during the period of Executive' s employment by the Company belongs to the Company (and not to Executive), and upon request by the Company for specified Confidential Information, Executive will promptly disclose such Confidential Information to the Company and perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. As a result of Executive' s employment by the Company, Executive may also from time to time have access to, or knowledge of, confidential information of third parties that provide such information to the Company with an expectation of confidence, including customers, suppliers, partners, joint venturers, and the like. Executive also agrees to preserve and protect the confidentiality of all such third-party confidential information.

5.4 Ownership by the Company. If, during Executive' s employment by the Company, Executive creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, or acquisitions, computer programs, E-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures, or the like) relating to the Company' s business, products, or services, whether such work is created solely by Executive or jointly with others (whether during business hours or otherwise and whether on the Company' s premises or otherwise), the Company shall be deemed the author of such work if the work is prepared by Executive in the scope of Executive' s employment; or, if the work relating to the Company' s business, products, or services is not prepared by Executive within the scope of Executive' s employment but is specially ordered by the Company as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, or as an instructional text, then the work shall be considered to be work made for hire and the Company shall be the author of the work. If the work relating to the Company' s business, products, or services is neither prepared by Executive within the scope of Executive' s employment nor a work specially ordered that is deemed to be a work made for hire during Executive' s employment by the Company, then Executive hereby agrees to assign, and by these presents does assign, to the Company, all of Executive' s worldwide right, title, and interest in and to such work and all rights of copyright therein.

5.5 Assistance by Executive. During the period of Executive' s employment by the Company, Executive shall assist the Company and any Company nominee, at any time, in the protection of the Company' s worldwide right, title and interest in and to Confidential Information and the execution of all formal assignment documents requested by the Company or its nominee(s) and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries. After Executive' s employment with the Company terminates, at the request from time to time and expense of the Company, Executive shall assist the Company or its nominee(s) in the protection of the Company' s worldwide right, title and interest in and to Confidential Information and the execution of all formal assignment documents requested by the Company or its nominee and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries *provided*, *however*, that such assistance from Executive after Executive' s employment with the Company terminates shall not require Executive to expend unreasonable periods of time or unreasonably interfere with any obligations Executive may have to provide services to other persons or entities.

5.6 Remedies. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Article V by Executive, and the Company shall be entitled to enforce the provisions of this Article V by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article V but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive' s agents.

5.7 Permitted Disclosures. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall prohibit or restrict Executive from lawfully (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by any governmental or regulatory agency, entity, or official(s) (collectively, "***Governmental Authorities***") regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to Executive individually from any such Governmental Authorities; (iii) testifying, participating or otherwise assisting in an action or proceeding by any such Governmental Authorities relating to a possible violation of law; or (iv) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made to Executive' s attorney in relation to a lawsuit for retaliation against Executive for reporting a suspected violation of law; or (iii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nor does this Agreement require Executive to obtain prior authorization from the Company before engaging in any conduct described in this paragraph, or to notify the Company that Executive has engaged in any such conduct.

ARTICLE VI
EFFECT OF TERMINATION OF EMPLOYMENT ON COMPENSATION

6.1 Effect of Termination of Employment on Compensation.

(a) If Executive' s employment hereunder shall terminate at the expiration of the term provided in Section 3.1 after either party has given the other party written notice of non-renewal, for any reason described in Section 3.2(a) or 3.2(b) or pursuant to Executive' s resignation for other than Good Reason or by reason of Executive' s death, then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that Executive shall be entitled to (i) payment of all accrued and unpaid Base Salary earned to the Date of Termination as well as any Annual Bonus that has been earned pursuant to Section 4.2 for the calendar year ending on or prior to the Date of Termination but remains unpaid as of the Date of Termination (which Annual Bonus, if any, shall be paid in a lump sum at the time provided for payment in Section 4.2), (ii) reimbursement for all incurred but unreimbursed expenses for which Executive is entitled to reimbursement in accordance with Section 4.5, and (iii) benefits to which Executive is entitled under the terms of any applicable benefit plan or program.

(b) If Executive' s employment hereunder shall terminate pursuant to Executive' s resignation for Good Reason or pursuant to a termination by the Company pursuant to Section 3.2(c), then all compensation and all benefits to Executive hereunder shall terminate contemporaneously with such termination of employment, except that (i) Executive shall be entitled to receive the compensation and benefits described in clauses (i) through (iii) of Section 6.1(a), and (ii) if, on the Date of Termination, the Company does not have a right to terminate Executive' s employment under Section 3.2(a) or 3.2(b), then subject to (x) Executive' s execution and delivery to the Company by the Release Expiration Date (and non-revocation within any time provided to do so) of the Release; and (y) Executive' s abiding by the terms of Articles V and VII, then Executive shall be entitled to receive the payments and benefits set forth in Section 6.1(b)(i), (ii) and (iii) below.

(i) The Company shall pay to Executive a total amount equal to the sum of: (x) 12 months' worth of Executive' s Base Salary for the year in which such termination occurs; and (y) Executive' s then-current target Annual Bonus, which for purposes of this clause (y), shall be deemed to be not less than 100% of Executive' s Base Salary for the year in which such termination occurs (the sum of (x) and (y) being referred to as the "***Severance Payment***"). The Severance Payment will be divided into 12 substantially equal installments. On the Company' s first regularly scheduled pay date that is on or after the date that is sixty (60) days after Date of Termination, the Company shall pay to Executive, without interest, a number of such installments equal to the number of such installments that would have been paid during the period beginning on the Date of Termination and ending on the Company' s first regularly scheduled pay date that is on or after the date that is sixty (60) days after the Date of Termination had the installments been paid on a monthly basis commencing on the Company' s first regularly scheduled pay date coincident with or next following the Date of Termination, and each of the

remaining installments shall be paid on a monthly basis thereafter; *provided, however*, that to the extent, if any, that the aggregate amount of the installments of the Severance Payment that would otherwise be paid pursuant to the preceding provisions of this Section 6.1(b)(i) after March 15 of the calendar year following the calendar year in which the Date of Termination occurs (the "***Applicable March 15***") exceeds the maximum exemption amount under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A), then such excess shall be paid to Executive in a lump sum on the Applicable March 15 (or the first business day preceding the Applicable March 15 if the Applicable March 15 is not a business day) and the installments of the Severance Payment payable after the Applicable March 15 shall be reduced by such excess (beginning with the installment first payable after the Applicable March 15 and continuing with the next succeeding installment until the aggregate reduction equals such excess).

(ii) During the portion, if any, of the 12-month period following the Termination Date (the "***Reimbursement Period***") that Executive elects to continue coverage for Executive and Executive' s spouse and eligible dependents, if any, under the Company' s group health plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***"), the Company shall promptly reimburse Executive on a monthly basis for the entire amount Executive pays to effect and continue such coverage (the "***Monthly Reimbursement Amount***"). Each payment of the Monthly Reimbursement Amount shall be paid to Executive on the Company' s first regularly scheduled pay date in the calendar month immediately following the calendar month in which Executive submits to the Company documentation of the applicable premium payment having been paid by Executive, which documentation shall be submitted by Executive to the Company within 60 days following the date on which the applicable premium payment is paid. Executive shall be eligible to receive such reimbursement payments until the earliest of: (x) the last day of the Reimbursement Period; (y) the date Executive is no longer eligible to receive COBRA continuation coverage; and (z) the date on which Executive becomes eligible to receive coverage under a group health plan sponsored by another employer (and any such eligibility shall be promptly reported to the Company by Executive); *provided, however*, that the election of COBRA continuation coverage and the payment of any premiums due with respect to such COBRA continuation coverage shall remain Executive' s sole responsibility, and the Company shall not assume any obligation for payment of any such premiums relating to such COBRA continuation coverage. Notwithstanding the foregoing, if the provision of the benefits described in this paragraph cannot be provided in the manner described above without penalty, tax or other adverse impact on the Company, then the Company and Executive shall negotiate in good faith to determine an alternative manner in which the Company may provide substantially equivalent benefits to Executive without such adverse impact on the Company.

(iii) With respect to the outstanding equity compensation awards granted to Executive pursuant to the Stock Incentive Plan or any other equity compensation plan of Parent or another member of the Company Group prior to the Date of Termination: (x) except as otherwise provided in this Section 6.1(b)(iii), all such awards that remain unvested as of the Date of Termination shall become immediately fully vested as of the Date of Termination; provided, however, that if any such awards are

subject to a performance requirement (other than continued employment or service by Executive), then such awards shall not become immediately fully vested as of the Date of Termination and shall remain subject to the terms and conditions set forth in the applicable award agreement(s) pursuant to which such awards were granted; and (y) all outstanding stock options that have become vested as of the Date of Termination (determined after giving effect to clause (x) of this Section 6.1(b)(iii)) shall remain exercisable through the original expiration dates of such stock options.

(c) Notwithstanding any other provision in this Agreement, if Executive is a "disqualified individual" (as defined in Section 280G(c) of the Code), and the payments and benefits provided for in this Agreement, together with any other payments and benefits that Executive has the right to receive from the Company or any other member of the Company Group, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement shall be either (i) reduced (but not below zero) so that the present value of such total amounts and benefits received by Executive from the Company and any other members of the Company Group will be one dollar ($1.00) less than three times Executive' s "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Executive shall be subject to the excise tax imposed by Section 4999 of the Code or (ii) paid in full, whichever produces the better net after-tax position to Executive (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company and any other members of the Company Group used in determining whether a "parachute payment" exists, exceeds one dollar ($1.00) less than three times Executive' s base amount, then Executive shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 6.1(c) shall require the Company or any other member of the Company Group to be responsible for, or have any liability or obligation with respect to, Executive' s excise tax liabilities under Section 4999 of the Code.

ARTICLE VII
NON-COMPETITION AGREEMENT

7.1 Definitions. As used in this Article VII, the following terms shall have the following meanings:

"***Business***" means: (x) for the period of time in which Executive is employed by any member of the Company Group, the provision and sale of the products and services provided by the Company Group during the course of Executive' s employment hereunder and other products and services that are functionally equivalent to the foregoing and (y) for the period of time within the Prohibited Period in which Executive is not employed by any member of the Company Group, the provision and sale of the products and services that were provided by the Company Group during the period of time in which Executive was employed by any member of the Company Group and other products and services that are functionally equivalent to the foregoing. The Business includes for purposes of both clauses (x) and (y): (1) the provision of equipment and services used in the completion of wells for the production of oil and natural gas (including cementing, wireline and coiled tubing services), and (2) the provision of production enhancement and well workover services and the sale or rental of equipment relating thereto in connection with the production of oil and natural gas.

"***Competing Business***" means any business, individual, partnership, firm, corporation or other entity (other than any member of the Company Group) which engages in, or is preparing to engage in, the Business in the Restricted Area.

"***Prohibited Period***" means the period during which Executive is employed by any member of the Company Group and a period of 12 months following the date that Executive is no longer employed by any member of the Company Group.

"***Restricted Area***" means the geographic areas set forth on Appendix A hereto and any other geographic area within a 100-mile radius of any other location where any member of the Company Group conducts or has material plans to conduct the Business and Executive has direct or indirect responsibilities for, or Confidential Information about, such Business.

7.2 Non-Competition; Non-Solicitation. Executive and the Company agree that the non-competition and non-solicitation provisions of this Article VII are a material inducement for the Company to employ Executive and that this Article VII is necessary to protect the trade secrets and other Confidential Information of the Company and the other members of the Company Group disclosed or entrusted to Executive by the Company Group or created or developed by Executive for the Company Group, and to protect the business goodwill of the Company Group.

(a) Subject to the exceptions set forth in Sections 7.2(b), 7.2(d) and 7.3, Executive expressly covenants and agrees that during the Prohibited Period (i) Executive will refrain from carrying on or engaging in, directly or indirectly, any business that is competitive with, or similar to, that of any member of the Company Group in the Restricted Area. Accordingly, Executive covenants and agrees that Executive will not, directly or indirectly, own, manage, operate, join, become an employee of, partner in, owner or member of (or an independent contractor to), control or participate in, be connected with or loan money to, sell or lease equipment or property to, or otherwise be affiliated with any business, individual, partnership, firm, corporation or other entity which constitutes a Competing Business in the Restricted Area, as Executive expressly agrees that each of the foregoing activities would represent carrying on or engaging in a business similar to (or the same as) any member of the Company Group, as prohibited by this Section 7.2(a).

(b) Notwithstanding the restrictions contained in Section 7.2(a), Executive may own an aggregate of not more than 2% of the outstanding stock of any class of any corporation that is a Competing Business, if such stock is listed on a national securities exchange or regularly traded in the over-the-counter market by a member of a national securities exchange, without violating the provisions of Section 7.2(a), *provided* that neither Executive nor any of Executive' s affiliates has the power, directly or indirectly, to control or direct the management or affairs of any such corporation and is not involved in the management of such corporation.

(c) Executive further expressly covenants and agrees that during the Prohibited Period, Executive will not, directly or indirectly solicit, canvass, approach, encourage, entice or induce: (i) any employee of, or individual acting as a consultant to, the Company Group to terminate his or her employment or engagement with any member of the Company Group; or (ii) any customer or supplier of any member of the Company Group to cease or lessen such customer' s or supplier' s business with the Company Group.

(d) Notwithstanding the above-referenced limitations in Sections 7.2(a) and 7.2(c)(ii) above, such limitations shall not apply in those portions of the Restricted Area located within the State of Oklahoma. Instead, Executive agrees that the restrictions on Executive' s activities within those portions of the Restricted Area located within the State of Oklahoma (in addition to those restrictions set forth in Section 7.2(c)(i) and Article V above) shall be as follows: during the Prohibited Period, Executive will not directly or indirectly solicit the sale of goods, services, or a combination of goods and services from the established customers of the Company or any other member of the Company Group.

(e) Before accepting employment with any other person or entity during the Prohibited Period, Executive will inform such person or entity of the restrictions contained in this Article VII.

7.3 Practice of Law. Notwithstanding the foregoing, none of the restrictions set forth in this Article VII shall be interpreted or applied in a manner to prevent or restrict Executive from practicing law, as it is the intent of this Article VII to create certain limitations on Executive' s business activities only, and not to create limitations that would restrict Executive from practicing law. Executive acknowledges and agrees that, both before and after the Date of Termination, Executive shall be bound by all ethical and professional obligations (including those with respect to conflicts and confidentiality) that arise from Executive' s provision of legal services to, and acting as legal counsel for, the Company and (as applicable) the other members of the Company Group.

7.4 Relief. Executive and the Company agree and acknowledge that the limitations as to time, geographical area and scope of activity to be restrained as set forth in Section 7.2 are reasonable in all respects and do not impose any greater restraint than is necessary to protect the legitimate business interests of the Company Group. Executive and the Company also acknowledge that money damages would not be sufficient remedy for any breach of this Article VII by Executive, and the Company or any other member of the Company Group shall be

entitled to enforce the provisions of this Article VII by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article VII but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and Executive' s agents.

7.5 Reasonableness; Enforcement. Executive hereby represents to the Company that Executive has read and understands, and agrees to be bound by, the terms of this Article VII. Executive acknowledges that the geographic scope and duration of the covenants contained in this Article VII are the result of arm' s-length bargaining and are fair and reasonable in light of (a) the nature and wide geographic scope of the Company Group' s operations of the Business, which is conducted throughout the Restricted Area (b) Executive' s level of control over and contact with the Company' s Group' s business in all jurisdictions in which it is conducted, and (c) the amount of Confidential Information to which Executive has or will have access in connection with the performance of Executive' s duties hereunder.

7.6 Reformation. The Company and Executive agree that the foregoing restrictions are reasonable in all respects and that any breach of the covenants contained in this Article VII would cause irreparable injury to the Company Group. Executive understands that the foregoing restrictions may limit Executive' s ability to engage in certain businesses anywhere in the Restricted Area during the Prohibited Period, but acknowledges that Executive will receive sufficient consideration from the Company to justify such restriction. Further, Executive acknowledges that Executive' s skills are such that Executive can be gainfully employed in non-competitive employment, and that the agreement not to compete will not prevent Executive from earning a living. Nevertheless, if any of the aforesaid restrictions are found by a court of competent jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions herein set forth to be modified by the court making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the Company and Executive intend to make this provision enforceable under the law or laws of all applicable jurisdictions so that the entire agreement not to compete and this Agreement as prospectively modified shall remain in full force and effect and shall not be rendered void or illegal. Such modification shall not affect the payments made to Executive under this Agreement.

ARTICLE VIII
DISPUTE RESOLUTION

8.1 Arbitration. All claims or disputes between Executive and the Company or any other member of the Company Group (including claims relating to the validity, scope, and enforceability of this Article VIII and claims arising under any federal, state or local law regarding the terms and conditions of employment or prohibiting discrimination in employment or governing the employment relationship in any way) shall be submitted for final and binding arbitration in Houston, Texas in accordance with the then-applicable rules for resolution of employment disputes of the American Arbitration Association ("***AAA***"). The arbitration shall be conducted by a single arbitrator chosen pursuant to the then-applicable rules for resolution of

employment disputes of the AAA, and the Company or another member of the Company Group shall bear the costs of such arbitration. For the avoidance of doubt, the Company' s (or another member of the Company Group' s) assumption of costs referenced in the previous sentence applies to the costs of the AAA only, and does not include attorney or expert fees or other fees or costs incurred by Executive. The arbitrator shall apply the substantive law of the State of Texas (excluding Texas choice-of-law principles that might call for the application of some other state' s law), or federal law, or both as applicable to the claims asserted. The results of the arbitration and the decision of the arbitrator will be final and binding on the parties and each party agrees and acknowledges that these results shall be enforceable in a court of law. No demand for arbitration may be made after the date when the institution of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute(s) of limitations. In the event either party must resort to the judicial process to enforce the provisions of this Agreement, the award of an arbitrator or equitable relief granted by an arbitrator, the party successfully seeking enforcement shall be entitled to recover from the other party all costs of such litigation, including reasonable attorneys' fees and court costs. To the fullest extent permitted by law, all proceedings conducted pursuant to this agreement to arbitrate, including any order, decision or award of the arbitrator, shall be kept confidential by the parties. Notwithstanding the foregoing, Executive and the Company further acknowledge and agree that a court of competent jurisdiction residing in Houston, Texas shall have the power to maintain the status quo pending the arbitration of any dispute under this Article VIII, and this Article VIII shall not require the arbitration of any application for emergency, temporary or preliminary injunctive relief (including temporary restraining orders) by either party pending arbitration, including any application for emergency, temporary or preliminary injunctive relief for any claim arising out of Article V or Article VII of this Agreement; *provided*, *however*, that the remainder of any such dispute beyond the application for such emergency, temporary or preliminary injunctive relief shall be subject to arbitration under this Article VIII. **THE PARTIES ACKNOWLEDGE THAT, BY SIGNING THIS AGREEMENT, THEY ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHTS THAT THEY MAY HAVE TO A JURY TRIAL OR, EXCEPT AS EXPRESSLY PROVIDED HEREIN, A COURT TRIAL OF ANY CLAIM THAT IS SUBJECT TO THIS ARTICLE VIII.**

ARTICLE IX
MISCELLANEOUS

9.1 Notices. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given (a) when received if delivered personally or by courier, (b) five business days after deposit in the United States mail, if delivered by certified mail, postage prepaid, return receipt requested or (c) one business day after deposit with a delivery service if delivered by a nationally recognized overnight delivery service with proof of receipt maintained as follows:

If to Executive, addressed to:	Executive' s home address on file with the Company.
If to the Company, addressed to:	Nine Energy Service, LLC 16945 Northchase Drive, Suite 1600 Houston, TX 77060 Attn: Chief Executive Officer

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

9.2 Applicable Law; Submission to Jurisdiction.

(a) This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas, without regard to conflicts of laws principles thereof.

(b) With respect to any claim or dispute related to or arising under this Agreement, the parties hereby consent to the arbitration provisions of Article VIII and recognize and agree that should any resort to a court be necessary and permitted under this Agreement, then they consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Harris County, Texas. Notwithstanding the foregoing, the Company may seek emergency, temporary or preliminary injunctive relief (including temporary restraining orders) with respect to any breaches or threatened breaches by Executive of Article V or Article VII in any court of competent jurisdiction.

9.3 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

9.4 Severability. If an arbitrator or a court of competent jurisdiction determines that any provision of this Agreement (or part thereof) is invalid or unenforceable, then the invalidity or unenforceability of that provision (or part thereof) shall not affect the validity or enforceability of any other provision (or part thereof) of this Agreement, and all other provisions (and parts thereof) shall remain in full force and effect.

9.5 Counterparts. This Agreement may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

9.6 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes and withholdings as may be required pursuant to any law or governmental regulation or ruling and all other customary deductions made with respect to the Company' s employees generally.

9.7 Titles and Headings; Interpretation. The Section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes. and headings to Sections hereof are for the purpose of reference only and shall in no way limit, define or otherwise affect the provisions hereof. Any and all Exhibits or Attachments referred to in this Agreement are, by such reference, incorporated herein and made a part hereof for all purposes. Unless the context requires otherwise, all references herein to an agreement, instrument or other document shall be deemed to refer to such agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. The word "or" as used herein is not exclusive and is deemed to have the meaning "and/or." All references to "dollars" or "$" in this Agreement refer to United States dollars. The words "herein", "hereof", "hereunder" and other compounds of the word "here" shall refer to the entire Agreement, including all Exhibits attached hereto, and not to any particular provision hereof. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely. The use herein of the word "including" following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation", "but not limited to", or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

9.8 Successors. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company. The Company may assign this Agreement, including to any affiliate or subsidiary or successor, without the consent of Executive. Except as provided in the preceding sentences, this Agreement, and the rights and obligations of the parties hereunder, are personal and neither this Agreement, nor any right, benefit or obligation of either party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the prior written consent of the other party.

9.9 Effect of Termination of Employment Relationship. The provisions of Articles V, VI, VII, and VIII and those provisions necessary to interpret, apply and enforce them, shall survive any termination of this Agreement and any termination of the employment relationship between Executive and the Company.

9.10 Entire Agreement. Except as provided in any signed written agreement contemporaneously or hereafter executed by the Company and Executive, this Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the employment of Executive by the Company. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof are hereby null and void and of no further force and effect.

9.11 Modification; Waiver. Any modification to or waiver of this Agreement will be effective only if it is in writing and signed by the parties to this Agreement.

9.12 Third-Party Beneficiaries. Any member of the Company Group that is not a signatory to this Agreement shall be a third-party beneficiary of Executive' s commitments, representations, covenants and promises set forth in Articles V, VII and VIII and shall be entitled to enforce such commitments, representations, covenants and promises as if a party hereto.

9.13 Executive' s Representations and Warranties. Executive represents and warrants to the Company that (a) Executive does not have any agreements or obligations with Executive' s prior employers or other third parties that will prohibit Executive from working for any member of the Company Group or fulfilling Executive' s duties and obligations to the Company Group pursuant to this Agreement and (b) Executive has complied, and will comply, with all duties imposed on Executive with respect to Executive' s former employers and all other third parties. Executive expressly promises that Executive will not: (i) introduce any confidential, proprietary or other similar information belonging to any prior employer to the premises or computer systems of any member of the Company Group; or (ii) use or disclose any legally protected information belonging to any former employer or other third party in the course of Executive' s employment hereunder.

9.14 Section 409A.

(a) Notwithstanding any provision of this Agreement to the contrary, all provisions of this Agreement are intended to comply with Section 409A of the Code and the applicable Treasury regulations and administrative guidance issued thereunder (collectively, "***Section 409A***") or an applicable exemption therefrom and shall be construed and administered in accordance with such intent. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment.

(b) To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A), (i) any such expense reimbursement shall be made by the Company no later than the last day of the taxable year following the taxable year in which such expense was incurred by Executive, (ii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; *provided*, that the foregoing clause shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period in which the arrangement is in effect.

(c) Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if Executive' s receipt of such payment or benefit is not delayed until the Section 409A Payment Date, then such payment or benefit shall not be provided to Executive (or Executive' s estate, if applicable) until the Section 409A Payment Date. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall any member of the Company Group be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Executive on account of non-compliance with Section 409A.

9.15 Clawback. To the extent required by applicable law or any applicable securities exchange listing standards, or as otherwise determined by the Board (or a committee thereof), amounts paid or payable under this Agreement shall be subject to the provisions of any applicable clawback policies or procedures adopted by Parent, the Company or any other member of the Company Group, which clawback policies or procedures may provide for forfeiture and/or recoupment of amounts paid or payable under this Agreement. Notwithstanding any provision of this Agreement to the contrary, Parent, the Company and each other member of the Company Group reserves the right, without the consent of Executive, to adopt any such clawback policies and procedures, including such policies and procedures applicable to this Agreement with retroactive effect.

[*Signature page follows*.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this 12th day of March, 2017.

NINE ENERGY SERVICE, LLC

By: /s/ Ann G. Fox
Ann G. Fox
President and Chief Executive Officer

For the limited purpose of acknowledging and agreeing to Sections 4.3 and 6.1(b)(iii):

NINE ENERGY SERVICE, INC.

By: /s/ Ann G. Fox
Ann G. Fox
President and Chief Executive Officer

THEODORE R. MOORE

/s/ Theodore R. Moore

APPENDIX A

RESTRICTED AREA

The following States: Alaska, Colorado, Montana, New Mexico, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, West Virginia and Wyoming

The following parishes within the State of Louisiana: Acadia, Allen, Ascension, Assumption, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Cameron, Catahoula, Claiborne, Concordia, DeSoto, East Baton Rouge, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson, Jefferson Davis, Lafayette, Lafourche, LaSalle, Lincoln, Livingston, Madison, Morehouse, Natchitoches, Orleans, Ouachita, Plaquemines, Pointe Coupee, Rapides, Red River, Richland, Sabine, St. Bernard, St. Charles, St. Helena, St. James, St. John, St. Landry, St. Martin, St. Mary, St. Tammany, Tangipahoa, Tensas, Terrebonne, Union, Vermilion, Vernon, Washington, Webster, West Baton Rouge, West Carroll, West Feliciana, and Winn.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Nine Energy Service, Inc. and its subsidiaries (the ‘‘Company’’) of our report dated March 27, 2017, except for the effects of the revision discussed in Note 2 to the combined financial statements, as to which the date is May 2, 2017 and except for the effects of the merger of entities under common control described in Note 3 to the combined financial statements, as to which date is May 19, 2017, relating to the combined financial statements, which appear in such Registration Statement. We also consent to the reference to us under the hading ‘‘Experts’’ in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
Houston, Texas
May 19, 2017

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

Nine Energy Services, Inc.
Houston, TX

We hereby consent to the use in the Prospectus constituting a part of this Registration Statement of our report dated March 21, 2017, relating to the consolidated financial statements of Beckman Production Services, Inc., which is contained in that Prospectus.

We also consent to the reference to us under the caption "Experts" in the Prospectus.

/s/ BDO USA, LLP
Houston, Texas

May 19, 2017