

COURT FILE NUMBER 2501 01350
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS
AMENDED

AND IN THE MATTER OF A PLAN OF PEAVEY
INDUSTRIES GENERAL PARTNER LIMITED, TSC
STORES GP INC., GUY'S FREIGHTWAYS LTD., and
PEAVEY INDUSTRIES LIMITED

DOCUMENT SECOND REPORT OF FTI CONSULTING CANADA
INC., IN ITS CAPACITY AS MONITOR OF PEAVEY
INDUSTRIES GENERAL PARTNER LIMITED, TSC
STORES GP INC., GUY'S FREIGHTWAYS LTD., and
PEAVEY INDUSTRIES LIMITED

March 7, 2025

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
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SECOND REPORT OF THE MONITOR

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INTRODUCTION

1. Peavey Industries General Partner Limited (“**Peavey GP**”), TSC Stores GP Inc. (“**TSC GP**”), Guy’s Freightways Ltd. (“**Guy’s**”), and Peavey Industries Limited (“**Peavey Industries**”) (collectively, the “**Applicants**”) applied to the Court of King’s Bench of Alberta (the “**Court**”) for an initial order (the “**Initial Order**”) to commence proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”) to, among other things, obtain a stay of proceedings (the “**Stay of Proceedings**”) to allow the Applicants an opportunity to restructure their business and affairs. The Initial Order was granted by Order of Justice Feasby on January 27, 2025. FTI Consulting Canada Inc. (“**FTI**” or the “**Monitor**”) was appointed Monitor of the Applicants as well as in respect of Peavey Industries LP (“**Peavey LP**”) and Peavey Industries Mutual Fund Trust (“**MFT**”) (collectively, Peavey LP, MFT and the Applicants are referred to as the “**Peavey Group**”).

2. The Initial Order granted, among other things, the following relief:
 - a. The Stay of Proceedings up to and including February 6, 2025;

 - b. Authorized the Applicants to continue performing under a store closing consulting agreement (the “**SC Agreement**”) between Peavey LP and Gordon Brothers Canada ULC (“**GBC**”) dated December 20, 2024;

 - c. Authorized the Applicants to continue performance of a master service agreement for consignment of merchandise between Peavey LP, as consignee and GBC, as consignor, dated December 20, 2024, (the “**Consignment Agreement**”);

 - d. Authorized (but did not obligate) the Peavey Group to pay any critical suppliers for inventory delivered prior to the date of the Initial Order, provided such payment is supported by the Interim Lender (as defined below) and the Monitor;

 - e. Authorized the Peavey Group to continue to use the Cash Management Accounts (as defined below); and

- f. Certain Court-ordered charges sought by the Applicants including an administration charge (“**Administration Charge**”), interim lender’s charge (“**Interim Lender’s Charge**”) and a directors and officers charge (“**D&O Charge**”) (collectively, the “**Charges**”).
3. On February 6, 2025, the Court of King’s Bench of Alberta granted an amended and restated Initial Order (the “**ARIO**”) which provided for:
 - a. An extension of the Stay of Proceedings until April 30, 2025;
 - b. Increases to the amounts of the Administration Charge, the Interim Lender’s Charge, and the D&O Charge;
 - c. Approval of a Key Employee Retention Plan (“**KERP**”) and Key Employee Incentive Plan (“**KEIP**”) to facilitate retention and incentivize key employees to remain in their employment during the CCAA Proceedings, and approval of a corresponding fourth-ranking charge (“**KERP Charge**”) on the Property;
 - d. A declaration that, pursuant to section 5(5) of the Wage Earner Protection Program Act, S.C. 2005, c. 47, s.1 (“**WEPPA**”), the Peavey Group meet the criteria established by section 3.2 of the Wage Earner Protection Program Regulations, SOR/2008-222 (the “**WEPP Regulations**”); and
 - e. A restricted access order with respect to the KERP and KEIP.

PURPOSE

4. The purpose of this report (this “**Report**” or the “**Second Report**”) is to provide the Court and the Applicants’ stakeholders with information and the Monitor’s calculations with respect to the application by 1903P Loan Agent, LLC, as administrative agent for 1903 Partners, LLC (the “**Lenders**”) seeking (the “**Lenders Application**”):
 - a. A declaration of the validity and enforceability of the fees under the 1903 Credit Agreement (the “**Fees**”) totaling approximately \$19.2 million, as set out in the letter

dated December 20, 2024 (the “**Fee Letter**”), which is attached as Exhibit M to the Shonak Affidavit; and

- b. A revision to paragraph 35 of the ARIO such that, 1903P Loan Agent, LLC, in its capacity as interim lender (the “**Interim Lender**”), is authorized to apply receipts and deposits made to the Peavey Group’s bank accounts against pre-filing indebtedness owing under the 1903 Credit Agreement (the “**Pre-filing Indebtedness**”) up to the maximum aggregate amount of \$85,569,782 plus legal fees, costs and expense (the “**Requested Authorized Amount**”) from the maximum amount currently authorized under the ARIO of \$66,414,413 (the “**Initial Authorized Amount**”).
5. The Lenders’ Application engages a consideration as to whether the Fees constitute valid and enforceable claims against the Peavey Group. The Monitor is not expressing a view, position or opinion as it relates to the validity and enforceability of the Fees because the issue requires a legal determination which falls within the province of this Honourable Court. The Monitor has provided its assessment, assuming the Fees constitute valid and enforceable claims against Peavey, as-to whether the Fees have been calculated in accordance with the provisions of the Credit Agreement. Creditors and interested parties should consider the Lenders Application carefully.
6. The Monitor intends to provide a further update on the activities since the date of the First Report in a subsequent report to this Honourable Court, including the following:
 - a. Activities of the Monitor;
 - b. The store-closing and inventory liquidation process, including efforts to realize on remaining inventory and remaining furniture, fixtures and equipment;
 - c. The process undertaken by the Applicants’ with the assistance of GBC as advisor (the “**Advisor**”) to seek offers for the assignment, purchase or termination of the various leases of the Peavey Group;

- d. A launch of the sale process with respect to various intangible assets owned by the Applicants;
 - e. An update on the status of various lease disclaimers; and
 - f. An update to the security review completed by the Monitor's legal counsel.
7. This Report should be read in conjunction with the affidavit of Mr. Kyle Shonak, sworn March 7, 2025 (the "**Shonak Affidavit**").

TERMS OF REFERENCE

8. In preparing this report, the Monitor has relied upon certain information (the "**Information**") including the Peavey Group's unaudited financial information, books and records and discussions with Peavey Group senior management ("**Management**").
9. Except as described in this Report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
10. The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the *Chartered Professional Accountants of Canada Handbook*.
11. Future oriented financial information reported to be relied on in preparing this Report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
12. Information and advice described in this Report has been provided to the Monitor by its legal counsel, McCarthy Tétrault LLP (the "**Monitor's Counsel**") and was provided to assist the Monitor in considering its course of action, is not intended as legal or other advice to, and may not be relied upon by, any other person.

13. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms used by not defined herein are given the meaning ascribed to them in the Monitor’s previous Reports.

APPLICATION WITH RESPECT TO FEE LETTER AND REVISION TO ARIO

BACKGROUND

14. The ARIO currently provides for post-filing cash receipts (primarily generated from the inventory liquidation process during these CCAA Proceedings) to be applied against the Pre-filing Indebtedness in the amount up to the Initial Authorized Amount of \$66.4 million. The Lenders Application seeks an increase in the Initial Authorized Amount of \$66.4 million to approximately \$85.6 million, with the increase related to the \$19.2 million in Fees pursuant to the Fee Letter discussed below.

(000's)		Notes
Initial Authorized Amount	\$ 66,414	a
Fees	<u>19,155</u>	b
Requested Authorized Amount	<u>\$ 85,569</u>	c

- a. The Initial Authorized Amount is the maximum amount that can currently be repaid as against the Pre-filing Indebtedness, as set out in the ARIO. The Initial Authorized Amount comprises the amount set out in the Lenders’ January 16, 2025 demand letters (“**January 16 Demand Letters**”) and notices of intention to enforce security under s. 244 of the *Bankruptcy and Insolvency Act (Canada)*;
- b. Fees comprise the amounts set out in the Fee Letter as discussed and set out further below; and
- c. Requested Authorized Amount is the maximum amount requested to be repaid from post-filing cash receipts, relating to the Pre-filing Indebtedness plus the Fees, if the Lenders Applications is granted.

15. The Revised Cash Flow Statement (attached to the Monitor’s First Report) projected that the Pre-filing Indebtedness of \$66.4 million would be repaid by mid-March, 2025. Given

the application of cash receipts during these CCAA Proceedings, the current amount owing under the Pre-filing Indebtedness, excluding the Fees, totals \$5.4 million. The outstanding Pre-filing Indebtedness, inclusive of the \$19.2 million in Fees, would total approximately \$24.6 million. In addition to the outstanding Pre-filing Indebtedness, as of the date of this Report, the amounts advanced post-filing under the 1903 Credit Agreement, referred to as the Interim Lender's loan is \$21.5 million. The amount outstanding under the Interim Lender's loan, in addition to the Pre-filing Indebtedness and Fees would be \$46.1 million.

16. To assist this Honourable Court with its consideration of the Fees and the relief sought by the Lenders, the Monitor has provided the following:
 - a. A background of the efforts of the Peavey Group to seek sale and/or refinancing options that ultimately resulted in the 1903 Credit Agreement;
 - b. A summary of the Fees as set out in the Fee Letter and schedules detailing their calculation; and
 - c. The Monitor's comments on the calculation of the fees in accordance with the 1903 Credit Agreement.

PREFILING REFINANCING EFFORTS

17. The Monitor has provided an overview of the Peavey Group's efforts to seek a sale or refinancing of its operations below to provide the Court and stakeholders with context to the 1903 Credit Agreement.
18. On July 31, 2023, FTI Capital Advisors ("**FTICA**"), an affiliate of FTI, was initially engaged by the Peavey Group to assist in evaluating its financial situation, assist in negotiations with the prior syndicate of lenders (the "**Prior Lenders**") and review and evaluate Management's turnaround plan designed to respond to the downturn in business performance.
19. FTICA assisted the Peavey Group with a number of amendments and extensions to its' credit agreement with the Prior Lenders such as the fifth amendment, dated March 28,

2024, which included a requirement for the Peavey Group to commence, with the assistance of FTICA, a financing process to find a new lending party.

20. On February 27, 2024, and in accordance with the terms of the fifth amendment referenced above, the Peavey Group, with the assistance of FTICA, launched the refinancing process (the “**Refinancing Process**”). FTICA reached out to 86 financing parties, consisting of Canadian and U.S. traditional and alternative debt providers. During that process, 35 non-disclosure agreements (“**NDAs**”) were executed from interested parties.
21. As of April 5, 2024, the Peavey Group received nine non-binding indications of interest. Of the indications of interest received, eight were from U.S. alternative debt providers, and one was from a traditional Canadian bank. A financing proposal was selected that included a combination of traditional and alternative debt providers. Peavey Group proceeded into the second phase of the Refinancing Process which included advanced diligence and underwriting.
22. Due to continued deterioration in financial results during the diligence and underwriting process in the Spring of 2024, the refinancing could not be closed. FTICA assisted the Peavey Group with further amendments and extensions to its credit facility with the Prior Lenders, and under the tenth amendment, the Peavey Group, with the assistance of FTICA, were required to implement a sale and investment solicitation process (the “**SISP**”) which launched in August 2024.
23. The SISP launched on August 26, 2024, and FTICA reached out to in excess of 170 parties, with 28 NDAs executed. On October 3, 2024, Peavey received four non-binding letters of interest (“**LOIs**”) with respect of a potential sale transaction, all of which were advanced to a second phase of the SISP. The final bid deadline under the SISP was November 21, 2024 (the “**Final Bid Deadline**”) and upon such date, no bids were received that would address the Peavey Group’s current financial position and repay the amounts owed to the Prior Lenders, constituting a breach of the tenth amendment (the “**Tenth Amendment**”).
24. Prior to the Final Bid Deadline, FTICA had re-approached multiple alternative lenders that had previously submitted non-binding indications of interest (“**IOI**”) in the initial

Refinancing Process, including Gordon Brothers LLC (“**Gordon Brothers**”). On September 30, 2024, Gordon Brothers, through its affiliate 1903P Loan Agent, LLC, submitted a refreshed IOI (the “**Gordon Brothers IOI**”) in respect of a refinancing transaction with The Peavey Group.

25. After reviewing the Gordon Brothers IOI, the Peavey Group concluded that it was the most reasonable option available in the circumstances. As such, the Gordon Brothers IOI was identified as the only party with a proposed structure that was acceptable and that was thought to be able to advance and close a transaction under the expedited timelines required under the tenth amendment with the Prior Lenders.
26. Under the eleventh amendment to the credit agreement with the Prior Lenders, the Peavey Group was required to secure a commitment letter from Gordon Brothers by December 4, 2024 with a required closing date of December 20, 2024. The Peavey Group understood that if these milestones were not met, then the Prior Lenders would proceed with enforcement of their security and pursue a liquidation to seek repayment of its loan, by way of an application tentatively scheduled for December 6, 2024.
27. Ultimately the Gordon Brothers refinancing was closed on December 20, 2024, resulting in the 1903 Credit Agreement.
28. Over the Christmas season, as discussed in the affidavit of Mr. Douglas Anderson, sworn on January 27, 2025, due to continued financial difficulties and the inability to obtain continued supply of inventories, the Peavey Group defaulted under the 1903 Credit Agreement.
29. The Lenders served the January 16 Demand Letters demanding the repayment of \$66,414,413, plus fees, costs, charges, disbursements and expenses. The Initial Order granting these CCAA Proceedings commenced on January 27, 2025.

THE FEES

30. On January 25, 2025, a letter was sent by the Lenders setting out the Fees calculated in accordance with the Fee Letter (the “**Capital Fee Letter**”), totalling \$19,155,369.. The

Fees calculated by the Monitor total \$19,101,884, with the difference to the Capital Fee Letter attributable to the rate of interest used in calculating the Term Loan Prepayment Fee. The Monitor’s calculation of the Fees are summarized as follows:

Fee Letter Summary				
<i>in SCAD</i>	Ref.	Amount	Calculation of Amount	Calculation Notes
Monitoring Fee	(a)	220,000	11*20,000	Represents 11 months of Monitoring Fees at \$20,000 per month (total Monitoring Fee of \$240,000 per annum); one month paid prior to CCAA
Revolver Closing Fee	(b)	1,050,000	(105,000,000*2%)/2	Represents half of the total Revolver Closing Fee (\$2,100,000); remaining half paid at Closing of the 1903 Credit Agreement
Revolver Agency Fee	(c)	262,500	(105,000,000*0.75%)*1/3	Represents remaining one-third of Revolver Agency Fee (\$787,500); remaining amount paid at Closing of the 1903 Credit Agreement
Term Loan Agency Fee	(c)	75,000	(30,000,000*0.75%)*1/3	Represents remaining one-third of Term Loan Agency Fee (\$225,000); remaining amount paid at Closing of the 1903 Credit Agreement
Term Loan Closing Fee	(d)	375,000	75,000*5	Represents five months of Term Loan Closing Fees (\$75,000 per month for six months); one month paid at Closing of the 1903 Credit Agreement
Revolver Prepayment Fee	(e)	3,150,000	105,000,000*3%	Represents 3% of Total Revolving Credit Commitment
Term Loan Prepayment Fee	(f)	8,969,384	See Appendix A	Represents 24 months of interest that would have accrued on the Term Loan (\$9,361,282) less interest accrued up to January 24, 2025 (\$391,898)
Preferred Return	(g)	5,000,000	5,000,000.0	Represents Preferred Return amount per the Fee Letter
Total Capital Fees		19,101,884		

31. For reference, the Monitor has provided an extract of the description of the Fees as set out in the Fee Letter:

- a. *Monitoring Fee: The Borrower shall pay to the Administrative Agent, for its own account, a collateral monitoring fee (the “Collateral Monitoring Fee”) which is fully earned on the Effective Date [December 23, 2024] and each anniversary thereafter in an amount equal to \$240,000. The Collateral Monitoring Fee shall be payable in an amount equal to \$20,000 on the first (1st) Business Day of each calendar month commencing on or after the Effective Date and occurring before the Termination Date.*
- b. *Revolver Closing Fee: for the Revolving Credit Commitment, \$2,100,000 which shall be fully earned on the Effective Date, and due and payable as follows: \$1,050,000*

of such fee shall be payable on the Effective Date, and the remaining \$1,050,000 shall be payable on the sixth (6th) month anniversary of the Effective Date.

- c. Agency Fee: The Borrower shall pay to the Administrative Agent, for its own account, an annual agency fee (the "Agency Fee") equal to 0.75% of the sum of the Total Revolving Credit Commitment plus the principal amount of Loans funded under the Total Term Loan Commitments. The Agency Fee shall be fully earned and due and payable in advance on the Effective Date and on each anniversary of the Effective Date occurring before the Termination Date; provided that with respect to the Agency Fee due on the Effective Date, \$675,000 of such fee shall be payable on the Effective Date.*
- d. Term Closing Fee: for the Term Loan Commitment, \$450,000 which shall be fully earned on the Effective Date, and due and payable in six (6) monthly installments of \$75,000 (per installment) commencing on the first (1st) Business Day of the calendar month immediately following the Effective Date, and on the first (1st) Business Day of each calendar month thereafter until paid in full.*
- e. Revolver Prepayment Fee: If at any time prior to the Final Maturity Date, the Revolving Credit Commitments are cancelled and terminated (whether pursuant to a voluntary cancellation and termination of the Revolving Credit Commitments by the Borrower or as a result of an acceleration (including an automatic acceleration) of the Obligations after the occurrence of an Event of Default (including an Event of Default under Section 7.01(f) or (g) of the Credit Agreement) (any of the foregoing, a "Revolver Prepayment Fee Event")), then on the effective date of such Revolver Prepayment Fee Event, the Borrower shall pay to the Administrative Agent, for the ratable account of each Lender, a fee (the "Revolver Prepayment Fee") equal to the amount set forth in the table immediately below corresponding to the period in which such Revolver Prepayment Fee Event occurs.*

Period	Applicable Premium
On or prior to December 20, 2025	3% of the principal amount of Revolving Credit Commitments that are cancelled and terminated in such period
After December 20, 2025, and on or prior to December 20, 2026	2% of the principal amount of Revolving Credit Commitments that are cancelled and terminated in such period
After December 20, 2026 and prior to the Final Maturity Date	1% of the principal amount of Revolving Credit Commitments that are cancelled and terminated in such period

f. Term Prepayment Fee: If at any time prior to the Final Maturity Date, the Term Loans are paid, prepaid or accelerated (including as a result of an automatic acceleration of the Obligations after the occurrence of an Event of Default (including an Event of Default under Section 7.01(f) or (g) of the Credit Agreement)) (any of the foregoing, a “Term Loan Prepayment Fee Event”, and collectively with any Revolver Prepayment Fee Event, the “Prepayment Fee Events”), then on the effective date of such Term Loan Prepayment Fee Event, the Borrower shall pay to the Administrative Agent, for the ratable account of each Lender, a fee (the “Term Loan Prepayment Fee”, and collectively with the Revolver Prepayment Fee, the “Prepayment Fees”) in respect of the principal amount of the Term Loans that are so paid, prepaid or accelerated (“Term Loan Prepaid Principal”) equal to the amount set forth in the table immediately below corresponding to the period in which such Term Loan Prepayment Fee Event occurs:

Period	Applicable Premium
On or prior to December 20, 2026	the greater of (i) 3% of the Term Loan Prepaid Principal and (ii) the Make Whole Amount (as defined below)
After December 20, 2026 and prior to the Final Maturity Date	1% of the Term Loan Prepaid Principal

“Make Whole Amount” means, with respect to the occurrence of any Term Loan Prepayment Fee Event and any Term Loan Prepaid Principal at any time on or prior to December 20, 2026, an amount equal to all interest (calculated based on the per annum interest rate applicable to the Term Loan (as set forth in Section 2.05(b) of the Credit Agreement)¹ that would have accrued on the Term Loan Prepaid Principal during the period from and after the date of payment, prepayment or acceleration of such Term Loan Prepaid Principal through December 20, 2026 (calculated by the Administrative Agent in a commercially reasonable manner consistent with the Credit Agreement); provided, however, that if such amount is determined by a court of competent jurisdiction to be unenforceable under any proceeding under any Debtor Relief Laws or otherwise by Applicable Law, then the Make Whole Amount shall be deemed to be the maximum amount as such court determines is enforceable.

*Section 2.05(b) **Term Loan.** Subject to the terms of this Agreement, the Term Loan or any portion thereof shall bear interest on the principal amount thereof from time to time outstanding, from the date of such Loan until repaid at a rate per annum equal to Term CORRA plus the Applicable Margin, provided that (i) to the extent that the Post-Default Rate is applicable as provided in Section 2.05(c) below or (ii) to the extent that the CORRA Loans are converted to Prime Rate Loans pursuant to Section 2.10(c) or Section 2.12(e), the Term Loan shall bear interest on the outstanding principal amount thereof at a rate per annum equal to the Prime Rate plus the Applicable Margin. To the extent any interest is not paid on the day on which it is due pursuant to Section 2.05(d) below, interest shall be capitalized from such date and added to the then outstanding principal amount of the Term Loan and thereafter, shall bear interest as provided hereunder as if it had originally been part of the outstanding principal of the Term Loan.*

¹ As detailed in Appendix A, Applicable Margin on any Term Loan is calculated as Prime Rate + 10.5%; following Post Default Rate applying

*Section 2.05(c) **Default Interest.** To the extent permitted by law and notwithstanding to the contrary in this Section, upon the occurrence and during the continuance of an Event of Default, at the election of the Administrative Agent or the Required Lenders, or automatically upon the occurrence which has not been waived in writing by the Lender of an Event of Default pursuant to Section 7.01(f) or Section 7.01(g), the principal of, and all accrued and unpaid interest on, all Loans, fees, indemnities, or any other Obligations of the Loan Parties under this Agreement and the other Loan Documents, shall bear interest, from the date such Event of Default occurred until the date such Event of Default is cured or waived in writing in accordance herewith, at a rate per annum equal at all times to the Post-Default Rate.*

- g. Preferred Return: In consideration for providing the Loans to: (i) enable the Loan Parties to refinance the Existing Credit Facility, and (ii) provide the Loan Parties with the opportunity to develop and implement a restructuring plan, in the event of a Liquidity Event, the Borrower shall pay to the Administrative Agent a fee in the amount of \$5,000,000, which may be waived by the Administrative Agent, in its discretion, if GBRP is engaged to be the liquidation agent pursuant to Section 5.22 of the Credit Agreement. "Liquidity Event" means whether occurring through one transaction or a series of related transactions, any sale, liquidation, dissolution or winding up voluntary or involuntary, of any Loan Party.*

32. Based on the Monitor's assessment, assuming the Fees constitute valid and enforceable claims against Peavey, the Monitor confirms that the Fees have been calculated in accordance with the provisions of the 1903 Credit Agreement and Fee Letter, subject to the following qualifications:

- a. The Fees calculated in accordance with the Capital Fee Letter were prepared on January 25, 2025; since this time certain fees contained in the Capital Fee Letter have been paid by the Peavey Group during these CCAA Proceedings which may

be adjusted from the Fees. The fees paid during the CCAA total \$906,099 as of March 3, 2025.

SUMMARY COMMENTS

33. The Monitor has provided the above information to assist parties reviewing the calculation as set out the Fee Letter. However, the Monitor has not provided any recommendation or analysis with respect to the validity or enforceability of the Fees, including such enforceability in an insolvency proceeding.

All of which is respectfully submitted this 7th day of March 2025.

FTI Consulting Canada Inc., in its capacity as
the Monitor of the Applicants
and not in its personal or corporate capacity



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Senior Managing Director
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Appendix A

Term Loan Prepayment Fee Calculation

Term Loan Prepayment Fee Summary (Make Whole Amount)		
Term Loan Commitment: \$30,000,000		
<i>in \$CAD</i>		
Month	Interest Rate¹	Accrued Interest
December-24	13.80%	102,061
January-25	15.70%	381,194
February-25	15.70%	361,315
March-25	15.70%	400,027
April-25	15.70%	387,123
May-25	15.70%	400,027
June-25	15.70%	387,123
July-25	15.70%	400,027
August-25	15.70%	400,027
September-25	15.70%	387,123
October-25	15.70%	400,027
November-25	15.70%	387,123
December-25	15.70%	400,027
January-26	15.70%	400,027
February-26	15.70%	361,315
March-26	15.70%	400,027
April-26	15.70%	387,123
May-26	15.70%	400,027
June-26	15.70%	387,123
July-26	15.70%	400,027
August-26	15.70%	400,027
September-26	15.70%	387,123
October-26	15.70%	400,027
November-26	15.70%	387,123
December-26	15.70%	258,082
Total Accrued Interest		9,361,282
		<i>(391,898)</i>
Total Term Loan Prepayment Fee		8,969,384

Note 1 - Term Loan Interest accrued at a rate of 1-month CORRA + 10.5%; on January 15, 2024, interest calculated as Prime Rate + 10.5% in accordance with the 1903 Credit Agreement.