



**Registration of a Charge**

Company name: **TAGHMEN ARGENTINA LIMITED**

Company number: **05378483**



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Received for Electronic Filing: **31/10/2014**

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**Details of Charge**

Date of creation: **17/10/2014**

Charge code: **0537 8483 0003**

Persons entitled: **BNP PARIBAS AS ADMINISTRATIVE AGENT**

Brief description:

**Contains fixed charge(s).**

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**Authentication of Form**

This form was authorised by: **a person with an interest in the registration of the charge.**

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**Authentication of Instrument**

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **CRAMER MILLER**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 5378483

Charge code: 0537 8483 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th October 2014 and created by TAGHMEN ARGENTINA LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 31st October 2014 .

Given at Companies House, Cardiff on 3rd November 2014

The above information was communicated by electronic means and authenticated  
by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

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GUARANTY AND COLLATERAL AGREEMENT

made by

EACH OF THE GRANTORS  
(as defined herein)

in favor of

BNP PARIBAS,  
as Administrative Agent

Dated as of October 17, 2014

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*To certify this copy as a true copy  
of the original.*

*T. Cramer Miller*  
*10/22/2014*

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## GUARANTY AND COLLATERAL AGREEMENT

GUARANTY AND COLLATERAL AGREEMENT, dated as of October 17, 2014, made by PETROLATINA ENERGY LIMITED, a company formed and existing under the laws of England and Wales (the "Parent"), PETROLATINA (CA) LIMITED, a company duly formed and existing under the laws of England and Wales ("PCA"), PETROLEOS DEL NORTE S.A., a company duly formed and existing under the laws of Colombia ("PDN"), and together with the Parent and PCA, each a "Borrower," and collectively, the "Borrowers"), and each of the other signatories hereto as of the date hereof other than the Administrative Agent (together with any other entity that becomes a party hereto from time to time after the date hereof as provided herein, the "Grantors"), in favor of BNP PARIBAS, as Administrative Agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions or entities (the "Lenders") from time to time parties to the Credit Agreement, dated as of October 17, 2014 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrowers, the Lenders, the Administrative Agent, and the other agents party thereto.

### WITNESSETH:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make extensions of credit to each Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, each Borrower is a member of an affiliated group of companies that includes each other Grantor;

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement will be used in part to enable each Borrower to make valuable transfers to one or more of the other Grantors in connection with the operation of their respective businesses;

WHEREAS, each Borrower and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to each Borrower under the Credit Agreement that the Grantors shall have executed and delivered this Agreement (as defined herein) to the Administrative Agent for the ratable benefit of the Secured Parties (as defined herein);

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to each Borrower thereunder, each Grantor hereby agrees with the Administrative Agent, for the ratable benefit of the Secured Parties, as follows:

### ARTICLE 1. DEFINED TERMS

#### Section 1.1     Definitions.

(a)        Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms are used herein as defined in the Applicable UCC: Accounts, Certificated Security, Chattel Paper,

Commercial Tort Claims, Documents, Equipment, Fixtures, General Intangibles, Instruments, Inventory, Letter-of-Credit Rights, Payment Intangibles and Supporting Obligations.

(b) The following terms shall have the following meanings:

“Acknowledgement and Consent” means an Acknowledgment and Consent in the form of Annex 1 hereto.

“Agreement” means this Guaranty and Collateral Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

“Applicable UCC” means the Uniform Commercial Code as from time to time in effect in the State of New York.

“Assumption Agreement” means an Assumption Agreement in the form of Annex 2 hereto.

“Collateral” has the meaning given such term in Section 3.1.

“Collateral Account” means any collateral account established by the Administrative Agent as provided in Section 6.1 or Section 6.4.

“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.

“Deposit Account” has the meaning given such term in the Uniform Commercial Code of any applicable jurisdiction and, in any event, including, without limitation, any demand, time, savings, passbook or like account maintained with a depository institution.

“Excluded Swap Obligation” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee 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 guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

“Guarantor Obligations” means, with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement (including, without limitation, Article 2) or any other Secured Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Secured Parties that are required to be paid by such Guarantor pursuant to the terms of this Agreement or any other Secured Document, but excluding Excluded Swap Obligations).

“Guarantors” means the collective reference to each Grantor (including each Borrower).

"Intercompany Note" means any promissory note evidencing loans made by any Grantor to any Borrower or any Subsidiary.

"Investment Property" means the collective reference to (i) all "investment property" as such term is defined in Section 9-102(a)(49) of the Applicable UCC and (ii) whether or not constituting "investment property" as so defined, all Pledged Notes and all Pledged Securities.

"Issuers" means the collective reference to each issuer of any Investment Property.

"Material Receivable" means a Receivable involving a payment obligation in excess of \$100,000 (or its equivalent in another currency or other currencies); provided that Material Receivables shall not exceed, in the aggregate during any twelve month period, \$500,000.

"Obligations" means, with respect to each Borrower, the collective reference to the unpaid principal of and interest on the Loans and LC Exposure and all other obligations and liabilities of such Borrower and such Borrower's Subsidiaries (including, without limitation, interest accruing at the then applicable rate provided in the Credit Agreement after the maturity of the Loans and LC Exposure and interest accruing at the then applicable rate provided in the Credit Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to such Borrower or any of its Subsidiaries, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to the Secured Parties, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement and the other Secured Documents, or any other document made, delivered or given in connection with any of the foregoing, in each case whether on account of principal, interest, reimbursement obligations (including, without limitation, obligations to reimburse LC Disbursements), payments in respect of an early termination date, unpaid amounts, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Secured Parties that are required to be paid by such Borrower or any of such Borrower's Subsidiaries pursuant to the terms of any of the foregoing agreements).

"Permitted Liens" means Liens permitted pursuant to Section 9.03 of the Credit Agreement

"Pledged Deposit Accounts" means the collective reference to: (i) the account in the name of the Petroleos Del Norte, S.A. with account number 200 627694 001 16 maintained at BNP Paribas New York Branch (inclusive of any sub-account thereof) and any successor account or accounts, (ii) each other Collection Account, and (iii) all cash, instruments and money at any time on deposit or submitted for deposit in any of the foregoing accounts, including all interest thereon and all proceeds, products and accessions of and to any and all of the foregoing, including whatever is received or receivable upon any collection, exchange, sale or other disposition of any of the foregoing and any Property into which any of the foregoing is converted, whether cash or non-cash proceeds, and any and all other amounts paid or payable under or in connection with any of the foregoing.

"Pledged Notes" means all promissory notes listed on Schedule 2, all Intercompany Notes at any time issued to any Grantor and all other promissory notes issued to or held by any Grantor (other than promissory notes issued in connection with extensions of trade credit by any Grantor in the ordinary course of business).

"Pledged Securities" means, collectively, (a) the Equity Interests described or referred to on Schedule 2 (as the same may be supplemented from time to time pursuant to a Supplement), together with any other shares, stock certificates, options, interests or rights of any nature whatsoever in respect of the Equity Interests of any Person that may be issued or granted to, or held by, any Grantor while this

Agreement is in effect; and (b) (i) the certificates or instruments, if any, representing such Equity Interests, (ii) all dividends (cash, Equity Interests or otherwise), cash, instruments, rights to subscribe, purchase or sell and all other rights and property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Equity Interests, (iii) all replacements, additions to and substitutions for any of the Property referred to in this definition, including, without limitation, claims against third parties, (iv) the proceeds, interest, profits and other income of or on any of the Property referred to in this definition, (v) all security entitlements in respect of any of the foregoing, if any, and (vi) all books and records relating to any of the Property referred to in this definition.

"Proceeds" means all "proceeds" as such term is defined in Section 9-102(a)(64) of the Applicable UCC and, in any event, shall include, without limitation, all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

"Qualified ECP Guarantor" means, in respect of any Swap Obligation, each Grantor that has total assets exceeding \$10,000,000 at the time the relevant guarantee 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.

"Receivable" means any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including, without limitation, any Account).

"Release Date" means the date upon which (i) all Obligations (including, without limitation, all principal, interest (including interest accruing during the pendency of an insolvency or liquidation proceeding, regardless of whether allowed or allowable in such insolvency or liquidation proceeding) and premium, if any, on all Loans, and all fees, costs, expenses and other amounts payable under the Credit Agreement and the other Loan Documents) shall have been paid in full in cash (other than contingent indemnification obligations and obligations under or in respect of Secured Swap Agreements), (ii) no Letter of Credit is outstanding (other than Letters of Credit that have been cash collateralized or otherwise secured to the satisfaction of the Issuing Bank), (iii) all of the Commitments have been terminated and (iv) no Secured Swap Agreement is outstanding and all amounts payable by each Borrower or any of its Subsidiaries to any Secured Swap Party under any Secured Swap Agreement shall have been paid in full, or if any Swap Agreement is outstanding, credit support arrangements acceptable in the sole discretion of the Secured Swap Party party thereto have been made to secure such Borrower's or any such Subsidiaries' obligations thereunder to such Secured Swap Party, or such Swap Agreement has been novated or assigned to one or more third parties and all amounts required to be paid by any Borrower or any of its Subsidiaries in respect of any such novation shall have been paid in full.

"Secured Documents" means the collective reference to the Credit Agreement, the other Loan Documents, and each Secured Swap Agreement.

"Secured Obligations" means (i) in the case of each Borrower, its Obligations, and (ii) in the case of each Guarantor, its Guarantor Obligations.

"Securities Act" means the Securities Act of 1933, as amended.

"Supplement" means a Supplement in the form of Annex 3 hereto.

“Swap 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.

Section 1.2     Other Definitional Provisions.

(a)        The words “hereof,” “herein”, “hereto” 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, and Section and Schedule references are to this Agreement unless otherwise specified.

(b)        The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c)        Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor’s Collateral or the relevant part thereof.

**ARTICLE 2.**  
**GUARANTEE**

Section 2.1     Guarantee.

(a)        Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent, for the ratable benefit of the Secured Parties and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by each Borrower and such Borrower’s Subsidiaries when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

(b)        Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Loan Documents shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal, state and foreign laws relating to the insolvency of debtors (after giving effect to the right of contribution established in Section 2.2).

(c)        Each Guarantor agrees that the Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Article 2 or affecting the rights and remedies of the Administrative Agent or any other Secured Party hereunder.

(d)        The guarantee contained in this Article 2 shall remain in full force and effect until the Release Date, notwithstanding that from time to time during the term of the Credit Agreement any Borrower or any Subsidiary may be free from any Obligations.

(e)        No payment made by any Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any other Secured Party from any Borrower, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Obligations or any

payment received or collected from such Guarantor in respect of the Obligations), remain liable for the Obligations up to the maximum liability of such Guarantor hereunder until the Release Date.

Notwithstanding the foregoing, any guarantee, indemnity, obligation, or liability incurred by any Guarantor shall not include and not extend to any obligation or to any indebtedness under any Secured Document to the extent that the granting of such guarantee and indemnity or the assumption of such obligation or liability would in the case of any such Guarantor incorporated in Spain, breach any provisions of Spanish law in respect of financial assistance as referred to in articles 143 and 150 of the Spanish Companies Act or in respect of the issue of bonds and marketable securities as referred to in article 402 of the Spanish Companies Act or cause such Guarantor to become liable to compulsory dissolution pursuant to section 363(e) of the Spanish Companies Act.

Section 2.2 Right of Contribution. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 2.3. The provisions of this Section 2.2 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent and the other Secured Parties, and each Guarantor shall remain liable for the Obligations up to the maximum liability of such Guarantor hereunder.

Section 2.3 No Subrogation. Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the Administrative Agent or any other Secured Party, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any other Secured Party against any Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any other Secured Party for the payment of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from any Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until the Release Date. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Administrative Agent and the other Secured Parties, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in accordance with Section 10.02(c) of the Credit Agreement.

Section 2.4 Amendments, etc. with respect to the Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Obligations made by the Administrative Agent or any other Secured Party may be rescinded by the Administrative Agent or such other Secured Party and any of the Obligations continued, and the Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any other Secured Party, and the Credit Agreement, the other Loan Documents, the Secured Swap Agreement and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Majority Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any other Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or

released. Neither the Administrative Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for the guarantee contained in this Article 2 or any property subject thereto.

Section 2.5 Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Administrative Agent or any other Secured Party upon the guarantee contained in this Article 2 or acceptance of the guarantee contained in this Article 2; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Article 2; and all dealings between any Borrower and any of the Guarantors, on the one hand, and the Administrative Agent and the other Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Article 2. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon any Borrower or any of the Guarantors with respect to the Obligations. Each Guarantor understands and agrees that the guarantee contained in this Article 2 shall be construed as a continuing, absolute and unconditional guarantee of payment and not of collection without regard to (a) the validity or enforceability of the Credit Agreement or any other Loan Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any other Secured Party, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by any Borrower or any other Person against the Administrative Agent or any other Secured Party, or (c) any other circumstance whatsoever (with or without notice to or knowledge of any Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of any Borrower or any Subsidiary for the Obligations, or of such Guarantor under the guarantee contained in this Article 2, in bankruptcy or in any other instance (other than a defense of payment or performance). When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Administrative Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against any Borrower, any other Guarantor or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any other Secured Party to make any such demand, to pursue such other rights or remedies or to collect any payments from any Borrower, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any Borrower, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any other Secured Party against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

Section 2.6 Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent, for the benefit of the Secured Parties, without set-off or counterclaim in US Dollars at the offices of the Administrative Agent specified in Section 12.01 of the Credit Agreement (or from time to time designated in accordance with the terms thereof).

### **ARTICLE 3. GRANT OF SECURITY INTEREST**

Section 3.1 Grant of Security Interest. Each Grantor hereby assigns and transfers to the Administrative Agent, and hereby grants to the Administrative Agent, for the ratable benefit of the

Secured Parties, a security interest in, all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Secured Obligations:

- (a) all Accounts;
- (b) all Chattel Paper;
- (c) all Deposit Accounts (including, without limitation, the Pledged Deposit Accounts);
- (d) all Documents;
- (e) all Equipment;
- (f) all Fixtures;
- (g) all General Intangibles (including, without limitation, all Payment Intangibles and all rights in and under Offtake Agreements and Swap Agreements and all rights under insurance contracts, rights to insurance proceeds and all proceeds of insurance);
- (h) all Instruments;
- (i) all intellectual property;
- (j) all Inventory;
- (k) all Investment Property;
- (l) all Letter-of-Credit Rights;
- (m) all Commercial Tort Claims;
- (n) all other property not otherwise described above (except for any property specifically excluded from any clause in this Section above, and any property specifically excluded from any defined term used in any clause of this Section above);
- (o) all books and records pertaining to the Collateral; and
- (p) to the extent not otherwise included, all Proceeds, Supporting Obligations and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

Section 3.2 Certain Leases and Other Agreements. Notwithstanding anything herein to the contrary, in no event shall the Collateral include, and no Grantor shall be deemed to have granted a security interest in, any of such Grantor's right, title or interest in any lease, license, contract, or agreement, as such, or the assets subject thereto, if under the terms of such lease, license, contract, or agreement, or applicable law with respect thereto, the valid grant of a security interest or lien therein or in such assets to the Administrative Agent (i) is prohibited and such prohibition has not been or is not

waived or the consent of the other party to such lease, license, contract, or agreement has not been or is not otherwise obtained or under applicable law such prohibition cannot be waived or (ii) would constitute or result in the abandonment, invalidation or unenforceability of any right, title or interest of any Grantor therein; provided, that the foregoing exclusion shall in no way be (A) construed to apply if any such prohibition would be rendered ineffective under the applicable law, (B) construed so as to limit, impair or otherwise affect the Administrative Agent's unconditional continuing security interests in and liens upon any rights or interests of such Grantor in or to the proceeds thereof, including monies due or to become due under any such lease, license, contract, or agreement (including any Receivables), in each case, that are not subject to such prohibitions, or (C) construed to apply at such time as the condition causing such prohibition shall be remedied and, to the extent severable, "Collateral" shall include any portion of such lease, license, contract, agreement or assets subject thereto that does not result in such prohibition.

Section 3.3 Transfer of Pledged Securities. All certificates or instruments representing or evidencing the Pledged Securities shall be delivered to and held pursuant hereto by the Administrative Agent or a Person designated by the Administrative Agent and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, in a manner satisfactory to the Administrative Agent, and accompanied by any required transfer tax stamps to effect the pledge of the Pledged Securities to the Administrative Agent. Notwithstanding the preceding sentence, at the Administrative Agent's discretion, all Pledged Securities must be delivered or transferred in such manner as to permit the Administrative Agent to be a "protected purchaser" to the extent of its security interest as provided in Section 8-303 of the Applicable UCC (if the Administrative Agent otherwise qualifies as a protected purchaser).

#### **ARTICLE 4. REPRESENTATIONS AND WARRANTIES**

To induce the Administrative Agent, the Global Coordinator and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to each Borrower thereunder, each Grantor hereby represents and warrants to the Administrative Agent and each Lender that:

Section 4.1 Title; No Other Liens. Except for the security interest granted to the Administrative Agent for the ratable benefit of the Secured Parties pursuant to this Agreement and the other Permitted Liens, such Grantor owns or has a valid leasehold interest in each item of the Collateral free and clear of any and all Liens. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, pursuant to this Agreement or as are permitted by the Credit Agreement.

Section 4.2 Perfected First Priority Liens. The security interests granted pursuant to this Agreement (a) upon completion of the filings specified on Schedule 3 will constitute valid perfected security interests under the Applicable UCC, in that part of the Collateral in which a security interest can be perfected by the filing of a financing statement in the specified U.S. filing offices, in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, as collateral security for such Grantor's Secured Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any Collateral from such Grantor and (b) are prior to all other Liens on the Collateral in existence on the date hereof except Permitted Liens.

Section 4.3 Jurisdiction of Organization; Chief Executive Office. On the date hereof, such Grantor's jurisdiction of organization, identification number from the jurisdiction of organization (if any),

and the location of such Grantor's chief executive office or sole place of business or principal residence, as the case may be, are specified on Schedule 4. Such Grantor has furnished to the Administrative Agent a certified charter (or equivalent, if applicable), certificate of incorporation or other organization document and good standing certificate, if applicable, as of a date which is recent to the date hereof.

Section 4.4 Inventory and Equipment. On the date hereof, the Inventory and the Equipment (other than mobile goods) are kept at the locations listed on Schedule 5.

Section 4.5 Investment Property.

(a) The shares of Pledged Securities pledged by such Grantor hereunder constitute all the issued and outstanding shares of all classes of the Equity Interests of each Issuer owned by such Grantor.

(b) All the shares of the Pledged Securities have been duly and validly issued and are fully paid and nonassessable (or, with respect to the Pledged Securities that is Equity Interests in a partnership or limited liability company, has been duly and validly issued).

(c) Each of the Pledged Notes constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(d) Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Property pledged by it hereunder, free of any and all Liens or options in favor of any other Person, except Permitted Liens.

Section 4.6 Receivables.

(a) No amount payable to such Grantor under or in connection with any Material Receivable is evidenced by any Instrument or Chattel Paper which has not been delivered to the Administrative Agent.

(b) Except as disclosed to the Administrative Agent on Schedule 4.6, none of the obligors on any Material Receivables is a Governmental Authority.

(c) The amounts represented by such Grantor to the Administrative Agent or the Secured Parties from time to time as owing to such Grantor in respect of the Material Receivables will at such times be accurate in all material respects (subject to offsets, refunds and other deductions in the ordinary course of business).

Section 4.7 Commercial Tort Claims.

(a) On the date hereof, except to the extent listed in Section 3.1(m) above, no Grantor has knowledge of rights in any Commercial Tort Claim with potential value in excess of \$500,000 (or its equivalent in another currency or other currencies).

(b) Upon the filing of a financing statement covering any Commercial Tort Claim referred to in Section 5.8 against such Grantor in the jurisdiction specified in Schedule 3 hereto, the security interest granted in such Commercial Tort Claim will constitute a valid perfected security

interest under the Applicable UCC in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, as collateral security for such Grantor's Secured Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase such Collateral from Grantor, which security interest shall be prior to all other Liens on such Collateral except Permitted Liens.

Section 4.8 Deposit Accounts. Schedule 6 lists all Deposit Accounts owned by such Grantor in its own name on the date hereof.

Section 4.9 Representations in the Credit Agreement. In the case of each Grantor other than any Borrower, the representations and warranties set forth in Article VII of the Credit Agreement as they relate to such Grantor or to the Loan Documents to which such Grantor is a party, each of which is hereby incorporated by reference, are true and correct, and the Administrative Agent and the Lenders shall be entitled to rely on each of them; provided that each reference in each such representation and warranty to such Borrower's knowledge shall, for the purposes of this Section 4.9, be deemed to be a reference to such Grantor's knowledge.

## **ARTICLE 5. COVENANTS**

Each Grantor covenants and agrees with the Administrative Agent and the Lenders that, from and after the date of this Agreement until the Release Date:

Section 5.1 Delivery of Instruments, Certificated Securities and Chattel Paper. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument, Certificated Security or Chattel Paper, such Instrument, Certificated Security or Chattel Paper shall be immediately delivered to the Administrative Agent, duly indorsed in a manner satisfactory to the Administrative Agent, to be held as Collateral pursuant to this Agreement; provided that no such Instrument, Certificated Security or Chattel Paper shall be required to be delivered to the Administrative Agent so long as the aggregate amount payable evidenced by any such undelivered Instrument, Certificated Security or Chattel Papers does not exceed \$500,000 (or its equivalent in another currency or other currencies); and provided further that anything to the contrary notwithstanding, so long as no Event of Default shall have occurred and be continuing, (i) each Grantor may retain for collection in the ordinary course any Instrument, Certificated Security or Chattel Paper received by such Grantor which it determines it reasonably requires for collection in the ordinary course of business, and the Administrative Agent shall, promptly upon request of such Grantor, make appropriate arrangements for making any Instrument, Certificated Security or Chattel Paper pledged by such Grantor available to the payor of any such Instrument, Certificated Security or Chattel Paper for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent required under applicable law to continue perfected the Administrative Agent's security interest hereunder therein).

Section 5.2 Maintenance of Insurance. Such Grantor will maintain, with financially sound and reputable companies, insurance policies as required by Section 8.07 of the Credit Agreement.

Section 5.3 Maintenance of Perfected Security Interest; Further Documentation.

(a) Such Grantor shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 4.2 and shall defend such security interest against claims and demands of all Persons whomsoever, subject to the rights of such Grantor under the Loan Documents to dispose of the Collateral.

(b) Such Grantor will furnish to the Administrative Agent and the Lenders from time to time statements and schedules further identifying and describing the assets and property of such Grantor and such other reports in connection therewith as the Administrative Agent may reasonably request, all in reasonable detail.

(c) At any time and from time to time, upon the written request of the Administrative Agent, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Administrative Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, (i) filing any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and (ii) in the case of Investment Property, Deposit Accounts, Letter-of-Credit Rights and any other relevant Collateral, taking any actions necessary to enable the Administrative Agent to obtain "control" (within the meaning of the applicable Uniform Commercial Code) with respect thereto (provided that no Grantor shall be required to deliver to the Administrative Agent any Control Agreement regarding control of any payroll or other employee benefit or trust accounts).

Section 5.4 Changes in Name, etc. Such Grantor will not, except upon 10 days' (or such shorter period of time permitted by the Administrative Agent in its sole discretion) prior written notice to the Administrative Agent and delivery to the Administrative Agent of all additional financing statements and other documents reasonably requested by the Administrative Agent to maintain the validity, perfection and priority of the security interests provided for herein, (i) change its jurisdiction of organization or, if it is not a "registered organization" (within the meaning of Section 9-102(a)(71) of the Applicable UCC, the location of its chief executive office or sole place of business or principal residence from that referred to in Section 4.3 or (ii) change its name.

Section 5.5 Notices. Such Grantor will advise the Administrative Agent and the Lenders promptly, in reasonable detail, of:

(a) any Lien (other than security interests created hereby or other Permitted Liens) on any of the Collateral which would adversely affect the ability of the Administrative Agent to exercise any of its remedies hereunder; and

(b) the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interests created hereby.

Section 5.6 Investment Property.

(a) If such Grantor shall become entitled to receive or shall receive any certificate (including, without limitation, any certificate representing a dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Equity Interests of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of the Pledged Securities, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Administrative Agent and the other Secured Parties, hold the same in trust for the Administrative Agent and the other Secured Parties and deliver the same forthwith to the Administrative Agent in the exact form received, duly indorsed by such Grantor to the Administrative Agent, if required, together with an undated stock power covering such certificate duly executed in blank by such Grantor and with, if the Administrative Agent so requests, signature guaranteed, to be held by the

Administrative Agent, subject to the terms hereof, as additional collateral security for the Secured Obligations. Any sums paid upon or in respect of the Investment Property upon the liquidation or dissolution of any Issuer shall be paid over to the Administrative Agent to be held by it hereunder as additional collateral security for the Secured Obligations, and in case any distribution of capital shall be made on or in respect of the Investment Property or any property shall be distributed upon or with respect to the Investment Property pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Administrative Agent, be delivered to the Administrative Agent to be held by it hereunder as additional collateral security for the Secured Obligations. If any sums of money or property so paid or distributed in respect of the Investment Property shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Administrative Agent, hold such money or property in trust for the Administrative Agent and the other Secured Parties, segregated from other funds of such Grantor, as additional collateral security for the Secured Obligations. Each Grantor hereby authorizes and instructs each Issuer of any Investment Property pledged by such Grantor hereunder to notify the Administrative Agent promptly in writing of the occurrence of any of the events described in this Section 5.6(a).

(b) Save as permitted under the Credit Agreement, without the prior written consent of the Administrative Agent, such Grantor will not (i) vote to enable, or take any other action to permit, any Issuer to issue any Equity Interests of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any Equity Interests of any nature of any Issuer, (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Investment Property or Proceeds thereof (except pursuant to a transaction expressly permitted by the Credit Agreement), (iii) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Administrative Agent to sell, assign or transfer any of the Investment Property or Proceeds thereof (except for usual and customary restrictions in partnership and other joint venture documents).

(c) In the case of each Grantor which is an Issuer, such Issuer agrees that (i) it will be bound by the terms of this Agreement relating to the Investment Property issued by it and will comply with such terms insofar as such terms are applicable to it, (ii) it will notify the Administrative Agent promptly in writing of the occurrence of any of the events described in Section 5.6(a) with respect to the Investment Property issued by it and (iii) the terms of Section 6.3(c) and Section 6.7 shall apply to it, *mutatis mutandis*, with respect to all actions that may be required of it pursuant to Section 6.3(c) or Section 6.7 with respect to the Investment Property issued by it. In the case of any Issuer that is not a Grantor hereunder, such Grantor shall promptly cause such Issuer to execute and deliver to the Administrative Agent an Acknowledgment and Consent.

#### Section 5.7 Receivables.

(a) Except, to the extent consistent with its past practice, for Receivables obtained by any Grantor out of the ordinary course of business or the settlement of joint interest billing accounts in the ordinary course of business or discounts granted to settle collection of accounts receivable or the sale of defaulted accounts arising in the ordinary course of business in connection with the compromise or collection thereof and not in connection with any financing transaction, such Grantor will not (i) grant any extension of the time of payment of any Receivable, (ii) compromise or settle any Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Receivable, (iv) allow any credit or discount whatsoever on

any Receivable or (v) amend, supplement or modify any Receivable in any manner that could adversely affect the value thereof.

(b) Such Grantor will deliver to the Administrative Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables.

Section 5.8 Commercial Tort Claims. If such Grantor shall obtain an interest in any Commercial Tort Claim with a potential value in excess of \$500,000 (or its equivalent in another currency or other currencies), such Grantor shall within thirty (30) days of a Responsible Officer obtaining knowledge of such interest sign and deliver documentation acceptable to the Administrative Agent granting a security interest under the terms and provisions of this Agreement in and to such Commercial Tort Claim.

Section 5.9 Covenants in Credit Agreement. Such Grantor shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, by it so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by such Grantor.

## **ARTICLE 6. REMEDIAL PROVISIONS**

### **Section 6.1 Certain Matters Relating to Receivables.**

(a) Each Grantor will keep proper books of record and account in which full, true and correct entries in all respects are made of all dealings and transactions in relation to its business and activities, including without limitation, its Receivables. Each Grantor shall permit any representatives designated by the Administrative Agent, upon reasonable prior notice, to visit and inspect its Properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers, attorneys, independent accountants, and authorized agents, all at such reasonable times and as often as reasonably requested by the Administrative Agent.

(b) In addition to the rights and remedies of the Grantors under any other Loan Document (including, without limitation, the Deposit Account Control Agreements), without limiting the Obligations, if required by the Administrative Agent at any time after the occurrence and during the continuance of a Material Event of Default, any payments of Receivables, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Administrative Agent if required, in a Collateral Account maintained under the sole dominion and control of the Administrative Agent, subject to withdrawal by the Administrative Agent for the account of the Secured Parties only as provided in Section 6.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Administrative Agent and the other Secured Parties, segregated from other funds of such Grantor. Each such deposit of Proceeds of Receivables shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) Each Grantor shall take or refrain from taking, as the case may be, each action that is reasonably necessary to be taken or not taken, as the case may be, by it so that each Borrower shall at all times be in compliance with the terms of Section 8.14(d) of the Credit

Agreement and the terms of the Deposit Account Control Agreements; and nothing contained herein shall be deemed to modify the terms thereof or the obligations of any Grantor thereunder.

(d) At the Administrative Agent's request, each Grantor shall deliver to the Administrative Agent true and complete copies of all material original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables, including, without limitation, all original orders, invoices and shipping receipts.

Section 6.2 Communications with Obligors; Grantors Remain Liable.

(a) The Administrative Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Receivables.

(b) In addition to the rights of the Administrative Agent and the obligations of the Grantors under any other Loan Document (including, without limitation, the Deposit Account Control Agreements), upon the request of the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify obligors on the Receivables that the Receivables have been assigned to the Administrative Agent for the ratable benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Administrative Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Administrative Agent nor any other Secured Party shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by the Administrative Agent or any other Secured Party of any payment relating thereto, nor shall the Administrative Agent or any other Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

Section 6.3 Pledged Securities.

(a) Unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have given notice to the relevant Grantor of the Administrative Agent's intent to exercise its corresponding rights pursuant to Section 6.3(b), each Grantor shall be permitted to receive all cash dividends paid in respect of the Pledged Securities and all payments made in respect of the Pledged Notes, in each case paid in the normal course of business of the relevant Issuer and consistent with past practice, to the extent permitted in the Credit Agreement, and to exercise all voting and corporate or other organizational rights with respect to the Investment Property; provided, however, that no vote shall be cast or corporate or other organizational right exercised or other action taken which, in the Administrative Agent's reasonable judgment, would materially impair the Collateral or which would be inconsistent with or result in any violation of any provision of the Credit Agreement, this Agreement or any other Loan Document.

(b) If an Event of Default shall occur and be continuing and the Administrative Agent shall give notice of its intent to exercise such rights to the relevant Grantor or Grantors, (i) the Administrative Agent shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Secured Obligations in accordance with Section 6.5, and (ii) any or all of the Investment Property shall be registered in the name of the Administrative Agent or its nominee, and the Administrative Agent or its nominee may thereafter exercise (x) all voting, corporate and other rights pertaining to such Investment Property at any meeting of shareholders or other equivalent body of the relevant Issuer or Issuers or otherwise and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate or other organizational structure of any Issuer, or upon the exercise by any Grantor or the Administrative Agent of any right, privilege or option pertaining to such Investment Property, and in connection therewith, the right to deposit and deliver any and all of the Investment Property with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine), all without liability except to account for property actually received by it, but the Administrative Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Investment Property pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Administrative Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) unless otherwise expressly permitted hereby, pay any dividends or other payments with respect to the Investment Property directly to the Administrative Agent.

**Section 6.4 Proceeds to be Turned Over To Administrative Agent.** In addition to the rights of the Administrative Agent and the Secured Parties specified in Section 6.1 with respect to payments of Receivables, if an Event of Default shall occur and be continuing, all Proceeds received by any Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Administrative Agent and the other Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Administrative Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Administrative Agent, if required). All Proceeds received by the Administrative Agent hereunder shall be held by the Administrative Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Administrative Agent in a Collateral Account (or by such Grantor in trust for the Administrative Agent and the other Secured Parties) shall continue to be held as collateral security for all the Secured Obligations and shall not constitute payment thereof until applied as provided in Section 6.5.

**Section 6.5 Application of Proceeds.** At such intervals as may be agreed upon by each Borrower and the Administrative Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Administrative Agent's election, the Administrative Agent may apply all or any part of Proceeds constituting Collateral, whether or not held in any Collateral Account, and any proceeds of the guarantee set forth in Article 2, in payment of the Secured Obligations in accordance with Section 10.02(c) of the Credit Agreement.

**Section 6.6 Code and Other Remedies.** If an Event of Default shall occur and be continuing, the Administrative Agent, on behalf of the Secured Parties, may exercise, in addition to all other rights

and remedies granted to it in this Agreement, the other Loan Documents and in any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the Applicable UCC or any other applicable law or otherwise available at law or equity, and also may exercise any and all enforcement rights of any Grantor under or in connection with any Collateral, including, without limitation, any and all rights of any Grantor to demand or otherwise require payment of any amount under, or performance of any provision of, the Receivables. Without limiting the generality of the foregoing, if an Event of Default has occurred and is continuing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral (including, without limitation, by withdrawing, or causing or directing the withdrawal, of all funds with respect to any Pledged Deposit Account), or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any other Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Administrative Agent or any other Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at such Grantor's premises or elsewhere. Any such sale or transfer by the Administrative Agent either to itself or to any other Person shall be absolutely free from any claim of right by any Grantor, including any equity or right of redemption, stay or appraisal which any Grantor has or may have under any rule of law, regulation or statute now existing or hereafter adopted (and each Grantor hereby waives any rights it may have in respect thereof). Upon any such sale or transfer, the Administrative Agent shall have the right to deliver, assign and transfer to the purchaser or transferee thereof the Collateral so sold or transferred. Any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder, the nonpayment of the Secured Obligations, the occurrence of any Event of Default, the Administrative Agent and the other Secured Parties having declared all or a portion of such Secured Obligations to be due and payable, the notice of time, place, and terms of sale and of the Properties to be sold having been duly given, or any other act or thing having been duly done by the Secured Parties, shall be taken as prima facie evidence of the truth of the facts so stated and recited. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.6, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and the other Secured Parties hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Secured Obligations, in such order as provided in Section 6.5, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including, without limitation, Section 9-615(a)(3) of the Applicable UCC, need the Administrative Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Administrative Agent or any other Secured Party arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten (10) days before such sale or other disposition. Additionally, if an Event of Default has occurred and is continuing, the Administrative Agent may (a) prohibit the account bank or depository, from making any disbursements or payments

from, any Deposit Account (including, without limitation, any Pledged Deposit Account) at the direction of any Grantor and (b) withdraw, or cause or direct the withdrawal, of all funds with respect to any Deposit Account (including, without limitation, any Pledged Deposit Account).

Section 6.7 Certain Limitations on the Exercise of Remedies. The Administrative Agent agrees that, subject to the terms of any Control Agreements and the Credit Agreement, while no Event of Default exists the Administrative Agent (i) shall refrain from exerting control over any Deposit Accounts, (ii) shall defer to each Grantor's control over the assets and proceeds in such Deposit Accounts, including such Grantor's ability to withdraw from, or otherwise direct the disposition of funds from, deposit accounts for the payment of such Grantor's obligations to third parties as they become due and payable, and including such Grantor's ability to withdraw from, designate investments in, or otherwise direct activities in its Deposit Accounts, and (iii) shall not send a "Notice of Exclusive Control" (or similar notice pursuant to which the Administrative Agent purports to exert exclusive control over any Deposit Account of any Grantor) to the applicable bank or other financial institution at which such Deposit Account is maintained.

Section 6.8 Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Secured Obligations and the fees and disbursements of any attorneys employed by the Administrative Agent or any other Secured Party to collect such deficiency.

Section 6.9 Non-Judicial Enforcement. The Administrative Agent may enforce its rights hereunder without prior judicial process or judicial hearing, and to the extent permitted by law, each Grantor expressly waives any and all legal rights which might otherwise require the Administrative Agent to enforce its rights by judicial process.

## ARTICLE 7. THE ADMINISTRATIVE AGENT

### Section 7.1 Administrative Agent's Appointment as Attorney-in-Fact, etc.

(a) Each Grantor hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Administrative Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any and all such moneys due under any Receivable or with respect to any other Collateral whenever payable;

(ii) in the case of any intellectual property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Administrative Agent may

reasonably request to evidence the Administrative Agent's security interest in such intellectual property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge Taxes (except as permitted by the Credit Agreement) and Liens (other than Permitted Liens) levied or placed on or threatened against the Collateral, effect any insurance called for by the terms of this Agreement, and pay all or any part of the premiums therefor and the costs thereof, and effect any repairs deemed reasonably necessary by the Administrative Agent;

(iv) execute, in connection with any sale provided for in Section 6.6 or Section 6.7, any indorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate; (7) assign any copyright, patent or trademark (along with the goodwill of the business to which any such copyright, patent or trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Administrative Agent shall in its sole discretion determine; and (8) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and do, at the Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 7.1(a) to the contrary notwithstanding, the Administrative Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Event of Default shall have occurred and be continuing; provided that, notwithstanding the foregoing and irrespective of whether an Event of Default has occurred and is continuing, the Administrative Agent may exercise its rights under such power of attorney to instruct any Person that is not then directing payment to the Pledged Deposit Accounts or to instruct any Person who is or may become obligated to make any payment of Dedicated Cash Receipts to any Grantor, and to take all such further actions as it deems necessary or advisable in connection therewith.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Administrative Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate per annum equal to the highest rate per annum at which interest would then be payable on any category of past due ABR Loans under the Credit Agreement, from the date of payment by the Administrative Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Administrative Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

Section 7.2 Duty of Administrative Agent. The Administrative Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the Applicable UCC or otherwise, shall be to deal with it in the same manner as the Administrative Agent deals with similar property for its own account. Neither the Administrative Agent, any other Secured Party nor any of their Related Parties shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Administrative Agent and the Secured Parties hereunder are solely to protect the Administrative Agent's and the Secured Parties' interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Secured Party to exercise any such powers. The Administrative Agent and the other Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their Related Parties shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

Section 7.3 Authentication of Financing Statements. Each Grantor acknowledges that pursuant to Section 9-509(b) of the Applicable UCC and any other applicable law, by executing this Agreement such Grantor authorizes the Administrative Agent to file or record financing or continuation statements, and amendments thereto, and other filing or recording documents or instruments with respect to the Collateral, without the signature of such Grantor, in such form and in such offices as the Administrative Agent reasonably determines appropriate to perfect or maintain the perfection of the security interests of the Administrative Agent under this Agreement. Each Grantor further agrees that such financing statements may describe the collateral in the same manner as described in this Agreement or as "all assets," "all personal property" or words of similar effect, regardless of whether or not the Collateral includes all assets or all personal property of such Grantor, or such other description as the Administrative Agent, in its sole judgment, determines is necessary or advisable that is of an equal or lesser scope or with greater detail.

Section 7.4 Authority of Administrative Agent. Each Grantor acknowledges that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Administrative Agent and the other Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantors, the Administrative Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

**ARTICLE 8.**  
**SUBORDINATION OF GRANTOR CLAIMS**

Section 8.1 Subordination of Grantor Claims. As used herein, the term "Grantor Claims" shall mean all debts and obligations of any Grantor to any other Grantor, whether such debts and obligations now exist or are hereafter incurred or arise, or whether the obligation of the debtor thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or obligations be evidenced by note, contract, open account, or otherwise, and irrespective of the Person or Persons in whose favor such debts or obligations may, at their inception, have been, or may hereafter be created, or the manner in which they have been or may hereafter be acquired by. After the occurrence and during the continuation of an Event of Default, no Grantor shall receive or collect, directly or indirectly, from any obligor in respect thereof any amount upon the Grantor Claims.

Section 8.2 Claims in Bankruptcy. In the event of receivership, bankruptcy, reorganization, arrangement, debtor's relief, or other insolvency proceedings involving any Grantor, the Administrative Agent on behalf of the Administrative Agent and the Secured Parties shall have the right to prove their claim in any proceeding, so as to establish their rights hereunder and receive directly from the receiver, liquidator, trustee or other court custodian, dividends and payments which would otherwise be payable upon Grantor Claims. Each Grantor hereby assigns such dividends and payments to the Administrative Agent for the benefit of the Administrative Agent and the Secured Parties for application against the Obligations as provided under Section 10.02(c) of the Credit Agreement. Should the Administrative Agent or any Secured Party receive, for application upon the Obligations, any such dividend or payment which is otherwise payable to any Grantor, and which, as between such Grantors, shall constitute a credit upon the Grantor Claims, then upon the Release Date, the intended recipient shall become subrogated to the rights of the Administrative Agent and the Secured Parties to the extent that such payments to the Administrative Agent and the Secured Parties on the Grantor Claims have contributed toward the liquidation of the Obligations, and such subrogation shall be with respect to that proportion of the Obligations which would have been unpaid if the Administrative Agent and the Secured Parties had not received dividends or payments upon the Grantor Claims.

Section 8.3 Payments Held in Trust. In the event that, notwithstanding Section 8.1 and Section 8.2, any Grantor should receive any funds, payments, claims or distributions which is prohibited by such Sections, then it agrees: (a) to hold in trust for the Administrative Agent and the other Secured Parties an amount equal to the amount of all funds, payments, claims or distributions so received and (b) that it shall have absolutely no dominion over the amount of such funds, payments, claims or distributions except to pay them promptly to the Administrative Agent, for the benefit of the Secured Parties; and each Grantor covenants promptly to pay the same to the Administrative Agent.

Section 8.4 Liens Subordinate. Each Grantor agrees that, until the Release Date, any Liens securing payment of the Grantor Claims shall be and remain inferior and subordinate to any Liens securing payment of the Obligations, regardless of whether such encumbrances in favor of such Grantor, the Administrative Agent or any other Secured Party presently exist or are hereafter created or attach, except as permitted pursuant to the Credit Agreement. Without the prior written consent of the Administrative Agent, no Grantor shall, until the Release Date, (a) exercise or enforce any creditor's right it may have against any debtor in respect of the Grantor Claims (other than collection or other repayment in the ordinary course of business in accordance with the terms thereof) or (b) foreclose, repossess, sequester or otherwise take steps or institute any action or proceeding (judicial or otherwise, including without limitation the commencement of or joinder in any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any Lien held by it.

Section 8.5 Notation of Records. Upon the request of the Administrative Agent, all promissory notes and all accounts receivable ledgers or other evidence of the Grantor Claims accepted by or held by any Grantor shall contain a specific written notice thereon that the indebtedness evidenced thereby is subordinated under the terms of this Agreement.

## ARTICLE 9. MISCELLANEOUS

Section 9.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 12.02(b) of the Credit Agreement.

Section 9.2 Notices. All notices, requests and demands to or upon the Administrative Agent or any Grantor hereunder shall be effected in the manner provided for in Section 12.01 of the Credit Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 1.

Section 9.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Administrative Agent nor any other Secured Party shall by any act (except by a written instrument pursuant to Section 9.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any other Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or such other Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

Section 9.4 Enforcement Expenses; Indemnification.

(a) Each Grantor agrees to pay or reimburse the Administrative Agent and each other Secured Party for all advances, charges, costs and expenses (including, without limitation, all costs and expenses of holding, preparing for sale and selling, collecting or otherwise realizing upon the Collateral and all attorneys' fees, legal expenses and court costs) incurred by the Administrative Agent or any other Secured Party in connection with the exercise of its respective rights and remedies hereunder, including, without limitation, any advances, charges, costs and expenses that may be incurred in any effort to enforce any of the provisions of this Agreement or any obligation of any Grantor in respect of the Collateral or in connection with (i) the preservation of the Lien of, or the rights of the Administrative Agent or any other Secured Party under this Agreement, (ii) any actual or attempted sale, lease, disposition, exchange, collection, compromise, settlement or other realization in respect of, or care of, the Collateral, including all such costs and expenses incurred in any bankruptcy, reorganization, workout or other similar proceeding, or (iii) collecting against any Guarantor under the guarantee contained in Article 2 or otherwise enforcing or preserving any rights under this Agreement and the other Loan Documents to which any Grantor is a party, including, without limitation, the fees and disbursements of counsel to each Secured Party and of counsel to the Administrative Agent.

(b) Each Grantor agrees to pay, and to save the Administrative Agent and the other Secured Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all Other Taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Grantor agrees to pay, and to save the Administrative Agent and the other Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including, without limitation, court costs and attorneys' fees, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement) incurred because of, incident to, or with respect to, the Collateral (including, without limitation, any exercise of rights or remedies in connection therewith) with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent that any Borrower would be required to do so pursuant to Section 12.03 of the Credit Agreement. All amounts for which any Grantor is liable pursuant to this Section 9.4 shall be due and payable by such Grantor to the Secured Parties upon demand.

(d) The agreements in this Section 9.4 shall survive the termination of this Agreement and the other Loan Documents and the repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Loan Documents.

Section 9.5 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Administrative Agent and the other Secured Parties and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent.

Section 9.6 Set-Off. In addition to any rights and remedies of the Secured Parties provided by law, each Secured Party shall have the right, without notice to any Grantor, any such notice being expressly waived by each Grantor to the extent permitted by applicable law, upon any Secured Obligations becoming due and payable by any Grantor (whether at the stated maturity, by acceleration or otherwise), to apply to the payment of such Secured Obligations, by setoff or otherwise, any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Secured Party, any affiliate thereof or any of their respective branches or agencies to or for the credit or the account of such Grantor. Each Secured Party agrees promptly to notify the relevant Grantor and the Administrative Agent after any such application made by such Secured Party; provided that the failure to give such notice shall not affect the validity of such application.

Section 9.7 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by e-mail or facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

Section 9.8 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such

prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.9 Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

Section 9.10 INTEGRATION. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE ENTIRE AGREEMENT OF THE GRANTORS, THE ADMINISTRATIVE AGENT AND THE OTHER SECURED PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND THEREOF, AND THERE ARE NO PROMISES, UNDERTAKINGS, REPRESENTATIONS OR WARRANTIES BY THE ADMINISTRATIVE AGENT OR ANY OTHER SECURED PARTY RELATIVE TO SUBJECT MATTER HEREOF AND THEREOF NOT EXPRESSLY SET FORTH OR REFERRED TO HEREIN OR IN THE OTHER LOAN DOCUMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Section 9.11 GOVERNING LAW. THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND ANY CLAIM OR CONTROVERSY ARISING OUT OF OR RELATED TO THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 9.12 JURISDICTION.

(a) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM EITHER THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTES, OR THE OTHER LOAN DOCUMENTS, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY 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 EXTENT PERMITTED BY LAW, 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 LAW. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY OF THE OTHER AGENTS, THE ISSUING BANK OR ANY OTHER SECURED PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AGAINST ANY BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION. EACH OF THE PARTIES HERETO AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT TO SUE IN ANY OTHER JURISDICTION.

(b) **EACH PARTY TO THIS AGREEMENT IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 9.2. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.**

(c) **EACH PARTY TO THIS AGREEMENT WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LEGAL ACTION OR PROCEEDING REFERRED TO IN THIS SECTION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.**

Section 9.13 Acknowledgements. Each Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(b) neither the Administrative Agent nor any other Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Administrative Agent and the other Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor;

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among the Grantors and the Secured Parties;

(d) it has a duty to read this Agreement and the other Loan Documents and agrees that it is charged with notice and knowledge of the terms of this Agreement and the other Loan Documents; that it has in fact read this Agreement and is fully informed and has full notice and knowledge of the terms, conditions and effects of this Agreement; that it has been represented by independent legal counsel of its choice throughout the negotiations preceding its execution of this Agreement and the other Loan Documents; and has received the advice of its attorney in entering into this Agreement and the Loan Documents to which it is a party; and that it recognizes that certain of the terms of this Agreement and the other Loan Documents result in one party assuming the liability inherent in some aspects of the transaction and relieving the other party of its responsibility for such liability. **SUCH GRANTOR AGREES AND COVENANTS THAT IT WILL NOT CONTEST THE VALIDITY OR ENFORCEABILITY OF ANY EXCULPATORY PROVISION OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS ON THE BASIS THAT THE PARTY HAD NO NOTICE OR KNOWLEDGE OF SUCH PROVISION OR THAT THE PROVISION IS NOT "CONSPICUOUS;"** and

(e) each of the waivers and consents set forth in this Agreement are made voluntarily and unconditionally after consultation with outside legal counsel and with full knowledge of their significance and consequences, with the understanding that events giving rise to any defense or right waived may diminish, destroy or otherwise adversely affect rights which such Grantor otherwise may have against any Borrower, any other Grantor, the Secured Parties or any other Person or against any collateral. If, notwithstanding the intent of the parties that the terms of this Agreement shall control in any and all circumstances, any such waivers or consents are determined

to be unenforceable under applicable law, such waivers and consents shall be effective to the maximum extent permitted by law.

Section 9.14 Additional Grantors; Additional Pledged Securities. Each Subsidiary that is required to become a party to this Agreement pursuant to Section 8.14(b) of the Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement. Each Grantor that is required to pledge additional Equity Interests pursuant to the Credit Agreement shall execute and deliver to the Administrative Agent a Supplement.

Section 9.15 Releases.

(a) Upon the Release Date, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Administrative Agent shall deliver to such Grantor any Collateral held by the Administrative Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Administrative Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral. At the request and sole expense of any Borrower, a Guarantor other than a Borrower shall be released from its obligations hereunder in the event that all the Equity Interests of such Guarantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Credit Agreement; provided that a Borrower shall have delivered to the Administrative Agent, at least ten (10) Business Days prior to the date of the proposed release, a written request for release identifying the relevant Guarantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by such Borrower stating that such transaction is in compliance with the Credit Agreement and the other Loan Documents.

Section 9.16 Acceptance. Each Grantor hereby expressly waives notice of acceptance of this Agreement, acceptance on the part of the Administrative Agent and the other Secured Parties being conclusively presumed by their request for this Agreement and delivery of the same to the Administrative Agent.

Section 9.17 Retention in Satisfaction. Except as may be expressly applicable pursuant to Section 9-620 of the Applicable UCC, no action taken or omission to act by the Administrative Agent or the other Secured Parties hereunder, including, without limitation, any exercise of voting or consensual rights or any other action taken or inaction, shall be deemed to constitute a retention of the Collateral in satisfaction of the Obligations or otherwise to be in full satisfaction of the Obligations, and the Obligations shall remain in full force and effect, until the Administrative Agent and the other Secured Parties shall have applied payments (including, without limitation, collections from Collateral) towards the Obligations in the full amount then outstanding or until such subsequent time as is provided in Section 6.5.

Section 9.18 Reinstatement. The obligations of each Grantor under this Agreement (including, without limitation, with respect to the guarantee contained in Article 2 and the provision of

collateral herein) shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Secured Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Borrower or any other Grantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Borrower or any other Grantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

Section 9.19 **WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY 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 THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY 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 BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.20 **English Language.** This Agreement has been negotiated and executed in the English language. All certificates, reports, notices and other documents and communications given or delivered pursuant to this Agreement shall be in the English language or, if not in English and if requested by the Administrative Agent, accompanied by a certified English translation thereof. The English language version of any such document for purposes of this Agreement shall control the meaning of the matters set forth herein *provided* that if any such conflict should arise with respect to any authorizations or approvals of any governmental agency or authority, any constitutional, statutory or other official document, or any Loan Document or other contract or agreement not originally executed in English, then the non-English language version thereof shall govern.


Section 9.21 **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 Grantor 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 9.21 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 9.21, 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 9.21 shall remain in full force and effect until all amounts owing to the Secured Parties on account of the Obligations are irrevocably and indefeasibly paid in full in cash, no Letter of Credit shall be outstanding and all of the Commitments are terminated. Each Qualified ECP Guarantor intends that this Section 9.21 constitute, and this Section 9.21 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Grantor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the undersigned has caused this Guaranty and Collateral Agreement to be duly executed and delivered as of the date first above written.


**BORROWER:**

**PETROLATINA ENERGY LIMITED**

By:   
Name: Juan C. Rodriguez.  
Title: Director.


**BORROWER:**

**PETROLEOS DEL NORTE S.A.**

By:   
Name: Juan C. Rodriguez  
Title: Director.


**BORROWER:**

**PETROLATINA (CA) LTD**


By:   
Name: Juan C. Rodriguez  
Title: Director.

**GUARANTORS:**

**TAGHMEN ARGENTINA LIMITED**

By:   
Name: Juan C. Rodriguez.  
Title: Director.

**TAGHMEN COLOMBIA S.L.**

By:   
Name: Juan C. Rodriguez.  
Title: Director.

*Signature Page to  
Guaranty and Collateral Agreement*

RL PETROLEUM CORP

By: 

Name: Luis Francisco Jimenez Lopez

Title: Special Attorney

NORTH RIDING INC.

By: 

Name: Luis Francisco Jimenez Lopez

Title: Special Attorney

Acknowledge and Agreed to  
as of the date first above written by:

**ADMINISTRATIVE AGENT:**

**BNP PARIBAS,**  
as Administrative Agent

By:   
Name: **Jean Talbot**  
Title: **Managing Director**

By:   
Name: **Juan Carlos Sandoval**  
Title: **Director**

Schedule 1

**NOTICE ADDRESSES OF GUARANTORS**

In respect of the Parent to:

PetroLatina Energy Limited, at 50 Jermyn Street, London SW1Y 6LX, UK, attention of: Executive Vice-President & CFO (Telecopy No. (44) 207 439 0262 and email [psharma@petrolatinaenergy.com](mailto:psharma@petrolatinaenergy.com)); with a copy to Petroleos del Norte S.A., at Calle 110 No. 9-25 Piso 10 Oficina 1001, Bogota, Colombia, attention of: President (Telecopy No. (57) 1 627 9510 ext. 170 and email [jcrodriguez@petronorte.com](mailto:jcrodriguez@petronorte.com) )

In respect of PDN to:

Petroleos del Norte S.A., at Calle 110 No. 9-25 Piso 10 Oficina 1001, Bogota, Colombia, attention of: President (Telecopy No. (57) 1 627 9510 ext. 170 and email [jcrodriguez@petronorte.com](mailto:jcrodriguez@petronorte.com) ); with a copy to PetroLatina Energy Limited, at 50 Jermyn Street, London SW1Y 6LX, UK, attention of: Executive Vice-President & CFO (Telecopy No. (44) 207 439 0262 and email [psharma@petrolatinaenergy.com](mailto:psharma@petrolatinaenergy.com))

Petroleos del Norte S.A., at Calle 110 No. 9-25 Piso 10 Oficina 1001, Bogota, Colombia, attention of: President (Telecopy No. (57) 1 627 9510 ext. 170 and email [jcrodriguez@petronorte.com](mailto:jcrodriguez@petronorte.com) )

In respect of each other Grantor to:

c/o PetroLatina Energy Limited, at 50 Jermyn Street, London SW1Y 6LX, UK, attention of: Executive Vice-President & CFO (Telecopy No. (44) 207 439 0262 and email [psharma@petrolatinaenergy.com](mailto:psharma@petrolatinaenergy.com)); with a copy to Petroleos del Norte S.A., at Calle 110 No. 9-25 Piso 10 Oficina 1001, Bogota, Colombia, attention of: President (Telecopy No. (57) 1 627 9510 ext. 170 and email [jcrodriguez@petronorte.com](mailto:jcrodriguez@petronorte.com) )

**DESCRIPTION OF INVESTMENT PROPERTY****Pledged Securities:**

<b>Shareholder Name</b>	<b>Issuer</b>	<b>Share Type</b>	<b>Number of Shares</b>
PetroLatina Energy Limited	PetroLatina (CA ) Limited	Ordinary	1
PetroLatina Energy Limited	Taghmen Argentina Limited	Ordinary	100
PetroLatina (CA ) Limited	Taghmen Colombia S.L.	Ordinary	3,100
PetroLatina Energy Limited	Petroleos del Norte S.A.	Ordinary	350
PetroLatina (CA ) Limited	Petroleos del Norte S.A.	Ordinary	2,020,085
Taghmen Argentina Limited	Petroleos del Norte S.A.	Ordinary	100
Taghmen Colombia S.L.	Petroleos del Norte S.A.	Ordinary	334,804
PetroLatina (CA ) Limited	RL Petroleum Corp.	Common Stock	10,000
PetroLatina (CA ) Limited	North Riding Inc.	Common Stock	9,510

**Pledged Notes:**

None.

**U.S FILING OFFICES**U.S. Uniform Commercial Code Filings

Filing of UCC-1 Financing Statements under the Applicable UCC naming the Administrative Agent as secured party with respect to the following Grantors as debtors in the Office of the Secretary of State in the State indicated below:

Debtor	State
PETROLATINA ENERGY LIMITED	Recorder of Deeds – District of Columbia
PETROLATINA (CA) LTD	Recorder of Deeds – District of Columbia
TAGHMEN ARGENTINA LIMITED	Recorder of Deeds – District of Columbia
PETROLEOS DEL NORTE S.A.	Recorder of Deeds – District of Columbia
TAGHMEN COLOMBIA SL	Recorder of Deeds – District of Columbia
RL PETROLEUM CORP.	Recorder of Deeds – District of Columbia
NORTH RIDING INC.	Recorder of Deeds – District of Columbia

Each such UCC-1 Financing Statement will need to include a description of the Collateral that complies with Section 9-504 of the applicable jurisdiction's Uniform Commercial Code.

**LOCATION OF JURISDICTION OF ORGANIZATION AND CHIEF EXECUTIVE OFFICE**

Petrolatina Energy Limited  
Jurisdiction of incorporation: England and Wales  
Company number: 05173588  
Principal Office: 50 Jermyn Street, London SW1Y 6LX, UK

Petrolatina (CA) Limited  
Jurisdiction of incorporation: England and Wales  
Company number: 05618128  
Principal Office: 50 Jermyn Street, London SW1Y 6LX, UK

Taghmen Argentina Limited  
Jurisdiction of incorporation: England and Wales  
Company number: 05378483  
Principal Office: 50 Jermyn Street, London SW1Y 6LX, UK

Petroleos Del Norte S.A  
Jurisdiction of incorporation: Colombia  
Company number: 284593  
Principal Office: Calle 100 No. 9-25, Office 1001, Bogotá, Colombia

Taghmen Colombia S.L.  
Jurisdiction of incorporation: Spain  
Company number: 80526938  
Principal Office: Plaza Pablo Ruiz Picasso, 1 - Torre Picasso, 2820, Madrid, Spain

RL Petroleum Corp.  
Jurisdiction of incorporation: Panama  
Company number: Microfiche 296703, Roll 44681, Image 60  
Principal Office: MMG Tower, 23rd Floor, Paseo del Mar Avenue, Costa del Este, Panama City, Republic of Panama, c/o Petrolatina Energy Ltd, 50 Jermyn Street, London SW1Y 6LX

North Riding Inc.  
Jurisdiction of incorporation: Panama  
Company number: Microfiche 239900, Roll 30684, Image 37  
Principal Office: c/o Petrolatina Energy Limited, 50 Jermyn Street, London SW1Y 6LX

Schedule 4.6

None.

## LOCATIONS OF INVENTORY AND EQUIPMENT

- **Colón and Juglar Fields:** (Middle Magdalena Valley) The principal reference to the area is San Alberto's municipality (in the south of Cesar's department). From there and towards Barrancabermeja's municipality (of the department of Santander) 28 km must be crossed approximately, up to the point known as The Drill (you will find an Antenna of communications), that is the crossing of the main principal one with a route that becomes detached towards the right side and that leads San's Rafael in Lebrija's municipality. From The Drill you cross a distance of 24,4 km up to a diversion or "Y" of the route in the estate Villa Lorena, passing along San's Rafael of Lebrija, Papayal and La Valvula, located from crossing The Drill to 3,4 Km, 11,4 Km y 24,4 Km, respectively.
- **Los Angeles, Serafin, Tronos and Querubin Fields:** (Middle Magdalena Valley) get in to Morrison municipality, located at 10 km north of San Martin (in the south of Cesar's department) over the principal route San Alberto – San Martin – Costa Norte. In Morrison you drive 8 km towards North-East across a Uncovered road in good condition.
- **Santa Lucia Field:** (Middle Magdalena Valley) coming to Villa Paraiso, located at 10 km of San Alberto municipality (in the south of Cesar's department) over the principal route La Paz (San Alberto – La Lisama), you drive 29 km towards North-East across an uncovered road in good condition (This route crosses La Llana municipality as an additional point of reference).
- **Chuirá Field:** is located 2 km from the Station Los Alpes, that is located at 4KM north east of Morrison municipality over the principal route to the coast (San Alberto – San Martin – Costa Norte), you drive 8 km towards North-East across an uncovered road in good condition.
- **Zoe Field:** see description of Santa Lucia Field, you drive an additional 10 km over the secondary route.
- **Putumayo -4 Block:** is located in the municipality jurisdiction of Orito, Puerto Asis, Gamuez Valley (La Hormiga) and Puerto Caicedo in the Putumayo's department.
- **VMM- 28 Block:** (Middle Magdalena Valley) is located in the municipality jurisdiction of Simití and San Pablo in the Bolívar's Department, and Puerto Wilches and Sabana de Torres in the Santander's department.
- **Putumayo 25 Block:** is located within the municipalities of Orito and Gaumez Valley (La Hormiga) at the Department of Putumayo..

- **Llanos 1 Block:** is located within the municipalities of Arauquita, Fortul, Tame and Puerto Rondon at the Department of Arauca.
- **Llanos 70 Block:** is located within the municipalities of Arauquita, Fortul and Tame at the Department of Arauca.
- **Llanos 53 Block:** is located within the municipality of Paz de Ariporo at the Department of Casanare.

**DEPOSIT ACCOUNTS**

<b>Account Name</b>	<b>Sort code</b>	<b>Account No</b>	<b>Currency</b>	<b>Type</b>
Petrolatina Energy Limited	[REDACTED]	[REDACTED]	GBP	Current
Petrolatina Energy Limited	[REDACTED]	[REDACTED]	USD	Current
Petrolatina (CA) Limited	[REDACTED]	[REDACTED]	GBP	Current
Taghmen Argentina Limited	[REDACTED]	[REDACTED]	GBP	Interest bearing current a/c
Taghmen Argentina Limited	[REDACTED]	[REDACTED]	USD	Current
Argentinian Branch	[REDACTED]	[REDACTED]	USD	Current

**ACKNOWLEDGEMENT AND CONSENT\*\*\***

The undersigned hereby acknowledges receipt of a copy of the Guaranty and Collateral Agreement dated as of October 17, 2014 (the "Agreement"), made by the Grantors parties thereto for the benefit of BNP Paribas, as Administrative Agent. The undersigned agrees for the benefit of the Administrative Agent and the other Secured Parties as follows:

1. The undersigned will be bound by the terms of the Agreement and will comply with such terms insofar as such terms are applicable to the undersigned.
2. The undersigned will notify the Administrative Agent promptly in writing of the occurrence of any of the events described in Section 5.6(a) of the Agreement.
3. The terms of Sections 6.3(c) and Section 6.7 of the Agreement shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Sections 6.3(c) or Section 6.7 of the Agreement.

[NAME OF ISSUER]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address for Notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Fax: \_\_\_\_\_

\*\*\* This consent is necessary only with respect to any Issuer which is not also a Grantor. This consent may be modified or eliminated with respect to any Issuer that is not controlled by a Grantor. If a consent is required, its execution and delivery should be included among the conditions to the initial borrowing specified in the Credit Agreement.

Annex 2 to  
Guaranty and Collateral Agreement

ASSUMPTION AGREEMENT, dated as of \_\_\_\_\_, 201\_, made by \_\_\_\_\_ (the "Additional Grantor"), in favor of BNP Paribas, as administrative agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions or entities (the "Lenders") parties to the Credit Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in such Credit Agreement.

WITNESSETH:

WHEREAS, PetroLatina Energy Limited, PetroLatina (CA) Limited and Petroleos Del Norte S.A., as Borrowers and the Administrative Agent have entered into a Credit Agreement, dated as of October 17, 2014 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, in connection with the Credit Agreement, the Borrowers and certain of their Affiliates (other than the Additional Grantor) have entered into the Guaranty and Collateral Agreement, dated as of October 17, 2014 (as amended, supplemented or otherwise modified from time to time, the "Guaranty and Collateral Agreement") in favor of the Administrative Agent for the ratable benefit of the Secured Parties;

WHEREAS, the Credit Agreement requires the Additional Grantor to become a party to the Guaranty and Collateral Agreement; and

WHEREAS, the Additional Grantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Guaranty and Collateral Agreement;

NOW, THEREFORE, IT IS AGREED:

1. Guaranty and Collateral Agreement. By executing and delivering this Assumption Agreement, the Additional Grantor, as provided in Section 9.14 of the Guaranty and Collateral Agreement, hereby becomes a party to the Guaranty and Collateral Agreement as a Grantor and a Guarantor thereunder with the same force and effect as if originally named therein as a Grantor and a Guarantor and, without limiting the generality of the foregoing, hereby expressly (a) assumes all obligations and liabilities of a Grantor and a Guarantor thereunder; (b) guarantees the Obligations pursuant to Article 2 of the Guaranty and Collateral Agreement; and (c) pledges, assigns and transfers to the Administrative Agent, and grants to the Administrative Agent, for the ratable benefit of the Secured Parties, a security interest in such Additional Grantor's right, title and interest in and to the Collateral, wherever located and whether now owned or at any time hereafter acquired by the Additional Grantor or in which the Additional Grantor now has or at any time in the future may acquire any right, title or interest, as security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Additional Grantor's Secured Obligations. The information set forth in Annex 1-A hereto is hereby added to the information set forth in the Schedules to the Guaranty and Collateral Agreement. The Additional Grantor hereby represents and warrants that each of the representations and warranties contained in Article 4 of the Guaranty and Collateral Agreement, as they relate to the Additional Grantor and its Collateral, is true and correct on and as the date hereof (after giving effect to this Assumption Agreement) as if made on and as of such date.

2. Governing Law. THIS ASSUMPTION AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS ASSUMPTION AGREEMENT AND ANY CLAIM OR CONTROVERSY ARISING OUT OF OR RELATED TO THIS ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

3. Acceptance. The Additional Grantor hereby expressly waives notice of acceptance of this Assumption Agreement, acceptance on the part of the Administrative Agent and the other Secured Parties being conclusively presumed by their request for this Assumption Agreement and delivery of the same to the Administrative Agent.

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GRANTOR]

By: \_\_\_\_\_  
Name:  
Title:

Annex 1-A to  
Assumption Agreement

Supplement to Schedule 1

Supplement to Schedule 2

Supplement to Schedule 3

Supplement to Schedule 4

Supplement to Schedule 5

Supplement to Schedule 6

Annex 3 to  
Guaranty and Collateral Agreement

SUPPLEMENT, dated as of \_\_\_\_\_, 201\_, made by \_\_\_\_\_ (the "Grantor"), in favor of BNP Paribas, as administrative agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions or entities (the "Lenders") parties to the Credit Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in such Credit Agreement.

W I T N E S S E T H :

WHEREAS, PetroLatina Energy Limited, PetroLatina (CA) Limited and Petroleos Del Norte S.A., as Borrowers and the Administrative Agent have entered into a Credit Agreement, dated as of October 17, 2014 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, in connection with the Credit Agreement, the Borrowers and certain of their Affiliates (including the Grantor) have entered into the Guaranty and Collateral Agreement, dated as of October 17, 2014 (as amended, supplemented or otherwise modified from time to time, the "Guaranty and Collateral Agreement") in favor of the Administrative Agent for the ratable benefit of the Secured Parties;

WHEREAS, the Credit Agreement requires the Grantor to pledge the Equity Interests described in Annex 1-A hereto; and

WHEREAS, the Grantor has agreed to execute and deliver this Supplement in order to pledge such Equity Interests;

NOW, THEREFORE, IT IS AGREED:

1. Guaranty and Collateral Agreement. By executing and delivering this Supplement, the information set forth in Annex 1-A hereto is hereby added to the information set forth in the Schedule 2 and Schedule 3 to the Guaranty and Collateral Agreement. The Grantor hereby represents and warrants that each of the representations and warranties contained in Article 4 of the Guaranty and Collateral Agreement is true and correct on and as the date hereof (after giving effect to this Supplement) as if made on and as of such date.

**2. Governing Law. THIS SUPPLEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS SUPPLEMENT AND ANY CLAIM OR CONTROVERSY ARISING OUT OF OR RELATED TO THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

3. Acceptance. The Grantor hereby expressly waives notice of acceptance of this Supplement, acceptance on the part of the Administrative Agent and the other Secured Parties being conclusively presumed by their request for this Supplement and delivery of the same to the Administrative Agent.

IN WITNESS WHEREOF, the undersigned has caused this Supplement to be duly executed and delivered as of the date first above written.

[GRANTOR]

By: \_\_\_\_\_  
Name:  
Title:

Annex 1-A to  
Supplement

Supplement to Schedule 2

Supplement to Schedule 3