

(j) if requested by the Administrative Agent, promptly and in any event within thirty (30) days after the filing thereof with the Internal Revenue Service, copies of each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) with respect to each Single Employer Plan of any of the Loan Parties or any of their ERISA Affiliates;

(k) within ten (10) days after notice is given or required to be given to the PBGC under Section 302(f)(4)(A) of ERISA of the failure of any of the Loan Parties or any of their ERISA Affiliates to make timely payments to a Plan, a copy of any such notice filed and a statement of a Financial Officer of such Loan Party setting forth (A) sufficient information necessary to determine the amount of the Lien under Section 302(f)(3), (B) the reason for the failure to make the required payments and (C) the action, if any, which the Loan Parties or any of their ERISA Affiliates proposed to take with respect thereto;

(l) promptly and in any event within ten (10) days after receipt thereof by any of the Loan Parties or any ERISA Affiliate from a Multiemployer Plan sponsor, a copy of each notice received by such Loan Party or any ERISA Affiliate concerning (A) the imposition of Withdrawal Liability by a Multiemployer Plan, (B) the determination that a Multiemployer Plan is, or is expected to be, in reorganization within the meaning of Title IV of ERISA, (C) the termination of a Multiemployer Plan within the meaning of Title IV of ERISA, or (D) the amount of liability incurred, or which may be incurred, by the Loan Parties or any ERISA Affiliate in connection with any event described in clause (A), (B) or (C) above;

(m) promptly and in any event within ten (10) days after receipt thereof by any of the Canadian Loan Parties (A) copies of each annual and other return, report, or valuation with respect to each registered pension plan as filed with any applicable Governmental Authority, (B) copies of any direction, order, notice, ruling or opinion received from any applicable Governmental Authority with respect to any registered pension plan, and (C) notice of any increases having a cost to one or more of the Canadian Loan Parties in excess of US\$5,000,000 per annum in the aggregate, in the benefits of any existing pension plan or employee benefit plan or the establishment of any new pension plan or employee benefit plan or the commencement of contributions to any such plan to which any Canadian Loan Party was not previously contributing;

(n) within twenty-five (25) days after the end of each fiscal month, a schedule detailing the balance of all accrued but unpaid Priority Payables;

(o) promptly, from time to time, such other information (including, without limitation, projections) regarding the operations, business affairs and financial condition of any Loan Party or any of its Subsidiaries, or compliance with the terms of any material loan or financing agreement, as the Administrative Agent, at the request of any Lender, may reasonably request;

(p) promptly after the same is available, copies of all pleadings, motions, applications, judicial information, financial information and other documents filed in the Cases by or on behalf of any of the Loan Parties with the Bankruptcy Court or the Canadian Court, or distributed by or on behalf of any of the Loan Parties to any monitor or official committee appointed in any of the Cases, providing copies of same to counsel for the Administrative Agent;

(q) promptly and in any event within thirty (30) days after any Canadian Loan Party becomes aware or has reason to become aware of any event which may give rise to the full termination of any Canadian Pension Plan or partial termination of any Canadian Pension Plan which could reasonably be expected to have a Material Adverse Effect, a statement of a Financial Officer of such Loan Party describing such event and the action, if any, which such Loan Party proposes to take with respect thereto; and

(r) within ten (10) days after the failure of any of the Canadian Loan Parties to make current service contributions to any Canadian Pension Plan, a copy of any such notice filed and a statement of a Financial Officer of such Loan Party setting forth (A) sufficient information necessary to determine the amount of any corresponding Lien, (B) the reason for the failure to make the required payments and (C) the action, if any, which the Loan Parties propose to take with respect thereto.

Section 5.2 Existence. The Loan Parties will, and will cause their Subsidiaries to, preserve and maintain in full force and effect all governmental rights, privileges, qualifications, permits, licenses and franchises necessary or desirable in the normal conduct of their businesses except (i) (A) if in the reasonable business judgment of such Loan Party it is in its best economic interest not to preserve and maintain such rights, privileges, qualifications, permits, licenses and franchises, and (B) such failure to preserve the same could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, and (ii) as otherwise permitted in connection with sales of assets permitted by Section 6.12.

Section 5.3 Insurance. The Loan Parties will, and will cause their Subsidiaries to: (a) keep their insurable properties insured at all times, against such risks, including fire and other risks insured against by extended coverage, as is customary with companies of the same or similar size in the same or similar businesses; and maintain in full force and effect public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by any Loan Party in such amounts and with such deductibles as are customary with companies of the same or similar size in the same or similar businesses and in the same geographic area, with financially sound and responsible insurance companies; and (b) maintain such other insurance or self insurance as may be required by law, with financially sound and responsible insurance companies.

Section 5.4 Obligations and Taxes. Except with the express written consent of the Administrative Agent in each instance, each Loan Party will pay all its material obligations arising after the Filing Date promptly and in accordance with their terms and pay and discharge promptly all material taxes, assessments, governmental charges, levies, fees, imposts and withholding obligations imposed upon it or upon its income or profits or in respect of its property arising after the Filing Date, before the same shall become in default, as well as all material lawful claims for labor, materials and supplies or otherwise arising after the Filing Date which, if unpaid, would become a Lien or charge upon such properties or any part thereof; provided, however, that no Loan Party shall be required to pay and discharge or to cause to be paid and discharged any such obligation, tax, assessment, charge, levy, fees, imposts and withholding obligations or claim so long as the validity or amount thereof shall be contested in good faith by

appropriate proceedings (if the Loan Parties shall have set aside on their books adequate reserves therefor).

Section 5.5 **Notice of Event of Default, etc.** The Loan Parties will promptly give to the Administrative Agent notice in writing of:

- (i) any Default or Event of Default; and
- (ii) any litigation, proceedings or material investigations which may exist at any time between any Loan Party and any Governmental Authority.

Section 5.6 **Access to Books and Records; Collateral Reviews and Appraisals.**

(a) The Loan Parties will, and will cause their Subsidiaries to, maintain or cause to be maintained at all times true and complete books and records in accordance with GAAP of the financial operations of the Loan Parties and their respective Subsidiaries; and provide the Administrative Agent and its representatives access to all such books and records during regular business hours, in order that the Administrative Agent may examine and make abstracts from such books, accounts, records and other papers for the purpose of verifying the accuracy of the various reports delivered by the Loan Parties to the Administrative Agent or the Lenders pursuant to this Agreement or for otherwise ascertaining compliance with this Agreement, all at such reasonable times and as often as reasonably requested and in any event no less frequently than two (2) times during any calendar year and, so long as no Default or Event of Default shall have occurred and be continuing, no more than four (4) times during any calendar year. The Loan Parties will permit (and will cause their Subsidiaries to permit) any representatives designated by the Administrative Agent to discuss their affairs, finances and condition with their officers and independent accountants, all at such reasonable times and as often as reasonably requested.

(b) The Loan Parties will, and will cause their Subsidiaries to, permit any representatives designated by the Administrative Agent (including any consultants, accountants, lawyers and appraisers retained by the Administrative Agent) to conduct evaluations and appraisals of the Loan Parties' computation of the Borrowing Bases and the assets included in the Borrowing Bases and such other assets and properties of the Loan Parties or their Subsidiaries as the Administrative Agent or Required Lenders may require, all at such reasonable times and as often as reasonably requested and in any event no less frequently than two (2) times during any calendar year and, so long as no Default or Event of Default shall have occurred and be continuing, no more than four (4) times during any calendar year. The Loan Parties shall pay the reasonable fees (including reasonable and customary internally allocated fees of employees of the Administrative Agent as to which invoices have been furnished) and expenses of any such representatives retained by the Administrative Agent as to which invoices have been furnished to conduct any such evaluation or appraisal, including the reasonable fees and expenses associated with collateral monitoring services performed by the ABL Portfolio Management Group of the Administrative Agent. To the extent required by the Administrative Agent in its Permitted Discretion as a result of any such evaluation, appraisal or monitoring, the Loan Parties also agree to modify or adjust the computation of the Borrowing Bases (which may include maintaining

additional reserves, modifying the advance rates or modifying the eligibility criteria for the components of the Borrowing Bases).

(c) In the event that historical accounting practices, systems or reserves relating to the components of the Borrowing Bases are modified in a manner that is adverse to the Lenders in any material respect, the Loan Parties will agree to maintain such additional reserves (for purposes of computing the Borrowing Bases) in respect to the components of the Borrowing Bases and make such other adjustments to its parameters for including the components of the Borrowing Bases as the Administrative Agent shall reasonably require based upon such modifications.

(d) The Loan Parties will, and will cause their Subsidiaries to, grant the Administrative Agent access to and the right to inspect all reports, audits and other internal information of the Loan Parties relating to environmental matters upon reasonable notice, and obtain any third party verification of matters relating to compliance with Environmental Laws reasonably requested by the Administrative Agent at any time and from time to time.

Section 5.7 Maintenance of Concentration Account; Cash Dominion.

(a) Within sixty (60) days of the Closing Date (or such later date as the Administrative Agent may approve in its exclusive discretion), the U.S. Loan Parties will, and will cause their Domestic Subsidiaries to, maintain with the Administrative Agent an account or accounts to be used by the U.S. Loan Parties as their principal domestic concentration or sweep account(s) into which shall be deposited the available balances from the collection accounts of the U.S. Loan Parties (other than Calpine or Smurfit-Stone Puerto Rico, Inc.) at the end of each Business Day (as contemplated by Article 7 of the Security and Pledge Agreement), net of disbursements paid in the ordinary course of business during such Business Day and all of the U.S. Loan Parties' and their Domestic Subsidiaries' accounts shall be subject to a cash management system satisfactory to the Administrative Agent in its exclusive discretion, including from and after such sixtieth (60th) day, (i) weekly sweeps of Available Cash in excess of US\$50,000,000, such cash to be applied to outstanding U.S. Revolving Loans (without a permanent reduction of the U.S. Revolving Commitment), and (ii) full cash dominion, including daily cash sweeps (other than cash of Calpine and other than with respect to up to \$2,000,000 held in deposit accounts of Smurfit-Stone Puerto Rico, Inc.) to the Concentration Account if Excess Availability is less than US\$150,000,000 for three consecutive days, such cash to be applied to outstanding U.S. Revolving Loans (without a permanent reduction of the U.S. Revolving Commitment). The obligation of the U.S. Loan Parties to comply with clause (ii) of the preceding sentence shall continue until Excess Availability has exceeded US\$150,000,000 for sixty (60) consecutive days. Upon the occurrence of an Event of Default, all of the collections and account balances of the U.S. Loan Parties and their Domestic Subsidiaries (other than Calpine) shall be swept on a daily basis into the Concentration Account.

(b) Within sixty (60) days of the Closing Date (or such later date as the Administrative Agent may approve in its exclusive discretion), the Canadian Loan Parties will, and will cause their Canadian Subsidiaries to, maintain with JPMorgan Chase Bank, N.A., Toronto Branch, or a bank acceptable to the Canadian Administrative Agent, an account or accounts to be used by the Canadian Loan Parties as their principal domestic concentration or

sweep account(s) into which shall be deposited the available balances from the collection accounts of the Canadian Loan Parties at the end of each Business Day (as contemplated by the Canadian Security Agreement), net of disbursements paid in the ordinary course of business during such Business Day and all of the Canadian Loan Parties' and their Canadian Subsidiaries' accounts shall be subject to a cash management system satisfactory to the Canadian Administrative Agent in its exclusive discretion, including from and after such sixtieth (60th) day, full cash dominion, including daily cash sweeps to the Canadian Concentration Account if Excess Availability is less than US\$150,000,000 for three consecutive days, such cash to be applied to outstanding Canadian Revolving Loans (without a permanent reduction of the Canadian Revolving Commitment). The obligation of the Canadian Loan Parties to remain in full cash dominion shall continue until Excess Availability has exceeded US\$150,000,000 for sixty (60) consecutive days. Upon the occurrence of an Event of Default, all of the collections and account balances of the Canadian Loan Parties and their Canadian Subsidiaries shall be swept on a daily basis into the Canadian Concentration Account.

Section 5.8 Borrowing Base Certificate. The Loan Parties will furnish to the Administrative Agent, no later than (i) the last Business Day of each week with respect to the immediately preceding week, a completed Borrowing Base Certificate showing the Borrowing Bases, each as of the close of business on the last day of such period, (ii) fifteen (15) days following the last day of the immediately preceding fiscal month, a completed Borrowing Base Certificate showing the Borrowing Bases, each as of the close of business on the last day of such period, (iii) if requested by the Administrative Agent at any other time when the Excess Availability is less than 20% of the Total Revolving Commitment, as soon as reasonably available but in no event later than three (3) Business Days after such request and (iv) at such other times as the Loan Parties may elect, a completed Borrowing Base Certificate showing the Borrowing Bases, each as of the date so requested, in each case with the information supporting the Borrowing Base calculations required by Exhibit C-1 and Exhibit C-2 hereto, including the information set forth on the schedule of reporting requirements attached thereto (in each case, as modified from time to time by the Administrative Agent in its Permitted Discretion), all delivered electronically in a file reasonably acceptable to the Administrative Agent; provided that until the Receivables Securitization Termination Date, the Loan Parties will deliver daily and monthly (by the 15th day of each month with respect to the immediately preceding fiscal month) Borrowing Base Certificates.

Section 5.9 Compliance with Laws. Comply with requirements of all applicable laws, rules, regulations and orders of any Governmental Authority (including, without limitation, ERISA), except to the extent that failure to comply herewith could not, in the aggregate, have a Material Adverse Effect.

Section 5.10 Environmental Laws.

(a) Exercise all reasonable due diligence in order to comply in all material respects, and cause (i) all tenants under any leases or occupancy agreements affecting any portion of the Facilities and (ii) all other Persons on or occupying such property under the control of any Loan Party, to comply in all material respects with all Environmental Laws.

