

COURT FILE NUMBER 2501 01250
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp

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., GUYS FREIGHTWAYS
LTD., and PEAVEY INDUSTRIES
LIMITED

DOCUMENT

AFFIDAVIT OF KYLE SHONAK

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

MILLER THOMSON LLP
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File No. 0284679.0002

AFFIDAVIT OF KYLE SHONAK**Sworn on March 7, 2025**

I, Kyle Shonak, of the City of Boston, in the State of Massachusetts, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Chief Transaction Officer, North America of Gordon Brothers LLC, an affiliate entity of the Applicant, 1903P Loan Agent, LLC (the “**Agent**”). As such, I have personal knowledge of the matters described in this Affidavit, except where I state that my knowledge is based upon information and belief, in which case I believe the statements to be true.
2. I am duly authorized to swear this affidavit on behalf of the Agent in its capacity as (i) administrative agent for 1903 Partners, LLC (the “**Lenders**”), and (ii) the Interim Lender (as defined below) in these proceedings.
3. In preparing this Affidavit, I reviewed Affidavits sworn by Douglas Anderson on January 27, 2025 (“**First Anderson Affidavit**”) and January 31, 2025 (the “**Second Anderson Affidavit**”) and together, the “**Anderson Affidavits**”) filed in these proceedings in support of Applications made by Peavey Industries General Partner Limited (“**Peavey GP**”), Peavey Industries LP (“**Peavey**”), TSC Stores GP Inc. (“**TSC GP**”), Guys Freightways Ltd. (“**Guys**”), Peavey Industries Limited (“**Peavey Industries**”) and Peavey Industries Mutual Fund Trust (“**MFT**”) (collectively, the **Peavey Group**), under the *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36 (“**CCAA**”). Attached and marked as **Exhibits “A”** and “**B**” are copies of the Anderson Affidavits, excluding exhibits thereto.
4. I have also reviewed the Pre-Filing Report of FTI Consulting Canada Inc. in its capacity as Proposed Monitor (as it then was) dated January 27, 2025, and the First Report of the Monitor dated February 3, 2025. Attached and marked as **Exhibits “C”** and “**D**” are copies of the reports of the Monitor filed to date in this proceeding, excluding the appendices.
5. I have also consulted with management of the Lenders, legal and financial advisors, and have reviewed relevant documents and information concerning the Lenders’ and the Peavey Group’s operations, business and financial affairs.

6. On January 27, 2025, the Peavey Group was granted protection under the CCAA pursuant to an Initial Order of the Court of King's Bench of Alberta (Commercial List) (the "**Initial Order**"), which was extended to April 30, 2025 pursuant to an Amended and Restated Initial Order dated February 6, 2025 (the "**ARIO**"). FTI Consulting Canada Inc. (the "**Monitor**") was appointed Monitor of the Peavey Group. Attached and marked as **Exhibits "E"** and "**F"** are copies of the Initial Order and ARIO.
7. The Agent, in its capacity as administrative agent of the Lenders, is the largest and first-priority secured creditor of the Peavey Group. As of the commencement of these CCAA proceedings, the Peavey Group was indebted to the Agent on behalf of the Lenders in the approximate amount \$85,569,782.41 (the "**Pre-Filing Obligations**") plus professional and legal fees and interest. The Pre-Filing Obligations are comprised of the following amounts:
 - (a) \$66,414,413.41 owed pursuant to a credit agreement dated December 20, 2024 (the "**1903 Credit Agreement**") among the Lenders, the Agent, Peavey (as borrower) by its general partner Peavey GP, and Peavey GP, TSC GP and Guys (as guarantors);
 - (b) \$19,155,369.00 for fees associated with Prepayment Fee Events and a Liquidity Event (as those terms are defined in the 1903 Credit Agreement); and
 - (c) legal fees, default interest and expenses.
8. In accordance with the terms of the Initial Order and ARIO, the Court authorized the Peavey Group to obtain interim financing (the "**Interim Financing**") from the Agent through continued advances under the existing 1903 Credit Agreement to fund restructuring efforts and ongoing operations. In return for advancing the Interim Financing, the Court, among other things, authorized the Agent to sweep receipts and deposits made to the Peavey Group's bank accounts and apply those funds against pre-filing indebtedness owing under the 1903 Credit Agreement.
9. Paragraph 35 of the ARIO provides that the Agent may sweep the Peavey Group's bank accounts and apply the cash sweeps against the Pre-Filing Obligations up to the maximum aggregate amount of \$66,414,413.41, subject to further Order of the Court. In the Monitor's First Report at paragraph 37, it notes that the Lenders would be applying to the Court for approval to continue applying cash sweeps for payment of the remainder of the Pre-Filing Obligations owing.

10. The Agent seeks to amend the ARIO to permit it to apply cash sweeps against the balance of the Pre-Filing Obligations owing from the Peavey Group.
11. Unless otherwise stated, monetary figures in this Affidavit are expressed in Canadian dollars.
12. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the 1903 Credit Agreement.

I. PRE-FILING FINANCIAL POSITION OF PEAVEY

13. Peavey operates as a retailer, selling agriculture, farm and ranch, pet, work wear, lawn and garden, hardware and homesteading supplies throughout Canada. Prior to the commencement of these CCAA proceedings, Peavey operated 88 Peavey Mart branded retail stores (42 in western Canada and 46 in eastern Canada), and six MainStreet Hardware branded retail stores.
14. Since at least 2023, Peavey has faced liquidity issues. As more fully described in the Anderson Affidavits, financial performance of Peavey was negatively impacted by softening customer demand for discretionary goods, pressures from the COVID-19 pandemic, inflation, high interest rates, and strong competition from big box and e-retailers. These factors put pressure on Peavey's ability to service its debt and suppliers.
15. I understand from the Anderson Affidavits and through discussions with management of the Peavey Group that Peavey pursued a variety of operational and strategic initiatives to respond to its declining revenue and overall poor financial performance, including but not limited to, headcount reductions, closure of redundant distribution centers and underperforming stores, rent deferrals and inventory consolidation.
16. Despite these operational initiatives, Peavey continued to experience financial distress. As a result, Peavey defaulted on its obligations owing under an amended and restated credit agreement dated December 18, 2020 (the "**RBC Credit Agreement**") with the Royal Bank of Canada ("**RBC**"). It is my understanding that the RBC Credit Agreement was in default throughout 2023 and 2024 and was amended eleven times, through the addition of guarantors and pledgors. The most recent amendment was on November 27, 2024. I understand from paragraph 42 of the First Anderson Affidavit that the eleventh amendment to the RBC Credit Agreement required that Peavey imminently find a new financing partner to pay out the RBC secured debt in full.

17. On July 31, 2023, the Peavey Group engaged FTI Capital Advisors (“**FTI CA**”) to assist with identifying potential partners to payout the advances made under the RBC Credit Agreement. This strategic alternative process was carried out between March and December 2024.
18. During the strategic process, FTI CA assisted the Peavey Group with:
 - (a) evaluating the Peavey Group’s financial situation;
 - (b) reviewing management’s turn-around plan; and
 - (c) assisting the Peavey Group with undertaking a sale, investment and solicitation process which included looking for equity partners, refinancing options, sales opportunities and liquidation proposals.
19. In or about March 2024, Gordon Brothers Group, LLC (“**GB**”), a division within Gordon Brothers LLC, was approached by FTI CA to participate in a potential financing transaction with Peavey. I understand that GB was approached by FTI CA due to its expertise in designing creative liquidity solutions beyond traditional asset-based lending, such as through purchasing inventory and consigning through retail and industrial channels.
20. In March 2024, GB executed a non-disclosure agreement and FTI CA provided GB with a confidential information memorandum and access to a data room containing due diligence materials to review the opportunity.
21. On April 12, 2024, GB submitted an indicative term sheet for consideration by FTI CA and Peavey (the “**April Term Sheet**”). Ultimately, the April Term Sheet was not selected, and I understand that Peavey and FTI CA chose a traditional bank to provide a revolving facility along with a non-bank financial institution to provide a term loan to move forward with.
22. In or about September 2024, GB was contacted by FTI CA to revisit the potential deal it had submitted in April, 2024. FTI CA advised GB that Peavey had failed the due diligence process with the initial bank provider due to negative financial performance and tight liquidity in 2023 and 2024. FTI CA also advised that it was now running a further strategic process for Peavey that contemplated new financing and/or a capital raise, along with a sale or liquidation of some or all of the Peavey Group stores.

23. GB was given updated financial modeling and projections prepared by Peavey with the assistance of FTI CA. After conducting operational and financial due diligence, GB proposed a refinancing and asset monetization transaction that it believed could be implemented to provide much needed liquidity for the Peavey Group. This proposed transaction (i) included a plan for the sale of certain real estate, disposition of existing inventory and consignment sales, and (ii) an immediate equity injection in order to provide the necessary liquidity for the Peavey Group to continue to operate as a going concern and avoid an immediate chain-wide liquidation and wind-down process.
24. On September 30, 2024, GB submitted an initial indicative term sheet setting out a proposed refinancing deal and monetization plan for the Peavey Group. Between approximately October 2, 2024 and early November 2024, several meetings occurred between GB, FTI CA and Peavey to further a transaction that would meet the Peavey Group's liquidity needs. Several iterations of comments on the initial indicative term sheet were turned between the parties to advance this goal. Attached and marked as **Exhibit "G"** are copies of email correspondences exchanged between the parties in respect of negotiating and structuring the 1903 Credit Agreement transaction.
25. In early November 2024, I had a call with Jamie Belcher, Senior Managing Director of FTI CA, and was advised that the lack of execution on an equity raise and/or sale and assignment of store leases had resulted in increased pressure from RBC for Peavey to find a new financing solution as soon as possible. I was advised that if refinancing was not forthcoming, RBC intended to move forward with liquidation through the appointment of a receiver-manager under the RBC Credit Agreement.
26. Thereafter, the parties worked collaboratively and on an accelerated basis to advance and execute the term sheet, and close the proposed refinancing transaction to avoid enforcement steps by RBC. On November 8, 2024, the Agent (an affiliate of GB) and Peavey executed an indicative term sheet setting out the terms of a potential refinancing transaction between the parties. Attached and marked as **Exhibit "H"** is a copy of the executed indicative term sheet dated November 8, 2024.
27. On December 4, 2024, the Agent and Peavey executed a commitment letter (the "**Commitment Letter**"), which set out the final terms and conditions upon which the Agent would extend credit to Peavey, subject to satisfactory completion of due diligence, and

execution and delivery of loan documentation. The key terms of the Commitment Letter were as follows:

- (a) a senior secured revolving credit facility in the maximum amount of \$105,000,000 until April 1, 2025, and thereafter in the maximum amount of \$90,000,000;
- (b) a senior secured term loan facility in the maximum amount of \$30,000,000;
- (c) a secured vendor program whereby the Lenders or their affiliates would purchase goods for Peavey from Peavey's normal course suppliers on a consignment basis;
- (d) a closing fee, agency fee and monitoring fee all of which were fully earned on the closing date and non-refundable;
- (e) a prepayment fee associated with the revolving credit facility and term loan facility;
and
- (f) a preferred return fee in the event of a liquidity event.

28. Attached and marked as **Exhibit "I"** is a copy of the Commitment Letter.

29. A redacted version of the Commitment Letter was provided to RBC as evidence of the pending transaction between Peavey and the Agent. I understand from Mr. Belcher that as a result of delivery of the Commitment Letter, RBC agreed to temporarily refrain from taking enforcement steps and continued to advance funds under the RBC Credit Agreement while the parties finalized loan documentation. Attached and marked as **Exhibit "J"** are copies of correspondence related to delivery of the Commitment Letter to RBC.

II. **1903 CREDIT AGREEMENT**

30. In mid-November 2024, Miller Thomson LLP ("**MT**"), on behalf of the Agent and Lenders, and Norton Rose Fulbright ("**NRF**"), on behalf of Peavey Group, were engaged to paper the transaction described in the Commitment Letter. At all relevant times, FTI CA was engaged in and integral to the process of preparing and negotiating the loan documentation.

31. In the course of preparing the loan documentation, the parties, their respective counsel and FTI CA, negotiated a fee letter in relation to the fees set forth in the Commitment

Letter (the “**Fee Letter**”). Due to the risk associated with advancing funds to a distressed borrower such as in the case of Peavey, it was a term of the transaction that the Agent would be entitled to certain fees on closing, as well as fees if the loan was accelerated due to default or early termination (whether voluntary or involuntary) prior to the final maturity date.

32. Based on my experience, these types of fees are common features in commercial lending arrangements of this distressed nature. Attached and marked as **Exhibit “K”** are emails exchanged between FTI CA, MT and NRF from December 11, 2024 to December 19, 2024 with respect to the Fee Letter.
33. On December 20, 2024, the 1903 Credit Agreement was entered into between the Lenders, the Agent (as the Lenders’ administrative agent), Peavey (as borrower), and Peavey GP, TSC GP and Guy’s (as guarantors). The 1903 Credit Agreement repaid the debt outstanding under the RBC Credit Agreement in full. Attached and marked as **Exhibit “L”** is a copy of the 1903 Credit Agreement.
34. The 1903 Credit Agreement provides for the following key terms:
 - (a) a revolving credit facility (the “**1903 Revolving Credit Facility**”) in the maximum amount of \$105,000,000 until April 1, 2025 and thereafter in the maximum amount of \$90,000,000, the borrowing base of which is calculated based on amounts of eligible accounts, eligible inventory and eligible credit card receivables, less certain availability blocks and reserves for price adjustments, spoilage and other factors;
 - (b) a term loan facility (the “**Term Loan Facility**”) in the maximum amount of \$30,000,000, the borrowing base of which is calculated based on amounts of eligible accounts, eligible inventory, eligible credit card receivables, and eligible equipment, less certain reserves for price adjustments, spoilage and other factors;
 - (c) interest payable at (i) the Canadian Overnight Repo Rate or Royal Bank of Canada’s *per annum* prime reference rate for commercial loans plus (ii) (A) for any loan under the 1903 Revolving Credit Facility, 6.75% *per annum* (to be reduced to 5.75% *per annum* if EBITDA of Peavey for the fiscal year ended December 31, 2025 is at least equal to the EBITDA projection) and (B) for any loan under the Term Loan Facility, 10.50% *per annum*;

- (d) default interest of an additional 2% from the date of any event of default;
 - (e) a Final Maturity Date of December 20, 2027;
 - (f) financial covenants (the “**Financial Covenants**”) relating to minimum sales, minimum cash collections from accounts receivable, minimum inventory receipts from vendors, minimum on-site inventory levels, maximum disbursements, and minimum feed inventory levels;
 - (g) cash dominion obligations for Peavey to maintain cash management accounts subject to blocked account and control agreements in favour of the Agent (“**Cash Management Accounts**”) and the requirement for Peavey to deposit all proceeds of collateral into same to manage the asset-based lending structure and borrowing base for the 1903 Revolving Credit Facility. For certain periods of time and following certain events, including the occurrence and continuation of any events of default, all amounts in the Cash Management Accounts must be wired daily into collections accounts designated by the Agent;
 - (h) ancillary agreements between Peavey and Gordon Brothers Canada ULC (“**GB Canada**”) for consulting services, as well as a consignment agreement for the supply of merchandise by GB Canada, as consignor, to replenish critical inventory to Peavey Group’s stores, all of which are appended as Exhibits 17-19 to the First Anderson Affidavit;
 - (i) a number guarantees and security agreements in favour of the Agent and Lenders, all of which are appended as Exhibits 7 to 16 to the First Anderson Affidavit; and
 - (j) Peavey was required to receive \$10,000,000 pursuant to an equity investment on or before April 1, 2025.
35. The Credit Agreement also includes the Fee Letter, which provides for the following:
- (a) a closing fee (the “**Closing Fee**”) payable to the Agent and fully earned on the effective date being (i) \$2,100,000 for the 1903 Revolving Credit Facility, and (ii) \$450,000 for the Term Loan Facility;
 - (b) an annual agency fee (the “**Agency Fee**”) payable to the Agent of 0.75% of the sum of Total Revolving Credit Commitment plus the principal amount of Loans

funded under the Total Term Loan Commitments fully earned and payable in advance on the Effective Date and on each anniversary of the Effective Date occurring before the Termination Date;

- (c) a collateral monitoring fee (the “**Collateral Monitoring Fee**”) of \$240,000 fully earned on the Effective Date and each anniversary date thereafter;
- (d) prepayment fees (the “**Prepayment Fees**”) after the occurrence of a Prepayment Fee Event, which is earned and due and payable in full on the first date upon which the applicable Prepayment Fee Event occurs; and
- (e) a waivable preferred return fee (the “**Preferred Return Fee**”) payable to the Agent in the amount of \$5,000,000 upon a Liquidity Event.

- 36. Attached and marked as **Exhibit “M”** is a copy of the Fee Letter.
- 37. The Agent, the Lenders and Peavey deferred the collection of the Closing Fee, Agency Fee and Collateral Monitoring Fee, which were fully earned upon closing, in order to provide Peavey LP with additional much needed liquidity post-closing.
- 38. The Fee Letter provides that the Prepayment Fee constitutes reasonable compensation and liquidated damages to compensate the Lenders in the event of a Prepayment Fee Event and/or Liquidity Event (as those are defined in the Fee Letter).

III. DEFAULT OF THE 1903 CREDIT AGREEMENT

- 39. On the Effective Date, Peavey provided the Agent with a 13-week cash flow forecast and Budget setting forth, among other things, the Borrower’s projected cash receipts from accounts receivable, disbursements, inventory levels, inventory received by vendors (including feed inventory), liquidity, sales, loan balance, net operating cash flow and net cash flow during such 13-week period. The cash flow forecast and budget were designed and prepared by Peavey, with the assistance from FTI CA.
- 40. It was a term of the 1903 Credit Agreement that the Financial Covenants would be calculated on a trailing 3-week basis in order to provide Peavey with a runway post-closing to utilize the 1903 Revolving Credit Facility and the consignment program with Gordon Brothers Canada ULC to increase inventory levels, sales and collections.

41. During this period, Peavey delivered to the Agent a weekly Budget Variance Report, showing the variance (if any) calculated on a trailing three-week basis of the (i) actual Total Sales compared to the Total Sales set forth in the Budget, (ii) Cash Collections as compared to the Cash Collections set forth in the Budget, (iii) Disbursements as compared to the Disbursements set forth in the Budget, (iv) Inventory Receipts as compared to the Inventory Receipts set forth in the Budget, and (v) Inventory Level as compared to the Inventory Level set forth in the Budget. Attached and marked as **Exhibit “N”** are copies of the Budget and Budget Variance Reporting.
42. The weekly Budget Variance Reporting provided to the Agent on January 2 and January 8, 2025, respectively, demonstrated that Peavey was rapidly trending towards defaulting on the Financial Covenants. Ultimately, on January 15, 2025, Peavey defaulted on the Financial Covenants. In particular Peavey substantially failed to satisfy the minimum inventory receipts by the end of the three-week trailing period.
43. On January 15, 2025, Peavey received a notice of events of default and reservation of rights letter from the Agent, among other things, giving notice of defaults and/or events of default under the Financial Covenants (the “**Default Notice Letter**”). In the Default Notice Letter, the Agent reserved the right to charge the default interest rate under the 1903 Credit Agreement, to establish, implement or increase availability of reserves under the 1903 Credit Agreement in its discretion, and to implement the Cash Management Account contemplated therein. Attached and marked as **Exhibit “O”** is a copy of the Default Notice.
44. On January 16, 2025, the Agent, on behalf of the Lenders, served demand letters and notices of intention to enforce security under s. 244 of the *Bankruptcy and Insolvency Act* (Canada) (“**Demands**”). The amount demanded was \$66,414,413.41, plus fees, costs, charges, disbursements and expenses as expressly provided for in the 1903 Credit Agreement and Fee Letter. Attached and marked as **Exhibit “P”** are copies of the Demands.
45. On January 25, 2025, the Lenders issued a capital fees letter (the “**Capital Fees Letter**”) to the Peavey Group setting out the fees that were triggered in respect of the Prepayment Fee Events and Liquidation Events (as those terms are defined in the Fee Letter). The fees claimed in the Capital Fees Letter are calculated in accordance with the Fee Letter contemplated by the 1903 Credit Agreement and total \$19,155,369. Attached and marked as **Exhibit “Q”** is a copy of the Capital Fees Letter.

46. The Agent understands that the Monitor and FTI CA are reviewing the fees claimed in the Capital Fees Letter and will confirm that they are calculated in accordance with the 1903 Credit Agreement and Fee Letter.

IV. CCAA PROCEEDINGS

47. Following the issuance of the Demands, the Peavey Group, FTI CA and the Agent remained in constant communication with the common goal of exploring a solution that would see the Peavey Group maximize value through a going-concern liquidation. The Peavey Group ultimately decided to move forward with filing for CCAA protection. The Agent and Lenders supported its decision.
48. As part of the decision to move forward with CCAA protection, Peavey required interim financing on an urgent basis to provide stability, fund operations and preserve the Peavey Group's going-concern business value. The Agent, on behalf of the Lenders, agreed to permit Peavey to continue borrowing under the existing 1903 Revolving Loan Facility pursuant to the 1903 Credit Agreement, provided it was permitted to sweep cash from the Cash Management Account to reduce the pre-filing obligations outstanding under the 1903 Credit Agreement.
49. This interim lending arrangement was consistent with the cash dominion obligations required by the 1903 Credit Agreement. Under this arrangement, the 1903 Revolving Credit Facility would continue to revolve, with the proceeds from the sale of the Agent's collateral being applied to the loan balance, and re-advanced as interim financing to be secured by an interim lender's charge.
50. On January 27, 2025, the Peavey Group was granted protection under the CCAA pursuant to an Initial Order which provided, among other things, the following relief:
- (a) a stay of proceedings up to and including February 6, 2025;
 - (b) authorized the continued performance of consulting and consignment agreements between Peavey LP and GB Canada;
 - (c) authorized the Peavey Group to obtain interim financing (the "**Interim Financing**") from the Agent, in its capacity as interim lender (the "**Interim Lender**"), under the existing 1903 Revolving Loan Facility granted pursuant to the 1903 Credit Agreement (the "**Interim Financing Facility**"); and

- (d) certain Court-ordered charges including an administration charge, interim lender's charge with respect to the Interim Financing Facility, and a director's and officer's charge (collectively, the "**Charges**").
51. On February 6, 2025, the Court granted, among other things, the ARIO which provided:
- (a) an extension of the stay of proceedings until April 30, 2025;
 - (b) an increase to the amounts of the Charges;
 - (c) approval of a Key Employee Retention Plan ("**KERP**") and Key Employee Incentive Plan ("**KEIP**"), and approval of a corresponding fourth-ranking Charge;
 - (d) a restricted court access order with respect to the KERP and the KEIP; and
 - (e) authorized the continued use of the Interim Financing Facility.
52. The ARIO limits the Agent's application of the ongoing cash sweeps of the Cash Management Account to repayment of only the principle owing under the 1903 Credit Agreement, totalling \$66,414,413.41 and the Interim Financing. Due to the urgency in finalizing the form of ARIO in advance of the February 6 hearing, the Monitor, the Peavey Group and the Agent agreed that the Agent would return to Court at a later date to obtain approval to apply any cash sweeps against the fees set out in the Capital Fee Letter.
53. The Agent seeks authorization from the Court to apply any future cash sweeps there may be against any remaining balance of the Pre-Filing Obligations, including the \$19,155,369 for the fees due and owing pursuant to the Fee Letter as set out in the Capital Fees Letter.
54. I have reviewed the 13-week cash flow forecast ended March 1, 2025, prepared by the Monitor and Peavey Group in support of the ARIO, and understand that the fees claimed in the Capital Fee Letter are included as a schedule to that workbook. Attached and marked as **Exhibit "R"** is a copy of the cash flow forecast ended March 1, 2025, and relevant schedules thereto.
55. Since the filing date, cash from business operations and liquidation efforts deposited to the Cash Management Accounts have reduced the Pre-Filing Obligations outstanding under the 1903 Credit Agreement by \$61,301,167. As of March 1, 2024, approximately \$23,514,188 remains outstanding under the 1903 Credit Agreement, inclusive of fees, and \$22,158,444 remains owing under the Interim Financing Facility.

V. CONCLUSION

56. I swear this Affidavit in support of the relief sought in the Application and for no other improper purpose.

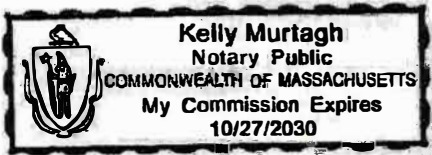
SWORN before me at the City of Boston, in)
the State of Massachusetts, this 7 day)
of March, 2025.)



A NOTARY PUBLIC IN AND FOR THE)
STATE OF MASSACHUSETTS)



KYLE SHONAK



This is Exhibit "A" referred to in the affidavit of
Kyle Shonak sworn before me at Boston,
Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of
Massachusetts



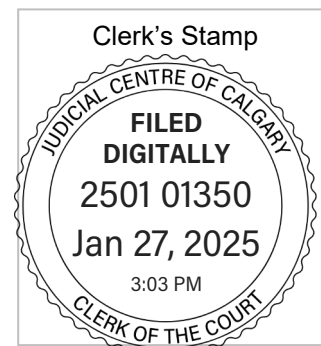
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File No.: 1001279041

AFFIDAVIT OF Douglas Anderson**Sworn on January 27, 2025**I, Douglas (Doug) Anderson, of the City of Red Deer, in the Province of Alberta, MAKE OATH AND SAY
AS FOLLOWS:**Introduction**

1. I am the Chief Executive Officer and President of Peavey Industries General Partner Limited (**Peavey GP**), being the sole general partner of Peavey Industries LP (**Peavey**). I am also a director and/or officer of each of the Applicants. As such, I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be based on information and belief, in which case I

verily believe the same to be true. In preparing this Affidavit, I consulted with Management of the Peavey Group (as those terms are defined at paragraphs 20 and 3 below, respectively) and advisors, and I have reviewed relevant documents and information concerning the Peavey Group's operations, business, and financial affairs.

2. All references to "dollars" or "\$" herein are references to Canadian dollars.

Relief Requested

3. This Affidavit is made in support of an application (the **Initial Application**) for creditor protection in the form of an initial order (**Initial Order**) under the *Companies' Creditors Arrangement Act* (Canada) (**CCAA**) by the Applicants, Peavey GP, TSC Stores GP Inc. (**TSC GP**), Guys Freightways Ltd. (**Guys**), and Peavey Industries Limited (**Peavey Industries**) (collectively, the **Applicants**). As part of the relief sought, the Applicants seek a stay of proceedings, initially limited to ten days (**Initial Stay Period**), and the extension of that stay of proceedings, together with the Initial Order's other terms, to Peavey (a limited partnership) and Peavey Industries Mutual Fund Trust (**MFT**, a trust) (the Applicants, Peavey LP and MFT are, collectively, the **Peavey Group**). As is detailed below, Peavey and MFT are integrally and closely connected to the Applicants and their operations so it is reasonable, appropriate and necessary for Peavey and MFT be covered by the proposed Initial Order, including the stay of proceedings.
4. If the Initial Order is granted, this Affidavit will also be used in support of a comeback application (**Comeback Application**) for an amended and restated initial order (**ARIO**) for extended and additional relief.
5. If granted, the proposed Initial Order would, among other things:
 - (a) abridge the time for service of notice for the Initial Application and all supporting materials, and deem service thereof to be good and sufficient;
 - (b) confirm the Applicants are companies to which the CCAA applies;
 - (c) confirm that Peavey and MFT shall be bound by the Initial Order, and shall enjoy the benefits and protections thereunder, including the stay of proceedings;
 - (d) grant the Initial Stay Period in favour of the Peavey Group up to and including February 6, 2025 at 11:59pm, subject to the exemption described in paragraph 78 below;
 - (e) appoint FTI Consulting Canada Inc. (**FTI**) as the monitor in this CCAA proceeding (if appointed, the **Monitor**);

- (f) confirm that the Peavey Group shall remain in possession and control of their current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (**Property**), and that they shall be entitled to continue to carry on business in a manner consistent with the preservation of value;
 - (g) authorize the Peavey Group to continue to use the Cash Management System (as defined at paragraph 90 below);
 - (h) authorize (but not obligate) the Peavey Group to pay for any amounts outstanding for inventory delivered by critical suppliers;
 - (i) grant the following priority charges (collectively, the **Charges**) on the Property of the Peavey Group, listed in the following order of priority:
 - (i) an administration charge (**Administration Charge**) not exceeding an aggregate amount of \$500,000 for the Initial Stay Period as security for the professional fees and disbursements of the Monitor, counsel for the Monitor, and counsel for the Applicants, both before and after the granting of the Initial Order;
 - (ii) an interim lender's charge (**Interim Lender's Charge**) not exceeding an aggregate amount of \$15,000,000 for the Initial Stay Period as security for any advances made from the Applicants' continued use of the 1903 Revolving Loan Facility (as defined at paragraph 43[a] below), from and after the commencement of these CCAA proceedings; and
 - (iii) a charge in favour of the Applicants' directors and officers (**D&O Charge**) not exceeding an aggregate amount of \$2,500,000 for the Initial Stay Period as security for the Applicants' indemnification obligations of their officers and directors against liabilities they may incur as directors and/or officers of the Applicants after the commencement of these CCAA proceedings except to the extent any obligation was incurred as a result of any director's or officer's negligence or willful misconduct,
 - (j) authorize continued performance under the SC Consulting Agreement, the RE Consulting Agreement and the Consignment Agreement (as defined at paragraphs 45[a], 45[b] and 45[c] below, respectively).
6. If the Initial Order is granted, the Peavey Group intends to bring the Comeback Application, returnable before the expiry of the Initial Stay Period, to seek an ARIO that is anticipated to include, among other things, the following additional relief:

- (a) an extension of the stay of proceedings;
- (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/or Key Employee Incentive Plan (**KEIP**) to facilitate retention and incentivize key employees to remain in their employment during the CCAA proceeding, and approval of a corresponding fourth-ranking Charge on the Property;
- (d) approve the SC Consulting Agreement, the RE Consulting Agreement and the Consignment Agreement; and
- (e) such further relief as may be necessary or desirable.

Overview

7. Peavey by its general partner Peavey GP operates as a retailer, selling agriculture, farm and ranch, pet, work wear, lawn and garden, hardware and homesteading supplies, principally to rural customers and those who enjoy a rural lifestyle. Peavey operates 88 Peavey Mart branded retail stores (42 in western Canada and 46 in eastern Canada), and six MainStreet Hardware branded retail stores. It employs approximately 1,900 people across Canada. Peavey had estimated sales of \$433,975,755 in 2024. Guys had estimated sales of \$6,331,824 in 2024 (the operations of Guys is explained in more detail starting at paragraph 31 below).
8. As is the case with retailers generally and notwithstanding Peavey's strong non-discretionary offering, Peavey's performance has suffered because of market fluctuations in consumer demand for discretionary goods.
9. In addition to softening consumer demand, inflationary pressures, and the lingering effects of the COVID-19 pandemic, interest rates have put pressure on Peavey's ability to service its senior debt and suppliers (as described in more detail starting at paragraph 64 below). Peavey is facing a liquidity crisis. In particular, access to Peavey's asset-based revolving credit facility is constrained, which is limiting Peavey's ability to pay suppliers. This has led to shelves not being stocked with inventory, which is impeding retail operations and resulting in diminished sales. Diminished sales, in turn, are resulting in the further erosion of Peavey's borrowing base.
10. For these reasons, Management has concluded that the best option to preserve the value of the Peavey Group's business is to obtain protection under the CCAA, close stores, liquidate inventory, and identify and assess potential restructuring or reorganization transactions that may be available to preserve parts of the Peavey Group's business as a going concern, thereby maximizing value.

The Peavey Group's Business

A. Organizational structure

11. The business and operations of the Peavey Group are implemented through Peavey, which, among other things, owns or holds licenses for retail brands, operates stores and distribution centres, and employs all employees (except those of Guys, as described at paragraph 35 below).
12. The head office of Peavey is located in Red Deer, Alberta, which is the principal base of the Peavey Group's operations. However, Peavey has material operations in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia.
13. Peavey is a registered limited partnership in Alberta. The result of an Alberta trade name / partnership search for Peavey is attached hereto as Exhibit 1.
14. The sole general partner of Peavey is Peavey GP, which is an Alberta corporation. The result of an Alberta corporate search for Peavey GP is attached hereto as Exhibit 2.
15. The limited partners of Peavey are Peavey Industries (approximately 92%) and MFT (approximately 8%). The result of an Alberta corporate search for Peavey Industries is attached hereto as Exhibit 3.
16. Peavey Industries is an Alberta corporation. MFT is a trust resident in Alberta that is qualified as a mutual fund trust under Canadian income tax legislation. The trustee of MFT is Computershare Trust Company of Canada. Management of the business and affairs of MFT has been delegated to Peavey Industries MFT Management Limited (**MFT Manager**) under a Management Services Agreement. The beneficiaries of MFT are approximately 207 individuals, including 176 current and former employees of Peavey.
17. TSC GP is an Ontario corporation, although its head office in Red Deer, Alberta. The results of an Ontario corporate search for TSC GP is attached hereto as Exhibit 4.
18. Guys is an Alberta corporation that is wholly owned by Peavey. The result of an Alberta corporate search for Guys is attached hereto as Exhibit 5.
19. An organizational chart for Peavey Group is attached hereto as Exhibit 6.

B. Management

20. Senior management of Peavey GP (**Management**) currently consists of:
 - (a) Myself, Doug Anderson, President and Chief Executive Officer;

- (b) Karen Dilon, Chief Financial Officer;
 - (c) Jest Sidloski, Vice President of Marketing and Customer Experience;
 - (d) Shaun Guthrie, Vice President of Technology & E-commerce;
 - (e) Nadine St. Denis, Vice President of People and Culture;
 - (f) Mark Ware, Vice President of Retail Operations;
 - (g) Fred Pennell, Vice President of Merchandising; and
 - (h) Liz Klein, Vice President of Distribution and Logistics.
21. Management and the directors of the Peavey Group have been and remain engaged in the initiatives and actions set out herein.
22. The Peavey Group has arranged for and funded standard director and officer liability insurance.

C. Brands and Stores

23. Peavey currently operates 88 Peavey Mart branded stores (42 in western Canada; 46 in eastern Canada), and six MainStreet Hardware branded stores.
24. Many of Peavey's stores in western Canada are strategically located in rural and small urban communities, not in large metropolitan areas, thereby avoiding direct competition with big box competitors. Other stores, particularly in eastern Canada, operate in centres of higher population density but are still designed to distinguish themselves from big box competitors by having a neighbourhood feel.
25. Peavey's stores average approximately 25,000 square feet of retail space, which equates to approximately 40% of the retail space of its big box competitors.
26. All Peavey Mart branded stores carry approximately 41,000 different products, with Mainstreet Hardware branded stores carrying a smaller amount. The cornerstone product categories of all Peavey stores are farm, feed, tools and hardware. Its discretionary product categories are apparel, outdoor living and equipment, electrical and heating / cooling, water management, and other (including paint, paint accessories, sundries, toys, and décor).

D. Distribution Centres

27. Purchased inventory is delivered by suppliers to one or the other of Peavey's two distribution centres, in Red Deer, Alberta (**Red Deer DC**) or London, Ontario (**London DC**). Inventory is then sorted before being trucked to stores.
28. The Red Deer DC is approximately 168,000 square feet with 13 truck-accessible bays for shipping and receiving. It is adjoined to the Peavey Group's head office.
29. The Red Deer DC is supplemented with a leased off-site warehouse facility in Red Deer, Alberta of approximately 110,000 square feet. It is used to store animal feed and small amounts of other inventory, although it is mostly empty at the present time. This leased off-site warehouse facility is also the base of operations for Guys, which has its own lease for its portion of this off-site warehouse facility.
30. The London DC is approximately 190,000 square feet with 9 truck-accessible bays for shipping and receiving.

E. Transportation and Logistics

31. On or about May 31, 2023, Peavey acquired Guys. Guys is a Red Deer, Alberta-based logistics and transportation company.
32. Peavey acquired Guys to provide the Peavey Group with greater control over logistics, transportation and deliveries to and from distributions centres and stores, and to improve operational efficiencies.
33. Guys owns 18 transport trucks and 38 trailers.
34. Guys operations are funded by Peavey through the Cash Management System (as defined and described starting at paragraph 90 below).

F. Employees

35. Peavey employs all employees of the Peavey Group, except approximately 20 in logistics and transportation who are employed by Guys.
36. Peavey has recently made efforts to rationalize its staffing and reduce its headcount to approximately 1,900 employees, as discussed in more detail at paragraph 65(a) below.
37. The Peavey Group does not have unionized employees, and employees of the Peavey Group are neither negotiating nor parties to any collective bargaining agreements.

38. The Peavey Group does not have pension obligations.
39. Some employees of Peavey qualify for RRSP matching and some employees of Peavey are beneficiaries of MFT. MFT was created on or about January 1, 2016 as a vehicle for select employees and accredited investors to benefit from any growth and success of the Peavey Group. However, the Peavey Group's financial circumstances are such that nothing has been paid from MFT to beneficiaries since April 15, 2022.

G. E-commerce

40. Peavey products may be purchased online at <https://www.peaveymart.com>. In fiscal year 2024 (ending December 28), e-commerce sales totaled approximately \$15,250,000.

Stakeholders

A. Senior Lender

41. Peavey (as borrower) by its general partner, Peavey GP, and Peavey GP and TSC GP (as guarantors) entered an amended and restated credit agreement dated as of December 18, 2020 with Royal Bank of Canada, as agent for a syndicate of lenders (**RBC Credit Agreement**). The RBC Credit Agreement was amended eleven times, including through the addition of guarantors and pledgors, most recently on November 27, 2024.
42. As was required by the eleventh amendment to the RBC Credit Agreement, a new credit agreement was negotiated and entered between lenders from time to time a party thereto (**Lenders**, with 1903 Partners, LLC being the original lender), 1903P Loan Agent, LLC (**Agent**, as the Lenders' administrative agent), Peavey (as borrower) by its general partner, Peavey GP, and Peavey GP, TSC GP and Guys (as guarantors) dated as of December 20, 2024 (**1903 Credit Agreement**). Through entry of the 1903 Credit Agreement and funding thereunder, the syndicate of lenders under the RBC Credit Agreement was paid out in full. A copy of the 1903 Credit Agreement is attached hereto as Exhibit 7.
43. The 1903 Credit Agreement provides, as follows:
- (a) a revolving credit facility (**1903 Revolving Loan Facility**) from the effective date of the 1903 Credit Agreement until April 1, 2025 in the maximum amount of \$105,000,000 and thereafter in the maximum amount of \$90,000,000, the borrowing base of which is calculated based on amounts of eligible accounts, eligible inventory and eligible credit card receivables, less certain availability blocks and reserves for price adjustments, spoilage and other factors;

- (b) a term loan facility (**1903 Term Loan Facility**) in the maximum amount of \$30,000,000, the borrowing base of which is calculated based on amounts of eligible accounts, eligible inventory, eligible credit card receivables, and eligible equipment, less certain reserves for price adjustments, spoilage and other factors;
 - (c) interest payable at (i) the Canadian Overnight Repo Rate or Royal Bank of Canada's *per annum* prime reference rate for commercial loans plus (ii) (A) for any loan under the 1903 Revolving Loan Facility, 6.75% *per annum* (to be reduced to 5.75% *per annum* if EBITDA of Peavey for the fiscal year ended December 31, 2025 is at least equal to the EBITDA projection) and (B) for any loan under the GB Term Loan Facility, 10.50% *per annum*;
 - (d) default interest of an additional 2% from the date of any event of default (**Default Interest Rate**);
 - (e) a final maturity date of December 20, 2027;
 - (f) reporting requirements to provide internal financial statements, audited financial statements, financial projections, borrowing base certificates, calculations of eligible accounts, eligible inventory and eligible equipment, 13-week budgets, and budget variance reports, all at varying intervals;
 - (g) financial covenants relating to minimum sales, minimum cash collections from accounts receivable, minimum inventory receipts from vendors, minimum on-site inventory levels, maximum disbursements, and minimum feed inventory levels; and
 - (h) cash dominion obligations for Peavey to maintain cash management accounts subject to blocked account and control agreements in favour of the Agent (**Cash Management Accounts**) and deposit all proceeds of collateral into same to manage the asset-based lending structure and borrowing base for the 1903 Revolving Loan Facility. For certain periods of time and following certain events, including the occurrence and continuation of any events of default, all amounts in the Cash Management Accounts must be wired daily into collections accounts designated by the Agent.
44. The 1903 Credit Agreement is supported by the following guarantees and security agreements:
- (a) Guarantee granted by Peavey GP, Guys and TSC GP (at Article IX of the 1903 Credit Agreement, attached as Exhibit 7);
 - (b) Pledge and Security Agreement dated December 20, 2024 among Peavey, Peavey GP, Guys, TSC GP and the Agent, attached as Exhibit 8;

- (c) Limited Recourse Guarantee and Pledge dated January 8, 2025 among MFT (by MFT Manager on its behalf) and the Agent pursuant to which MFT pledged all of its partnership units in Peavey, attached as Exhibit 9;
 - (d) Limited Recourse Guarantee and Pledge dated January 8, 2025 among Peavey Industries and the Agent pursuant to which Peavey Industries pledged all of its partnership units in Peavey, attached as Exhibit 10;
 - (e) Uncertificated Securities Control Agreement dated January 8, 2025 among Peavey GP, Peavey and the Agent pursuant to which Peavey GP pledged all of its partnership units in Peavey, attached as Exhibit 11;
 - (f) Subordination and Postponement Agreement dated December 20, 2024 between the Agent, Peavey and Origin Story Inc. (**Origin Story**) in respect of a related party loan between Origin Story and Peavey pursuant to which Origin Story subordinated its rights in respect of such loan to the Agent's rights under the 1903 Credit Agreement, attached as Exhibit 12;
 - (g) Blocked Account Agreement dated December 20, 2024 among Peavey, Guys, ATB Financial and the Agent, attached as Exhibit 13;
 - (h) Blocked Account Agreement dated December 20, 2024 among Peavey, Royal Bank of Canada and the Agent, attached as Exhibit 14;
 - (i) Trademark Security Agreement dated December 20, 2024 between Peavey and the Agent, attached as Exhibit 15; and
 - (j) Landlord Waivers dated December 12, 2024 and December 20, 2024 in respect of store locations and distribution centres located in Peterborough, Ontario; Lethbridge, Alberta; Weyburn, Saskatchewan; Assiniboia, Saskatchewan; Bowmanville, Ontario; Humboldt, Saskatchewan; Yorkton, Saskatchewan; Red Deer, Alberta; London, Ontario; and, attached as Exhibit 16.
45. Through the negotiation of the 1903 Credit Agreement, additional and ancillary agreements each dated December 20, 2024 were also entered between Peavey and Gordon Brothers ULC (**GBC**), an affiliate of the Lenders, including the following:
- (a) the Store Closing Consulting Agreement with GBC, as consultant (together with three Statements of Work dated January 9, 13 and 23, 2025 and all statements of work to be entered thereunder, the **SC Consulting Agreement**), for the provision of consulting

services related to store closures, attached (together with the three statements of work), attached as Exhibit 17;

- (b) the Agreement for Services with GBC, as consultant (**RE Consulting Agreement**), for the provision of real estate consulting services, attached as Exhibit 18; and
 - (c) the Master Service Agreement for Consignment of Memo Merchandise with GBC, as consignor (**Consignment Agreement**), to replenish critical inventory at Peavey stores, attached as Exhibit 19.
46. The SC Consulting Agreement and RE Consulting Agreement each contemplate GBC (**Consultant**) acting in a third-party consultant capacity to assist Peavey in the realization of the Property to maximize value for stakeholders.
47. The Consignment Agreement contemplates the supply of merchandise by GBC, as consignor, to Peavey, as consignee. Consigned merchandise is sold by Peavey, which retains the sale proceeds less a consignor's fee, taxes on that fee, expense reimbursement, and the cost of the merchandise. Title to consigned merchandise is retained by the consignor until sold. At present, approximately \$700,000 of merchandise has been provided by GBC to Peavey on a consignment basis under the Consignment Agreement. GBC has registered a purchase money security interest in connection with the consigned merchandise.
48. The Consignment Agreement was entered to support efforts to replenish inventory of like and no lesser quality from ordinary course suppliers who would not otherwise deliver goods due to Peavey's deteriorating creditworthiness. Replenishment of inventory is key to attracting customers to stores and, in turn, to maximizing the value of non-consigned merchandise.
49. Products purchased pursuant to the Consignment Agreement includes products relating to agricultural suppliers, seeding supplies, pet products, and outdoor wear.

B. Landlords

50. All stores (irrespective of branding), the distribution centres, and the head office are operated by Peavey from leased premises, excepting only the portion of the Red Deer off-site warehouse facility, as described at paragraph 29 above.
51. Seven store locations are leased to Peavey from Peavey Management Inc. (**PMI**), which is owned by me and my brother, David Anderson. Artifact Properties Ltd. (**Artifact**), which is owned by me, Erin Anderson (my wife), David Anderson, and Michelle Anderson (David's wife), leases one store location to Peavey and leases the Red Deer off-site warehouse to Peavey and Guys. PMI and

Artifact are not parties to the 1903 Credit Agreement or any of its related guarantees or security agreements. They are not Applicants and are not contemplated as protected by the Initial Order.

52. Between March and December 2024, Peavey closed four underperforming stores in Edmonton, Wetaskiwin, Welland and Cambridge. On December 2, 2024, Peavey commenced closure of a store in Rockland and on January 9, 2025, Peavey commenced closure of a store in Hyde Park. On or about January 21, 2025, Peavey announced another 22 upcoming store closures. Signage was posted at all stores to announce store closing sales, starting on January 24, 2025.

C. Suppliers

53. As of the date of this Affidavit, Peavey has on-hand, past due balances with approximately 820 suppliers, totalling approximately \$60,000,000.

D. Taxes

54. The Peavey Group is current with its obligations to Canada Revenue Agency and all provincial tax authorities.

Financial Statements

55. Peavey's last audited financial statements are for the 2023 final year, which are out of date. Attached hereto and marked as Exhibits 20, 21, 22 and 23 are the most recent internal financial statements for Peavey for Q1, Q2, Q3 and Q4 2024, respectively. Peavey's Q4 2024 internal financial statements show: (a) current assets of \$144,268,832, including \$132,189,847 of inventory, (b) long term assets of \$27,836,114, including obligations due from and investments in related parties, (c) current liabilities of \$93,486,983, including \$72,813,973 of accounts payable, and (d) long term liabilities of \$91,073,597, including \$67,453,001 of long term bank debt and \$9,374,400 due to non-arm's length individuals.
56. The Peavey Group is continuing to review its records to identify whether there are any additional intercorporate guarantees or other sources of contingent liability. If any additional contingent liabilities are identified, the Peavey Group will report on this matter to the Court at that time.

Security Registrations

57. Attached hereto and marked as Exhibit 24 are results of personal property registry (**PPR**) searches for Peavey LP from British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, and Nova Scotia. In general terms, these PPR search results for Peavey LP reveal:
- (a) security registrations against all present and after-acquired personal property in favour of the Agent in British Columbia, Alberta, Saskatchewan, Manitoba, and Nova Scotia;

- (b) several serial number goods and purchase money security interests registered against vehicles, inventory and equipment leased in favour of different secured parties in British Columbia, Alberta, Manitoba, Ontario, and Nova Scotia;
 - (c) purchase money security interests for consignment goods in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, and Nova Scotia; and
 - (d) several security registrations against various other types of personal property, including office and building supplies as well as leasehold improvement materials.
58. Attached hereto and marked as Exhibit 25 are results of PPR searches for Peavey GP from British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, and the Northwest Territories. In general terms, these PPR search results for Peavey GP reveal:
- (a) security registrations against all present and after-acquired personal property in favour of the Agent in British Columbia, Alberta, Saskatchewan, Manitoba, and Nova Scotia;
 - (b) several serial number goods registered against vehicles, inventory and equipment leased in favour of different secured parties in British Columbia, Alberta, Manitoba, Ontario, Nova Scotia; and
 - (c) purchase money security interests for consignment goods in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, and Northwest Territories.
59. Attached hereto and marked as Exhibit 26 is the result of a PPR search for TSC GP from Ontario. In general terms, this PPR search results for TSC GP reveals security registrations against all present and after-acquired personal property in favour of the Agent.
60. Attached hereto and marked as Exhibit 27 are results of PPR searches for Guys from British Columbia, Alberta and Saskatchewan. In general terms, these PPR search results for Guys reveal security registrations against all present and after-acquired personal property in favour of the Agent in Alberta.
61. Attached hereto and marked as Exhibit 28 is a result of a PPR search for Peavey Industries from Alberta. In general terms, this PPR search result for Peavey Industries reveals a security registration in favor of the Agent for all units, trust units, partnership, membership, or other interests, participations or other equivalent rights in the equity or capital of Peavey LP.
62. Attached hereto and marked as Exhibit 29 is a result of a PPR search for MFT from Alberta. In general terms, this PPR search result for MFT reveals a security registration in favor of the Agent

for all units, trust units, partnership, membership, or other interests, participations or other equivalent rights in the equity or capital of Peavey LP.

63. None of the Peavey Group members own land or interests in land against which security interests may be registered other than leasehold interests.

Revenue Performance Difficulties and Efforts to Respond

64. Revenue performance of Peavey was negatively impacted by cautious consumer spending, given the discretionary nature of many of Peavey's goods, combined with pressures from the COVID-19 pandemic, inflation, high interest rates, and strong competition from big box and e-retailers, all of which resulted in slowed sales and margin pressures throughout 2023 and 2024.
65. Management pursued a variety of operational initiatives to respond to Peavey's declining revenue and overall financial performance, including the following:
- (a) **Headcount reductions:** Peavey endeavoured to right-size staffing levels. It reduced its total number of employees by approximately 105 in 2023, achieving annual savings of approximately \$6,000,000 but incurring one-time severance costs of approximately \$2,500,000. This right-sizing was most significant at head office, where 63 positions (representing approximately 25% of all head office positions) were eliminated. Peavey currently has approximately 1,900 employees.
 - (b) **Freight optimization:** In August of 2023, Peavey made the strategic decision to change freight providers and renegotiate rates to reduce costs. Management also commenced efforts to increase the average cube per truckload, and reduce cross-docking and delivery costs.
 - (c) **Closure of redundant distribution centres:** In November of 2023, Peavey substantially exited an overflow facility in London, Ontario and moved all inventory to its primary eastern Canada distribution centre (also located in London). The overflow facility lease expired on July 1, 2024 and was not renewed. Peavey forecasts in excess of \$1,000,000 in annual rent and payroll savings as a result.
 - (d) **Rent deferrals:** Starting in March 2024, Peavey began to approach landlords for rent deferrals and reductions. Approximately 65 rent deferral agreements were entered in respect of approximately \$3,000,000 of rent.
 - (e) **Closures of underperforming stores:** As referenced at paragraph 52 above, Management closed four underperforming stores between March and December 2024; commenced closure of a store in Rockland on December 2, 2024; commenced closure of

a store in Hyde Park on January 9, 2025; and announced the closure of 22 more stores on or about January 21, 2025 before store closing sales were announced at all stores nationwide on January 24, 2025.

- (f) **SKU rationalization:** Management implemented a SKU rationalization plan in 2023 to reduce its SKU count from approximately 55,000 SKUs to a target of 36,000.
 - (g) **Inventory move:** In March and April 2024, Peavey moved approximately \$6,000,000 of inventory from stores in eastern Canada to stores in western Canada, where revenue performance has traditionally proved to be more robust.
 - (h) **Liquidations:** Starting on approximately January 21, 2025, Peavey posted signage at 22 stores to advise of “store closing” sales to facilitate the expedited closure of those stores. Similar signage went-up at all stores nationwide, starting January 24, 2025.
66. Significantly, in addition to the operational initiatives described immediately above, Management pursued an extensive strategic process between May and December 2024 with support from FTI Capital Advisors to identify potential partners to take-out or re-pay its then-senior lenders under the RBC Credit Agreement because Peavey was (and had long been) in default. That objective was achieved through entry of the 1903 Credit Agreement on December 20, 2024.
67. However, the poor revenue performance and difficulties in obtaining inventory from suppliers that immediately followed entry of the 1903 Credit Agreement were such that Peavey defaulted quickly under its new financial covenants. Peavey is now working with the Agent to liquidate inventory, close additional stores, and identify any parts of Peavey that may be able to survive as going concerns.

Notices of Default

68. On January 15, 2025, Peavey received a notice of events of default and reservation of rights letter from the Agent, *inter alia*, giving notice of defaults and/or events of default under Section 6.12 (financial covenants) of the 1903 Credit Agreement, reserving all rights of the Agent and Lenders, advising that the Default Interest Rate is engaged, and advising that the Lenders are no longer obligated to fund any loans (**Reservation of Rights Letter**). A copy of the Reservation of Rights Letter is attached hereto and marked as Exhibit 30.
69. On January 16, 2025, counsel for the Agent and Lender served demand letters and notices of intention to enforce security under s. 244 of the *Bankruptcy and Insolvency Act* (Canada) on each of Peavey, Peavey GP, TSC GP, Guys, MFT (via MFT Manager) and Peavey Industries (collectively, the **Demands**). The amount demanded was \$66,414,413.41, plus legal and

professional fees, costs, charges, disbursements and expenses. Copies of the Demands are attached hereto and marked as Exhibit 31.

70. As a result of the Demands, Peavey has no further access to funding under the 1903 Credit Agreement, absent the granting of the relief requested herein in respect of the Interim Financing (defined below at paragraph 82).
71. The Peavey Group, FTI Capital Advisors and the Agent are in constant communication. Despite service of the Demands on January 16, 2025, Management understands the Agent and Lenders are supportive of the Peavey Group's CCAA filing and all related efforts to maximize value.

Summary of a Proposed Plan

72. The Peavey Group, in consultation with FTI Capital Advisors and the Agent, have formulated an initial outline of a restructuring plan to be effectuated through a CCAA proceeding, which is designed to preserve the value of its business, generally consisting of the following:
- (a) closing under-performing stores, including selling or disclaiming store leases, in accordance with the RE Consulting Agreement;
 - (b) liquidating inventory in accordance with the SC Consulting Agreement;
 - (c) selling non-core assets;
 - (d) selling consignment merchandise at store locations, as necessary to promote customer traffic or otherwise enhance value, in accordance with the Consignment Agreement;
 - (e) identifying any parts of the business that may be sold or survive as going concerns; and
 - (f) strategizing to further address the liquidity issues faced by the Peavey Group.

Proposed Relief

A. The CCAA applies to the Applicants

73. The Applicants are corporations incorporated by or under a legislature of a province. Each is also all insolvent due to the liability that it cannot satisfy under its guarantee or limited recourse guarantee, as the case may be, relating to Peavey's indebtedness under the 1903 Credit Agreement. That liability is significantly in excess of \$5,000,000.
74. Peavey and MFT are not Applicants; however, they are closely connected to and intertwined with the operations of the Applicants.

75. Peavey operates the retail business, employs the employees, leases all premises for the Peavey Group (except a portion of the Red Deer off-site warehouse facility, which is leased by Guys), and is the borrower under the 1903 Credit Agreement. Peavey is insolvent and has liabilities significantly in excess of \$5,000,000 because:
- (a) Peavey has debt obligations under the 1903 Credit Agreement of \$66,414,413.41, plus legal and professional fees, costs, charges, disbursements and expenses, as at January 16, 2025, as demanded, that it cannot satisfy; and
 - (b) Peavey is unable to satisfy its obligations to suppliers as they come due, which has resulted in an accumulation of on-hold, past due balances with approximately 820 suppliers, totalling approximately \$60,000,000.
76. MFT is a limited partner of and holds partnership units (8%) in Peavey.

B. Stay of Proceedings

77. A stay of proceedings is essential to maintaining the status quo in order to preserve the value of the business and operations of the Peavey Group, subject to the exemption described in paragraph 78 immediately below. To be effective, the stay of proceedings must extend to Peavey and MFT. A stay of proceedings would provide the Peavey Group with an opportunity to implement its proposed plan to maximize value.
78. The Applicants seek an exemption (**Stay Exemption**) to the stay of proceedings against the Agent, on behalf of the Lenders, to permit the maintenance of the Cash Management System described above. This will permit Peavey to continue to borrow under the existing 1903 Revolving Loan Facility, as further described starting at paragraphs 81 and 82 below. Management is advised that the proposed Monitor is supportive of the Stay Exemption.

C. Interim Financing

79. Interim financing is needed on an urgent basis during the Initial Stay Period (and will be needed thereafter) to provide stability, fund operations for a limited period of time, and preserve the Peavey Group's business while next steps are evaluated.
80. As described above, the 1903 Credit Agreement provides Peavey with certain cash dominion obligations to maintain the Cash Management Accounts. All amounts in the Cash Management Accounts must be wired each day to the Agent's collection accounts.
81. The Agent, on behalf of the Lenders, as proposed interim lender (**Interim Lender**), has advised that it is prepared to permit Peavey to continue to borrow under the existing 1903 Revolving Loan

Facility during the Initial Stay Period pursuant to the 1903 Credit Agreement, provided the Stay Exemption is granted, such that all amounts in the Cash Management Accounts continue to be wired each day to the Agent's collection accounts.

82. Under the foregoing interim borrowing arrangement, the loan under the 1903 Credit Agreement will continue to revolve, with the proceeds of the Lenders' collateral being applied to the loan balance and re-advanced as interim financing (**Interim Financing**) to be secured by the Interim Lender's Charge.
83. Based upon the Cash Flow Forecast, this interim borrowing arrangement is expected to provide sufficient liquidity for the Peavey Group to continue business operations during the Initial Stay Period.

D. Charges on assets, properties and undertakings of the Peavey Group

84. It is contemplated that the Monitor, counsel to the Monitor, and counsel to the Peavey Group will be granted the Administration Charge, being a first priority court-ordered charge over the Property up to a maximum amount of \$500,000 for the Initial Stay Period, which reflects an estimate of the fees of those professionals for as-yet unpaid pre- and post-filing work through to the end of the Interim Stay Period, as determined in consultation with the proposed Monitor. The Peavey Group requires the expertise, knowledge and continuing participation of these professionals in order to maximize value through a CCAA proceeding. The Peavey Group believes the Administration Charge is necessary to the important continued participation of those professionals in the CCAA proceeding, and is fair and reasonable in the circumstances. An increase to the amount of the Administration Charge is expected to be sought by the Peavey Group at the Comeback Application.
85. It is contemplated that the Interim Lender will be granted, in respect of the Interim Financing, the Interim Lender's Charge, being a second priority court-ordered charge over the Property. Given the need to meet near-term liquidity requirements, approval of the Interim Financing and the related Interim Lender's Charge up to \$15,000,000 for the Initial Stay Period is fair and reasonably necessary in the circumstances, including to meet payroll obligations, based on cash flow forecasts prepared in consultation with the proposed Monitor. An increase to the amount of the Interim Lender's Charge is expected to be sought by the Peavey Group at the Comeback Application.
86. Given the current financial circumstances of the Peavey Group, the Interim Lender has indicated that it is not prepared to continue to advance any further funds without the security of the Interim Lender's Charge, including the proposed priority thereof.
87. It is contemplated that the Peavey Group's directors and officers will be granted the D&O Charge, being a third-priority court-ordered charge over the Property up to a maximum of \$2,500,000 for

the Initial Stay Period. The amount of the D&O Charge was determined in consultation with the proposed Monitor to cover payroll and HST obligations during the Initial Stay Period. A successful restructuring will require the continued participation of the directors and officers, who have specialized knowledge, decades of combined experience with the Peavey Group, and key relationships with stakeholders. The knowledge and experience of the directors and officers cannot be replicated or replaced. The Peavey Group therefore believes the D&O Charge is fair and reasonable in the circumstances. An increase to the amount of the D&O Charge is expected to be sought by the Peavey Group at the Comeback Application.

88. As stated at paragraph 22 above, the Peavey Group maintains insurance in respect of the potential liability of directors and officers. The D&O Charge does not duplicate insurance coverage, but instead is to apply in the event that coverage limitations or exclusions become an issue. The D&O Charge, together with the Administration Charge and Interim Lender's Charge, are referred to collectively as **Charges**.
89. The Applicants are not seeking to have the Charges rank in priority to the interests of any lessors or holders of purchase money security interests that have not been served with the Initial Application and related materials prepared in support of the Initial Order. The priority of the Charges vis-à-vis lessors and purchase money security interest creditors, or any other secured creditors, may be revisited by the Applicants at the Comeback Application or subsequent applications.

E. Accounts and Cash Management System

90. In the ordinary course of business, the Peavey Group uses a centralized cash management system (**Cash Management System**) to, among other things, collect funds, pay expenses associated with its operations, and facilitate intercompany loans and cash transfers. As part of this Cash Management System, Peavey maintains Cash Management Accounts with Royal Bank of Canada and Guys maintains Cash Management Accounts with ATB Financial.
91. The Cash Management System provides the Peavey Group with the ability to efficiently and accurately track and control corporate funds and to ensure cash availability across all of the entities of which it is comprised. The Cash Management System also allows the Peavey Group to monitor cash flow and ensure compliance with its financial obligations.
92. Given the nature and scale of Peavey Group's operations, the continued use of the existing Cash Management System is required and appropriate during these CCAA proceedings. I understand that the proposed Monitor is also supportive of this relief.

F. Authorization of Continued Performance under Pre-Filing Agreements

- 93. The SC Consulting Agreement, the RE Consulting Agreement and the Consignment Agreement were entered to support on any realization process.
- 94. The Peavey Group seeks authorization to continue performance under the SC Consulting Agreement, the RE Consulting Agreement and the Consignment Agreement, all of which are currently being implemented, to assist with the ongoing orderly liquidation of Property, the closure of stores, and the maximization of value.
- 95. The proposed Monitor has advised that the terms of the SC Consulting Agreement and the Consignment Agreement are fair and reasonable, and typical of agreements and orders for inventory realization sales that have been negotiated and/or approved in other retail insolvencies.


Monitor

- 96. FTI has consented to act as Monitor. A duly executed Consent to Act as Monitor is attached hereto and marked as Exhibit 32.

Conclusion

- 97. I swear this Affidavit in support of an application by the Applicants for an Initial Order under the CCAA, including a stay of proceedings in favour of the Peavey Group, for the purpose of providing an opportunity for the Peavey Group to maximize the value of its assets, business and operations.

SWORN before me at the City of Calgary, in the)
 Province of Alberta, this 27)
 day of January, 2025.)


 _____)
 A Commissioner for Oaths in and for the)
 Province of Alberta)


 _____)
 DOUGLAS ANDERSON)

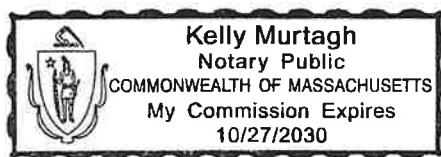
Erin Elizabeth Colwell
Barrister and Solicitor

This is Exhibit "B" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



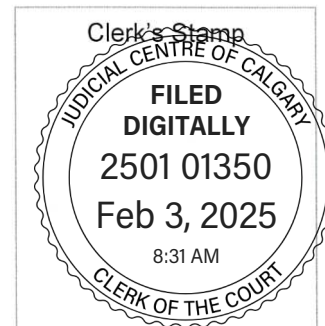
Kelly Murtagh

A Notary Public in and for the State of Massachusetts



Form 49
Rule 13.19

COURT FILE NUMBER 2501 01250
 COURT COURT OF KING'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY
 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., GUYS FREIGHTWAYS LTD., and PEAVEY INDUSTRIES LIMITED

DOCUMENT **AFFIDAVIT IN SUPPORT OF AMENDED AND RESTATED INITIAL ORDER AND OTHER RELIEF**

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File No.: 1001279041

AFFIDAVIT #2 of Douglas Anderson

Sworn on January 31, 2025

I, Douglas (Doug) Anderson, of the City of Red Deer, in the Province of Alberta, MAKE OATH AND SAY AS FOLLOWS:

Introduction

1. I am the Chief Executive Officer and President of Peavey Industries General Partner Limited (**Peavey GP**), being the sole general partner of Peavey Industries LP (**Peavey**). I am also a director and/or officer of each of the Applicants. As such, I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be based on information and belief, in which case I

verily believe the same to be true. In preparing this Affidavit, I consulted with Management of the Peavey Group and advisors, and I have reviewed relevant documents and information concerning the Peavey Group's operations, business, and financial affairs.

2. I swore an Affidavit in these CCAA proceedings on January 27, 2025 (**Anderson Affidavit #1**). Capitalized terms not defined herein are as defined in that prior Affidavit.
3. All references to "dollars" or "\$" herein are references to Canadian dollars.

Relief Requested

4. On January 27, 2025, the Court of King's Bench of Alberta granted an Initial Order in these CCAA proceedings. The stay of proceedings under the Initial Order was granted through February 6, 2025 at 11:59 p.m..
5. This Affidavit is made in support of an application (**Comeback Application**) for an amended and restated the initial order, or "ARIO", which would grant the following additional relief:
 - (a) An extension of the stay of proceedings through April 30, 2025 at 11:59 p.m.;
 - (b) Increasing the amounts of the Administration Charge, the Interim Lender's Charge, and the D&O Charge, as follows:
 - (i) Administration Charge (to the maximum amount of \$750,000);
 - (ii) Interim Lender's Charge (to the maximum amount of \$25,000,000); and
 - (iii) D&O Charge (to the maximum amount of \$7,000,000).
 - (c) The approval of a KERP and KEIP and the granting of a fourth-ranking priority charge, to a maximum amount of \$1,204,470, on the Property in respect of it (**KERP/KEIP Charge**);
 - (d) For the Administration Charge, the Interim Lender's Charge, the D&O Charge, and the KERP/KEIP Charge (collectively, the **Charges**) to rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise; and
 - (e) Declaring that terminated employees of the Peavey Group meet the criteria of s. 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 (**WEPPA**) and are individuals to whom WEPPA applies.
6. The Applicants are also seeking approval of a Restricted Court Access Order in respect of the details of the KERP and KEIP, which are anticipated to be attached to the Monitor's First Report.

Activities and operations since Initial Order was granted

7. Since the Initial Order was granted on January 27, 2025, I and Management have communicated with stakeholders, including staff, suppliers and customers to notify them of the Initial Order and the commencement of these CCAA proceedings, and to otherwise keep them informed. Communications have included the following:
 - (a) Correspondence to all members of the Peavey Group organization by email to "All-Users" with Peavey email addresses, dated January 27, 2025, advising of the granting of the Initial Order, as attached at **Exhibit "A"**;
 - (b) Employee Q&A posted on Dayforce (a Human Resources software platform used by the Peavey Group), dated January 27, 2025, to address anticipated employee concerns, as attached at **Exhibit "B"**;
 - (c) National press release, dated January 27, 2025, advising of store closures and the commencement of these CCAA proceedings, as attached at **Exhibit "C"**;
 - (d) Social media statement posted to Facebook and Twitter (now X), dated January 28, 2025, advising of the granting of the Initial Order, as attached at **Exhibit "D"**;
 - (e) Correspondence to all members of the Peavey Group organization by email to "All-Users" with Peavey email addresses and posted on Dayforce, dated January 30, 2025, addressing frequently asked questions of employees, including about terminations, as attached at **Exhibit "E"**; and
 - (f) Correspondence by email to approximately 1,987 suppliers, dated January 30, 2025, addressing frequently asked questions of suppliers, as attached at **Exhibit "F"**.

8. The Peavey Group through Management and employees has also been in near constant contact with a variety of its suppliers and vendors, mostly through telephone calls, since the Initial Order was granted.

9. In Anderson Affidavit #1, I advised that liquidation and store closing sales began at all store locations, starting on January 24, 2025. The Peavey Group has continued to work closely with the Monitor and the Consultant under the SC Consulting Agreement and RE Consulting Agreement to progress those sales.

10. Through to the date of this Affidavit, liquidation and store closing sale discounts are currently set between 10% and 30% on most merchandise, although some merchandise such as agricultural feed is not discounted.

11. Sales from January 23-29, 2025 reveal an increase in sales revenues (approximately 149%) and transactions (approximately 146%) versus the same dates from 2024.
12. In Anderson Affidavit #1, I advised that approximately \$700,000 of merchandise was provided by GBC to Peavey on a consignment basis under the Consignment Agreement as at the date of that Affidavit. GBC has continued to supply merchandise to Peavey retail locations on a consignment basis under the Consignment Agreement.
13. On January 31, 2025, the Peavey Group engaged in its first round of post-CCAA employee terminations, totalling 116 employees. While accrued, but unpaid, vacation will be paid to the terminated employees, severance obligations will not be paid. I am informed by counsel to the Peavey Group, Howard A. Gorman, KC, that a declaration of WEPPA's application to terminated Peavey Group employees (as described in paragraph 5(e) above) will assist these and future terminated employees by providing access to payment programs under WEPPA.
14. The success of the Peavey Group's plan to maximize value, being pursued in conjunction with the Monitor and the Consultant, depends on the retention and continued care and attention of key employees. To that end, a Key Employee Retention Plan (KERP) and Key Employee Incentive Plan (KEIP) were prepared to incentivize certain employees to remain, support and maximize the value of the Peavey Group, both in stores and at the head office.
 - (a) The KERP identifies 231 store and distribution centre employees and 32 head office and corporate employees as key and provides for total retention payments of \$954,470 (\$764,470 available for store and distribution centre employees and \$187,000 available for head office and corporate employees, respectively).
 - (b) The KEIP creates a pool of \$250,000, to be allocated to five senior employees and executives if the net receipts of the proceedings exceeds \$75,000,000 after payment of post-filing advances.
15. Though I am continuing to work diligently for the Peavey Group, I am not entitled to any payments under the KERP or KEIP.
16. The proposed KERP and KEIP are expected to be attached to a Confidential Supplement to the Monitor's First Report. These documents contain personal, identifying information about employees, as well as their salary information, which has both commercially sensitive and personally sensitive aspects to it. Because the proposed KERP and KEIP contain sensitive personal and commercial information, the Applicants are seeking a Restricted Court Access Order. The disclosure of such information would cause serious and irreparable harm to the interests of the Applicants and those listed and described individuals.

17. The Peavey Group is working diligently and in conjunction with the Monitor and the Agent, as Interim Lender, to liquidate inventory, facilitate the closing of stores, and maximize the value of inventory by developing foot traffic and enhancing sales volumes, and explore potential strategic opportunities for parts of the Peavey Group's business. The Peavey Group has and continues to work in good faith and due diligence in these proceedings.

Conclusion

18. I swear this Affidavit in support of an application by the Applicants for the ARIO and Restricted Court Access Order, which will aid the Peavey Group in maximizing the value of its assets, business and operations.

SWORN before me at Red Deer County, in the)
Province of Alberta, this 31st day of January,)
2025.)



A Commissioner for Oaths in and for the)
Province of Alberta)
THOMAS G. LANGFORD)
Barrister and Solicitor)



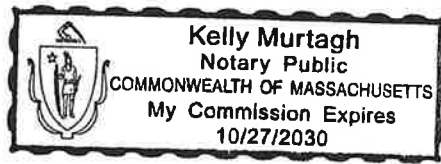
DOUGLAS ANDERSON)

This is Exhibit "C" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of Massachusetts

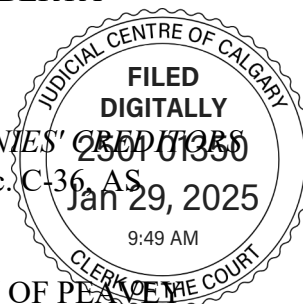


COURT FILE NUMBER 2501 - 01350

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 PRE-FILING REPORT OF FTI CONSULTING CANADA
INC., IN ITS CAPACITY AS PROPOSED MONITOR OF
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

January 27, 2025

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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PRE-FILING REPORT OF THE PROPOSED MONITOR

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Appendix A – The Cash Flow Statement

INTRODUCTION

1. FTI Consulting Canada Inc. (“**FTI**” or the “**Proposed Monitor**”) understands that 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**”) intend to make an application before 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. As part of the relief sought, the Applicants seek to extend the relief sought in the Initial Order, including the Stay of Proceedings, to 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. FTI also understands that the Applicants are proposing that the Court appoint FTI as Monitor in these CCAA proceedings (FTI in such capacity, the “**Monitor**”).
3. This pre-filing report of the Proposed Monitor (the “**Pre-Filing Report**” or this “**Report**”) has been prepared: (i) prior to, and in contemplation of its appointment as Monitor; and (ii) to provide information to the Court solely in respect of the relief sought by the Applicants at the hearing in respect of the Initial Order. Should FTI be appointed as Monitor, FTI intends to file a further report with the Court in its capacity as Monitor in respect of the relief being sought by the Applicants at the hearing to amend and restate the Initial Order (the “**Comeback Hearing**”).

PURPOSE

4. The purpose of this report to inform this Honourable Court and the Applicants' stakeholders with information and the Proposed Monitor’s comments with respect to the following:

- a. background information with respect to the Applicants;
- b. the qualifications of FTI to act as Monitor in the CCAA Proceedings;
- c. an overview of the cash flow statement (the “**Cash Flow Statement**”) for the 5-week period ending March 1, 2025 (the “**Forecast Period**”) as well as the key assumptions on which the Cash Flow Statement is based;
- d. the anticipated relief sought by the Applicants in the proposed Initial Order and the Proposed Monitor’s recommendations in respect of same, including, among other things:
 - i. granting the Stay of Proceedings up to and including February 6, 2025;
 - ii. authorization to continue performance of a store closing consulting agreement (“**SC Agreement**”) between Peavey LP and Gordon Brothers Canada ULC (“**GBC**”) dated December 20, 2024, and continued performance thereunder;
 - iii. authorization to continue performance of a master service agreement for consignment of memo merchandise between Peavey LP, as consignee and GBC, as consignor, dated December 20, 2024, (“**Consignment Agreement**”) and continued performance thereunder;
 - iv. approving the Consignment Agreement (as defined below) and continued performance thereunder;
 - v. authorizing (but not obligate) the Peavey Group to pay any critical supplier for inventory delivered prior to the date of the Initial Order, provided such payment is supported by the Agent and the Monitor;

- vi. authorizing the Peavey Group to continue to use the Cash Management Accounts (as defined below); and
 - vii. granting 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**”).
5. The Proposed Monitor understands the Applicants intend to seek additional relief at the Comeback Hearing including:
- a. an extension of the stay of proceedings;
 - 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/or Key Employee Incentive Plan (“**KEIP**”) to facilitate retention and incentivize key employees to remain in their employment during the CCAA proceeding, and approval of a corresponding fourth-ranking Charge on the Property;
 - d. approval of the SC Consulting Agreement and the Consignment Agreement; and
 - e. such further relief as may be necessary or desirable.
6. This Pre-Filing Report should be read in conjunction with the Affidavit of Douglas Anderson, sworn on January 27, 2025 (the “**Anderson Affidavit**”), which describes in more detail the Applicants’ operations and circumstances leading to their current situation.

TERMS OF REFERENCE

7. Capitalized terms used but not defined herein are given the meaning ascribed to them in the Anderson Affidavit.
8. In preparing this report, the Proposed Monitor has relied upon certain information (the “**Information**”) including the Peavey Group’s unaudited financial information, books and records and discussions with senior management (“**Management**”).
9. Except as described in this Pre-Filing Report, the Proposed 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 Proposed 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. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

BACKGROUND INFORMATION

13. Peavey LP operates as a retailer, selling agriculture, farm and ranch, pet, work wear, lawn and garden, hardware and homesteading supplies, principally to rural customers and those who enjoy a rural lifestyle. Peavey LP operates 88 Peavey Mart branded retail stores (42

in Western Canada and 46 in Eastern Canada) and six other branded retail stores. The head office is located in Red Deer, Alberta.

14. Purchased inventory is delivered by suppliers to one of Peavey's two main distribution centres, which are located in Red Deer, Alberta or London, Ontario. Inventory is then sorted before being trucked to individual stores. All of the store locations, the distribution centres and the head office are leased.
15. Peavey LP's performance has suffered due to reduced consumer demand for discretionary goods, inflationary pressures, and the lingering effects of the COVID-19 pandemic. Additionally, interest rates have put pressure on Peavey LP's ability to service its senior debt and suppliers, as described in more detail below. Peavey LP is facing a liquidity crisis. In particular, access to Peavey LP's asset-based revolving credit facility is constrained due to an eroding borrowing base, which is limiting Peavey LP's ability to pay suppliers. This has led to low inventory levels and reduced sales. Since 2023 Management has been pursuing various initiatives to address Peavey Group's declining financial performance including: headcount reductions, freight optimization, closure of redundant distribution centres, rent deferrals, closures of underperforming stores, SKU rationalization, and inventory and relocation, and targeted liquidations.
16. Peavey by its general partner, Peavey GP (as borrower) and Peavey GP and TSC GP (as guarantors) were parties to an Amended and Restated Credit Agreement dated December 18, 2020 with Royal Bank of Canada, as agent for a syndicate of lenders ("**RBC Credit Agreement**"). The RBC Credit Agreement was in default throughout 2023 and 2024 and was amended eleven times, including through the addition of guarantors and pledgors, most recently on November 27, 2024.
17. Due to the default, Management pursued a strategic alternatives process between March and December 2024 with support from FTI Capital Advisors ("**FTI CA**") to identify potential partners to take-out its then-senior lenders under the RBC Credit Agreement.

18. On December 20, 2024 that objective was achieved when a new credit agreement was entered into between 1903 Partners, LLC (being the original lender) (“**Lenders**”), 1903P Loan Agent, LLC, as the Lenders’ administrative agent (“**Agent**”) and Peavey by its general partner, Peavey GP (as borrower), and Peavey GP, TSC GP and Guy’s (as guarantors) dated December 20, 2024 (“**1903 Credit Agreement**”). The 1903 Credit Agreement repaid the RBC Credit Agreement in full. The 1903 Credit Agreement includes:
- a. a revolving credit facility (“**GB Revolving Loan Facility**”) with a maximum amount of \$105,000,000 until April 1, 2025 and thereafter in the maximum amount of \$90,000,000, the borrowing base of which is calculated based on amounts of eligible accounts, eligible inventory and eligible credit card receivables, less certain availability blocks and reserves for price adjustments, spoilage and other factors;
 - b. a term loan facility (“**GB Term Loan Facility**”) in the maximum amount of \$30,000,000, the borrowing base of which is calculated based on amounts of eligible accounts, eligible inventory, eligible credit card receivables, and eligible equipment, less certain reserves for price adjustments, spoilage and other factors;
 - c. interest payable at (i) the Canadian Overnight Repo Rate or Royal Bank of Canada’s per annum prime reference rate for commercial loans plus (ii) (A) for any Revolving Loan, 6.75% per annum (to be reduced to 5.75% per annum if EBITDA for the fiscal year ended December 31, 2025 is at least equal to the EBITDA projection) and (B) for any Term Loan, 10.50% per annum and default interest of an additional 2% from the date of any event of default;
 - d. final maturity date of December 20, 2027;
 - e. reporting requirements to provide internal financial statements, audited financial statements, financial projections, borrowing base certificates, calculations of

eligible accounts, eligible inventory and eligible equipment, 13-week budgets, budget variance reports, all at varying intervals;

- f. financial covenants relating to minimum sales, minimum cash collections, minimum inventory receipts from vendors, minimum on-site inventory levels, maximum disbursements, and minimum feed inventory levels; and
 - g. cash dominion obligations for Peavey group to maintain cash management accounts subject to control agreements in favour of the Agent (“**Cash Management Accounts**”) and deposit all proceeds of collateral into same. For certain periods of time and following certain events (including the occurrence and continuation of any events of default), all amounts in the Cash Management Accounts must be wired daily to accounts designated by the Agent.
19. Peavey Group also had unsecured obligations owing to approximately 820 suppliers approximately totalling \$60,000,000.
 20. Refer to the Anderson Affidavit for further details in respect of the organizational structure of the Peavey Group, the 1903 Credit Agreement and its various other stakeholders.

Continued Financial Distress

21. Poor revenue performance and difficulty obtaining inventory from suppliers persisted throughout the holiday season resulting in Peavey quickly defaulting on the financial covenants contained in the newly entered into 1903 Credit Agreement. On January 15, 2025 the Applicants received a notice of default from the Agent and the Lenders and on January 16, 2025 was served with demand letters and notices of intention to enforce security under s. 244 of the *Bankruptcy and Insolvency Act* (Canada). The amount demanded was \$66,414,413.41 (plus legal and professional fees, costs, charges, disbursements and expenses).

22. The Applicants are now working with the Agent to liquidate inventory, close additional stores, and identify any parts of Peavey Group that may be able to survive as going concerns. Store closure sales have commenced at all Peavey Group retail store locations.
23. These financial difficulties have resulted in the necessity for the Peavey Group to commence CCAA Proceedings.

FTI'S QUALIFICATIONS TO ACT AS MONITOR

24. FTI is a trustee within the meaning of section 2(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and, with respect to the Applicants, is not subject to any of the restrictions on who may be appointed as monitor as set out in section 11.7(2) of the CCAA. FTI has provided its consent to act as Monitor in the CCAA Proceedings, a copy of which is attached as Exhibit 32 to the Anderson Affidavit.
25. Since being engaged by the Peavey Group, FTI has acquired knowledge of the business and operations of the Applicants, including its key personnel, stakeholders and key issues in the proposed CCAA Proceedings. As a result, FTI is in a position to immediately act as Monitor in the CCAA Proceedings if so appointed by this Court.
26. The senior FTI Consulting personnel with carriage of the matter are Chartered Insolvency and Restructuring Professionals and Licensed Insolvency Trustees who have acted in numerous restructuring and CCAA matters of this nature and scale.
27. Neither FTI, nor any of its representatives, have been, at any time in the two proceedings years:
 - a. a director, officer or employee of the Peavey Group;
 - b. related to the Peavey Group or to any director of officer of the Peavey Group; or

- c. the auditor, accountant or legal counsel, or a partner or employee of the auditor, accountant or legal counsel, of the Peavey Group;
- d. FTI CA, an affiliate of the Proposed Monitor, was initially engaged by the Applicants on July 31st, 2023, when the Peavey Group was experiencing challenging financial performance and its credit facility the RBC Credit Facility was in default;
- e. FTI CA assisted the Company with:
 - i. evaluating the Company's financial situation;
 - ii. reviewing management's turn-around plan;
 - iii. assisting the Peavey Group with undertaking a sale, investment and solicitation process ("**Pre-Filing SISF**") which included looking for equity partners, refinancing options, sales opportunities and liquidation proposals. This process ultimately culminated in the 1903 Credit Agreement refinancing the RBC Credit Agreement;
- f. FTI CA's fee structure was based on hours worked multiplied by an hourly rates;
- g. After defaulting on the 1903 Credit Agreement, Peavey Group commenced discussions with FTI's insolvency professionals, this work included:
 - i. participating in numerous meetings and discussions with the Peavey Group's senior management and legal advisors in connection with the Peavey Group's business and financial affairs generally and in connection with the preparation of the Cash Flow Statement;

- ii. participated in numerous meetings and discussions with the Peavey Group and its legal advisors in connection with relief to be requested in these CCAA Proceedings;
- iii. engaged legal counsel who have also participated in certain of the above meetings;
- iv. obtained and reviewed financial and certain other information produced by the Peavey Group relating to its operations, cash flow forecast and financial situation;
- v. assisted the Peavey Group in the preparation of its CCAA cashflow forecasts; and
- vi. prepared this Pre-Filing Report.

STORE CLOSURE AGREEMENT

- 28. The SC Consulting Agreement is attached as Exhibit 17 to the Anderson Affidavit.
- 29. The SC Consulting Agreement outlines the terms by GBC has been engaged by Peavey LP to assist it with store closures. Currently Peavey Group has ongoing store closure sales at all of its retail locations. These stores closures are been executed pursuant to the terms of the SC Consulting Agreement. The Applicant is seeking approval of the SC Consulting Agreement and retention of GBC so that it can continue with the ongoing store closures uninterrupted. The Proposed Monitor notes that GBC is a related affiliate to the Lenders however, operates as a separate legal entity.

30. The Proposed Monitor has reviewed the terms of the SC Consulting Agreement and notes it includes the following fees:
- a. Merchandise fee – equal to 2.5% of gross sales proceeds (exclusive of sales tax);
 - b. FF&E Fee – equal to 20% of proceeds from the sale of owned furnishings, trade fixtures, equipment, machinery, office supplies, racking, rolling stock, vehicles, other modes of transportation and other personal property; and
 - c. Additional Consultant Goods – GBC has the right to purchase additional inventory to supplement merchandise in the stores at their own expense, the supplemental inventory and retain the proceeds therefrom. GBC must pay Peavey LP a fee of 5% of the gross proceeds (excluding sales tax) from the sale of the Additional Consultant Goods.
31. The Proposed Monitor reviewed the Merchandise Fee, the FF&E Fee and the Additional Consultant Goods terms and compared them to:
- a. other store closure/liquidation sales agreements that have been approved in prior Canadian insolvency proceedings; and
 - b. third party liquidation/store closure proposals that were sought through Pre-Filing SISF.

32. The below table presents the consultant fees reviewed by the Monitor in considering the reasonableness of the SC Consulting Agreement:

Company	Consultant(s)	Stores*	Consultant Fees			Sale Term (Weeks)
			Merchandise Fee	FF&E Fee	Additional Consultant Goods	
SC Consulting Agreement						
Peavey Group	GBC	93	2.5%	20.0%	5.0%	14.0
Prior CCAA Store Closure Agreements						
Nordstrom Canada	Hilco, Gordon Bros	13	1.5%+	15.0%	7.5%	14.6
Comark Inc.	Tiger	221	2.0%	15.0%	n.a.	14.4
Bed Bath & Beyond	Hilco, Gordon Bro's, Tiger, B. Riley	65	1.5%+	12.5%	7.5%	9.3
Mastermind Toys	Gordon Bros	66	2.0%	15.0%	5.0%	8.9
Ted Baker/ Brooks Bros	Gordon Bros	59	2%+	15.0%	n.a.	12.0
Pre-Filing SISP - Proposals						
Peavey Group	Consultant #1	93	2.5%+	17.5%	5.0%	14.0
Peavey Group	Consultant #2	93	2.0%+	20.0%	5.0%	14.0

*' total store count prior to liquidation

'+' indicates Incentive Fees included in addition to Merchandise Fee based on recovery

33. The fees in the SC Consulting Agreement are on the higher end of the comparable mandates identified however, in the Proposed Monitor's view the slightly higher fees are reasonable compared to the prior Canadian insolvency proceedings and the fees were consistent with the other proposals sought through the Pre-Filing SISP.
34. The Additional Consultant Goods right is typical in store closure/liquidation agreements. The Proposed Monitor's view the Additional Consultant Goods will benefit the Peavey Group and assist in maximizing recoveries to the estate in two ways:

- a. The fee charged will be additive to recoveries. Peavey Group does not have sufficient liquidity to purchase new inventory and therefore the Additional Consultant Goods right allows Peavey Group to earn a fee/profit that it would not otherwise be able to earn; and
 - b. Additional inventory in the stores should increase foot traffic and therefore be accretive to the sale of Peavey Group's existing inventory sales.
35. The Proposed Monitor is supportive of the Peavey Groups request for authorization to continue performance of the SC Consulting Agreement.

CONSIGNMENT AGREEMENT

36. The Consignment Agreement is attached as Exhibit 19 to the Anderson Affidavit.
37. The Consignment Agreement contemplates the supply of merchandise by Gordon Brothers Canada ULC, as consignor, to Peavey LP, as consignee. Consigned merchandise is sold by Peavey LP, which retains the sale proceeds less a consignor's fee, taxes on that fee, expense reimbursement, and the cost of the merchandise. Title to consigned merchandise is retained by the consignor until sold. The Consignment Agreement is already in place and being utilized by Peavey LP, at present, approximately \$700,000 worth of consigned merchandise has been provided by Gordon Brother Canada ULC to Peavey LP on a consignment basis under the Consignment Agreement.
38. The Peavey Group is requesting authorization to continue performance of the Consignment Agreement. The Proposed Monitor supports this request as the Consignment Agreement provides the Company with financial benefits that would not otherwise be available as the Peavey Group as it does not have liquidity available to buy their own new inventory. Current inventory levels are being depleted through ongoing store closure sales. Additional consignment inventory available in the store should bring in additional foot traffic

enhancing sales of existing inventory and allow Peavey Group to earn profit on the consignment inventory that it would not otherwise be able to earn.

CASH FLOW STATEMENT

39. As described more fully in the Anderson Affidavit, the Peavey Group has cash dominion obligations which states that all proceeds from collateral are to be deposited into the Cash Management Accounts. For certain periods of time and following certain events (including the occurrence and continuation of any events of default), all amounts in the Cash Management Accounts must be wired daily to accounts designated by the Agent. The operation of the Cash Management Accounts result in all sales proceeds being swept by the Agent who then re-advances cash on a weekly basis to cover the Peavey Group's expenditures.
40. The Proposed Monitor has reviewed the Peavey Group's cash management arrangements and can confirm the importance of these systems for the continuation of the Peavey Group's business and operations. Replacement of the cash management system would be costly, unviable from a short-term operational perspective and very disruptive to the ongoing store closing sales. Accordingly, the Proposed Monitor supports the Peavey Group's request to continue to operate its existing cash management system throughout these CCAA Proceedings.
41. The Peavey Group, with the assistance of the Proposed Monitor, has prepared the Cash Flow Statement to set out the liquidity requirements of the Peavey Group during the Forecast Period for the 5-weeks ending March 1, 2025. The Cash Flow Statement and management's report on the cash-flow statement as required by section 10(2)(b) of the CCAA are attached hereto as Appendix "A". The Cash Flow Statement is summarized in the following table:

	Initial Stay		Cash Flow Statement
Cash Flow Statement	Jan 26 to Feb 8	Feb 09 to Mar 1	5-Week Total
(C\$000s)	2-Weeks	3-Weeks	Total
Receipts			
Cash Receipts	21,266	41,434	62,700
Cash Sweep	(21,266)	(41,434)	(62,700)
Net Proceeds for Operations	\$ -	\$ -	\$ -
Disbursements			
<i>Operating Disbursements</i>			
Payroll & Benefits	(2,791)	(4,006)	(6,797)
Occupancy Expenses	(3,815)	-	(3,815)
Merchandise Fee	(641)	(1,036)	(1,677)
Other Liquidation Expenses	(1,593)	(1,242)	(2,835)
Sales Tax Payable	(2,202)	(1,075)	(3,277)
Other Operating Expenses	(2,315)	(1,083)	(3,398)
Professional Fees	(385)	(615)	(1,000)
Product Expenses	(2,000)	-	(2,000)
Freight and Duty	(353)	(407)	(760)
Interest Expenses	-	(563)	(563)
Contingency	(50)	(75)	(125)
Total Disbursements	\$ (16,144)	\$ (10,103)	\$ (26,247)
Net Cash Flow	\$ (16,144)	\$ (10,103)	\$ (26,247)
Cash			
Opening Cash	3,174	2,000	3,174
Net Cash Flow	(16,144)	(10,103)	(26,247)
Draw / (Repayment) of Post-Petition Debt	14,970	10,103	25,073
Ending Cash	\$ 2,000	\$ 2,000	\$ 2,000
Pre-Filing Secured Debt			
Opening Balance	65,660	44,394	65,660
Draw / (Repayments)	(21,266)	(41,434)	(62,700)
Ending Pre-Filing Secured Debt	\$ 44,394	\$ 2,960	\$ 2,960
Post-Petition Debt			
Opening Balance	-	14,970	-
Draws / (Repayment)	14,970	10,103	25,073
Ending Post-Petition Debt	\$ 14,970	\$ 25,073	\$ 25,073

42. The Cash Flow Statement indicates that during the 2-week period ending on February 8, 2025 which covers the period up to the Comeback Hearing, the Peavey Group will have a negative cash flow from operations of approximately \$16.1 million. This is because all cash proceeds collected from the sale of the Peavey Group's inventory are being swept by the Lenders pursuant to the obligations under the 1903 Credit Agreement. As a result, the Peavey Group does not have access to any cash receipts and will require post-filing funding of approximately \$15.0 million to satisfy operational needs through the February 8, 2025.
43. The Cash Flow Statement indicates that, during the 5-week period ending on March 1, 2025, the Peavey Group will have a net cash flow loss from operations of approximately \$26.2 million, including \$1.0 million of professional fees. Over the Forecast Period, the Cash Flow Statement shows an additional funding requirement of \$25.1 million.
44. The Cash Flow Statement is based on the following key assumptions:
- a. all cash receipts are based on GBC's expectations on the proceeds from the sale of inventory over the 5-week period. Receipts include the collection of applicable Sales Taxes;
 - b. payroll & benefits are based on recent payroll amounts and future forecast amounts;
 - c. occupancy expenses are based on current rent obligations and future payments required to operate during the term of the SC Consulting Agreement at the Peavey Group's stores, warehouse and offices;
 - d. Merchandise Fee represents GBC's fee of 2.5% of Gross Proceeds, net only of sales taxes, of merchandise sold during the term of SC Consulting Agreement.
 - e. other liquidation expenses include estimated other fees paid to GBC during the sale timeline pursuant to the SC Consulting Agreement;

- f. sales tax payable represents the remittances of sales tax collected through the sale of the Peavey Group's inventory;
- g. other operating expenses includes general and administrative expenses including IT costs, utilities and maintenance, equipment rentals, capital leases and other costs necessary for operation during the Forecast Period;
- h. professional fees are the estimated legal and professional fees associated with the CCAA proceedings;
- i. product expenses represent potential amounts paid to vendors for inventory delivered prior to the date of the Initial Order. These payments are subject to the support of the Agent and the Monitor;
- j. freight and duty reflect the payment to freight vendors for transporting product from warehouses to stores during the Forecast Period;
- k. interest expenses include interest payable pursuant to the 1903 Credit Agreement;
- l. post filing liquidity needs are based on funding requirements throughout the Forecast Period;
- m. assumes Peavey Group maintains a minimum of \$2.0 million in cash on hand. All post filing liquidity needs consider this minimum cash balance;
- n. assumes in accordance with the 1903 Credit Agreement, cash is swept to repay the pre-filing debt obligations of GBC; and
- o. post petition debt financing is based on the funding requires through the Forecast Period.

45. Pursuant to the minimum cash requirements, the Cash Flow Statement shows an ending cash balance for the week February 8, 2025, of \$2.0 million.
46. The Peavey Group is in an immediate need of post filing liquidity in order to have sufficient cash for on-going operations through the date of the Comeback Hearing.

Proposed Monitor's Comments on the Cash Flow Statement

47. Section 23(1)(b) of the CCAA states that the Proposed Monitor shall, “review the company’s cash-flow statement as to its reasonableness and file a report with the court on the Proposed Monitor’s findings”.
48. Pursuant to section 23(1)(b) of the CCAA, and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Proposed Monitor hereby reports as follows:
 - a. the Cash Flow Statement has been prepared by management of the Peavey Group for the purpose described in the notes to the Cash Flow Statement, using the probable assumptions and the hypothetical assumptions set out therein;
 - b. the Proposed Monitor’s review consisted of inquiries, analytical procedures and discussion related to information supplied by certain of the management and employees of the Peavey Group. Since hypothetical assumptions need not be supported, the Proposed Monitor’s procedures with respect to those assumptions were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. The Proposed Monitor has also reviewed the information in provided by Management in support of the probable assumptions and the preparation and presentation of the Cash Flow Statement;

- c. based on its review, and as at the date of this Pre-Filing Report, nothing has come to the attention of the Proposed Monitor that causes it to believe that, in all material respects:
 - i. the hypothetical assumptions are not consistent with the purpose of the Cash Flow Statement;
 - ii. the probable assumptions developed by management are not suitably supported and consistent with the plans of the Peavey Group or do not provide a reasonable basis for the Cash Flow Statement, given the hypothetical assumptions; or
 - iii. the Cash Flow Statement does not reflect the probable and hypothetical assumptions;
- d. since the Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Proposed Monitor expresses no assurance as to whether the Cash Flow Statement will be achieved. The Proposed Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information present in this Report, or relied upon by the Proposed Monitor in preparing this Report; and
- e. the Cash Flow Statement has been prepared solely for the purpose of estimating liquidity requirements of the Peavey Group during the forecast period. The Cash Flow Statement should not be relied upon for any other purpose.

ADDITIONAL RELIEF SOUGHT IN INITIAL ORDER

Implementing the Stay of Proceedings

49. The Peavey Group is seeking the Stay of Proceedings up to and including February 6, 2025.
50. As a result of its insolvent status, among other things, the Peavey Group requires the Stay of Proceedings and other protections provided by the CCAA. In particular, the Stay of Proceedings is needed to maintain the status quo and provide stability to the Peavey Group while it continues with its ongoing store closure sales and considers its restructuring alternatives.
51. The Applicants are seeking an exemption to the Stay of Proceedings for the Agent, on behalf of the Lenders, to sweep the Cash Management Accounts to pay down the outstanding indebtedness owing to the Lenders.
52. The Monitor supports this exemption because in return the Peavey Group will be permitted continued access to the 1903 Credit Agreement providing necessary liquidity to fund post-filing obligations. In so doing, the Proposed Monitor notes that its counsel has not yet had the opportunity to conduct an independent review of the Lenders' security. This review is being completed on an expedited basis, and absent any material issues, expects the review to be completed by the come-back application. The Monitor also notes that the Lenders' loan and security documentation were completed approximately 3 weeks ago.
53. If it were determined that the Lenders' received repayment of their pre-filing indebtedness to which they are not entitled, then the Monitor further notes that the projected repayment between the date of the Initial Order and the come-back hearing is in the amount of approximately \$21.3 million.

54. The Monitor understands that the proposed Initial Order will contain a provision that confirms any amounts that may be paid to the Lenders which they may not have priority to, will be dealt with at future application before this Honourable Court. In this regard, the Monitor notes that the total projected liquidation proceeds are expected to be greatly in excess of the projected payments to the Lenders under the Initial Order.

Proposed interim financing charge

55. As demonstrated by the Cash Flow Statement, the Peavey Group is in immediate need of funding due to the cash sweep aspects of the Cash Management Accounts in the 1903 Credit Agreement.
56. The Peavey Group and the Lender are proposing to carry on with the 1903 Credit Agreement to meet the Applicants' post-filing liquidity needs however are requesting any new advances after the Initial Order be provided a Court ordered charge ("**Interim Lender's Charge**") granting it priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, subject only to the Administration Charge. Effectively this results in a creeping roll up of the secured debt owed to the Lenders as the cash sweep is applied to decrease pre-filing secured debt under the 1903 Credit Agreement, because the cash receipts are being swept it increases the post-filing funding needs of the Company. The post-filing cash needs are contemplated to be funded by continued access to the 1903 Credit Agreement, however, post-filing advances are proposed to be secured by the Interim Lender's Charge.
57. The Peavey Group requires continued access to the liquidity provided by the 1903 Credit Agreement to, among other things, provide stability to operations, pay for post-filing employees, lease costs, operating costs and professional fees and continue with ongoing store closure sales.

58. In the Proposed Monitor's view, the financing contemplated by the 1903 Credit Agreement is necessary to fund the Applicants' operations and restructuring/liquidation efforts. Without access to this financing the Company would immediately cease operations.
59. The Monitor understands that the Lender is supportive of the Peavey Group continuing to utilize the Gordon Brothers Credit Facility post-filing as long as it receives the Interim Lender's Charge for post-filing advances.
60. Accordingly, the Proposed Monitor supports the Applicants' request for approval of the ability to continue with access to the 1903 Credit Agreement and the Interim Lenders Charge. The Proposed Monitor also supports limiting the Interim Lenders Charge to \$15.0 million as this amount will adequately fund the Applicant's liquidity needs through to the Comeback Hearing (with an expectation of increasing the amount to \$51.0 million at the Comeback Hearing).

Amount And Priority of Court Ordered Charges

Administration Charge

61. The proposed form of Initial Order provides for a charge in the amount of up to \$500,000 (the "**Administration Charge**"), covering the period until the Comeback Hearing charging the assets of the Peavey Group, in favour of the Proposed Monitor, the Proposed Monitor's counsel, and the Peavey Group's counsel, as security for their professional fees and disbursements incurred both before and after the commencement of the CCAA Proceedings.
62. The Administration Charge currently only secures the fees expected to be incurred by the foregoing professionals prior to and during the 10-day stay period prior to the Comeback Hearing.

63. The Proposed Monitor has reviewed: (i) the underlying assumptions upon which the Applicants have based the quantum of the proposed Administration Charge; (ii) the anticipated complexity of the CCAA Proceedings and the services to be provided by the beneficiaries of the Administration Charge and (iii) is of the view that the proposed quantum of the Administration Charge is reasonable and appropriate in the circumstances.
64. The Proposed Monitor believes it is appropriate for the beneficiaries to be afforded the Administration Charge as they will be undertaking a necessary and integral role in the CCAA Proceedings.

Interim Lender's Charge

65. The Peavey Group is seeking an Order granting the Lender the Interim Lender's Charge over all of the present and future assets, property and undertaking of the Applicants, in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, subject only to the Administration Charge. The Interim Lender's Charge will secure all obligations owing to the Lender for post CCAA filing advances under the 1903 Credit Agreement.
66. The Monitor is of the view that use of the 1903 Credit Agreement represents the necessary financing which will allow the Peavey Group to pay for expenses to maintain ongoing operations, continue with store liquidations and pay for the cost of these CCAA Proceedings.
67. The Monitor recommends that the Court approve the request for the Interim Lender's Charge in the amount of \$15.0 million through the Comeback Hearing.

Director's Charge

68. The Initial Order provides for the charge over the Peavey Group's property in favour of the directors and officers of the Applicants as security for the indemnity contained in the Initial

Order in respect of specified obligations and liabilities that the directors and officers may incur after the commencement of the CCAA Proceeding (the “**D&O Charge**”). The D&O Charge will not exceed an aggregate amount of \$2,500,000.

69. As described in the Anderson Affidavit, the Applicants maintain certain insurance coverage for the directors and officers, but the deductibles and exclusions from the policies mean that the insurance may not fully cover the potential statutory liabilities of the beneficiaries of the D&O Charge. The D&O Charge does not duplicate insurance coverage, but instead is to apply in the event that coverage limitations or exclusions become an issue.
70. The proposed D&O Charge represents the amount applicable during the initial 10-day stay period prior to the Comeback Hearing. The Proposed Monitor will comment on any proposed amendment to increase the amount of the D&O Charge at the Comeback Hearing as part of a further report to this Court.
71. The Peavey Group’s directors and officers have the necessary background and knowledge that will be beneficial to the Applicants’ efforts to preserve value and maximize recoveries for stakeholders through completion of the CCAA Proceedings.
72. The Proposed Monitor is of the view that the amount of the D&O Charge is reasonable in relation to the quantum of the estimated potential liability of the Peavey Group’s directors and officers.

Summary of the Proposed Rankings of the Court-Ordered Charges

73. If the proposed Initial Order is granted, the Charges would have the following ranking:
 - a. First – the Administration Charge in the amount of \$500,000;
 - b. Second – the Interim Lender’s Charge in the amount of \$15.0 million; and

- c. Third – the D&O Charge in the amount of \$2,500,000.
74. The Proposed Monitor believes that the Charges, including their proposed quantum and ranking, are required and reasonable in the circumstances of these CCAA Proceedings in order to preserve the going concern operations of the Peavey Group and maintain its enterprise value and, as a result, supports the granting of the granting of Charges as proposed by the Peavey Group.

Payment of pre-filing goods

75. The Applicants are seeking authorization (but not the obligation) for the Peavey Group to pay any critical supplier for inventory delivered prior to of the date of the Initial Order, provided such payment is supported by the Agent and the Monitor.
76. The Monitor is supportive of this relief as there may be circumstances where payment of pre-filing supplies may enhance recoveries to the estate and/or salvaging the prospects of a going concern restructuring.

CONCLUSIONS

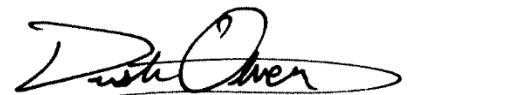
77. The Proposed Monitor is of the view that the relief requested by the Peavey Group pursuant to the proposed Initial Order is necessary, reasonable and justified in the circumstances. The Initial Order and Stay of Proceedings will provide the Applicants with stability and the best opportunity to preserve value and maximize recoveries for its stakeholders.
78. Accordingly, the Proposed Monitor respectfully recommends that the Peavey Group's request for the proposed Initial Order be granted.

All of which is respectfully submitted this 27th day of January 2025.

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



Deryck Helkaa, CA, CPA, CIRP, LIT
Senior Managing Director
FTI Consulting Canada Inc.



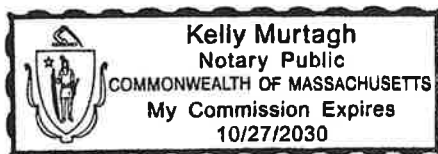
Dustin Olver, CA, CPA, CIRP, LIT
Senior Managing Director
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This is Exhibit "D" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of
Massachusetts



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 FIRST 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

February 3, 2025

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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FIRST REPORT OF THE MONITOR

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Appendix A – Revised Cash Flow Statement

Appendix B – PPR Registration Summary

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:
 - i. granted the Stay of Proceedings up to and including February 6, 2025;

 - ii. authorized the Applicants to continue performance of a store closing consulting agreement (“**SC Agreement**”) between Peavey LP and Gordon Brothers Canada ULC (“**GBC**”) dated December 20, 2024, and continued performance thereunder;

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

- iv. authorized (but did not obligate) the Peavey Group to pay any critical supplier for inventory delivered prior to the date of the Initial Order, provided such payment is supported by the Agent and the Monitor;
 - v. authorized the Peavey Group to continue to use the Cash Management Accounts (as defined below); and
 - vi. granted 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 January 31, 2025, the Applicants filed a notice of application returnable on February 6, 2024, for the following orders:
- a. an amended and restated Initial Order (the “**ARIO**”) which will provide for:
 - i. an extension of the stay of proceedings until April 30, 2025;
 - ii. increases to the amounts of the Administration Charge, the Interim Lender’s Charge, and the D&O Charge;
 - iii. 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 Proceeding, and approval of a corresponding fourth-ranking Charge on the Property;
 - iv. a declaration that pursuant to section 5(5) of the Wage Earner Protection Program Act, S.C. 2005, c. 47, s.1 (“**WEPPA**”) that the Peavey Group meet the criteria established by section 3.2 of the Wage Earner Protection

Program Regulations, SOR/2008-222 (the “WEPP Regulations”) as of the date of the granting of the Stay Extension and WEPPA Order; and

- v. A restricted access order with respect to the KERP and KEIP

PURPOSE

4. The purpose of this report (this “**Report**” or the “**First Report**”) is to provide the Court and the Applicants’ stakeholders with information and the Monitor’s comments with respect to the following:
 - a. a summary of the Monitor’s initial activities subsequent to the date of the Initial Order and the Pre-Filing Report;
 - b. the Applicants’ application for and relief requested in the ARIO;
 - c. the Monitor’s ongoing independent review of the security held by the Lenders securing obligations owing under the 1903 Credit Agreement; and
 - d. the Monitor’s conclusions and recommendations.
5. This Report should be read in conjunction with the second affidavit of Douglas Anderson, sworn on January 31, 2025 (the “**Second Anderson Affidavit**”) and the First Anderson Affidavit.

TERMS OF REFERENCE

6. Capitalized terms used but not defined herein are given the meaning ascribed to them in the Anderson Affidavit Second Anderson Affidavit or the proposed form of ARIO.

7. 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**”).
8. 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*.
9. 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*.
10. 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.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

INITIAL ACTIVITIES OF THE MONITOR

12. The Monitor’s activities since the date of the Pre-Filing Report have included the following:
 - a. ongoing discussions with Management and the Peavey Group’s legal counsel, Norton Rose Fulbright LLP, regarding the Applicants’ business and financial affairs;
 - b. retaining McCarthy Tétrault LLP to act as independent legal counsel to the Monitor;

- c. establishing a website (the “**Monitor’s Website**”) at the following URL:
<http://cfcanada.fticonsulting.com/Peavey/> where the Monitor has and will continue to post all court materials related to these CCAA Proceedings. The Monitor’s website includes contact information where secured creditors, unsecured creditors, employees and other stakeholders can reach the Monitor to ask any questions they may have;
- d. preparing and issuing notices required under the CCAA and Initial Order, including the following:
 - i. mailing notices to creditors as referenced in paragraph 45 of the Initial Order;
 - ii. publishing a notice to creditors in the Globe and Mail which ran or will run on January 31 and February 7, 2025;
 - iii. publishing a notice to creditors in the Retail Insider which ran or will run on January 30 and February 5, 2025;
 - iv. publishing a notice to creditors in the Calgary Herald which ran or will run on January 29 and February 5, 2025; and
- e. issuing Form 1 and Form 2 notices to the Office of the Superintendent of Bankruptcy in the prescribed form as required under section 23(1)(f) of the CCAA; and
- f. consulting with Management of the Peavey Group and GBC in respect of the Company’s ongoing store closure sales and supporting management with respect planning for significant employee terminations resulting from the Peavey Group’s store closures;

- g. attending to numerous telephone and email inquiries from the Applicants' creditors, suppliers and stakeholders; and
- h. preparing this Report.

STORE CLOSURE SALES

13. As described in the Anderson Affidavit, filed January 27, 2025 in support of the Initial Order (the "**First Anderson Affidavit**"), the Peavey Group had commenced store closure sales at all retail locations across Canada prior to the commencement of these CCAA Proceedings. The Peavey Group entered into the SC Consulting Agreement with GBC to assist with the store closure sales. The Initial Order authorized the Peavey Group to carry on the performance of the SC Consulting Agreement. In the Monitor's pre-filing report it reviewed the terms of the SC Consulting Agreement and compared it to similar precedent store closure sale/liquidation consulting agreements that had been approved in prior CCAA Proceedings. The Monitor determined the terms of the SC Consulting Agreement were reasonable for the reasons described in its Pre-Filing Report.
14. Since the Initial Order, as further described in the Second Anderson Affidavit, the Monitor has consulted with the Applicants and GBC to monitor results and progress of the store closure sales. To date, the store closure sales and recoveries therefrom have exceeded initial projections. Discounts from standard retail pricing sheets have ranged between 10% and 30% with an average discount of approximately 15% and certain items have not been discounted. Total sales revenue has increased 146% compared to the same dates from the prior year. However, the Monitor is advised by management of Peavey Group and GBC that store closure sales can be volatile and margins are expected to diminish as the sales progress and inventory is depleted. The Peavey Group and GBC will continue to consult in an effort to maximize value from the store closure sales.

15. Operational disruptions have been minimal due largely to the dedication and resilience of the Peavey Group employees and cooperation from vendors/suppliers and landlords and compliance with the Initial Order.

REVISED CASH FLOW STATEMENT

16. As described more fully in the First Anderson Affidavit, the Peavey Group has cash dominion obligations in favour of the Lenders which mandates that all proceeds from collateral are to be deposited into the Cash Management Accounts. For certain periods of time and following certain events (including the occurrence and continuation of any events of default), all amounts in the Cash Management Accounts must be wired daily to accounts designated by the Agent. The operation of the Cash Management Accounts result in all sales proceeds being swept by the Agent who then re-advances cash on a weekly basis to cover the Peavey Group's expenditures.
17. The Peavey Group, with the assistance of the Monitor, has prepared a revised cash flow statement ("**Revised Cash Flow Statement**") which sets out the liquidity requirements of the Peavey Group during the forecast period for the 14-weeks ending May 3, 2025 ("**Forecast Period**"). The Revised Cash Flow Statement is attached hereto as Appendix "**A**". The Revised Cash Flow Statement is summarized in the following table:

Cash Flow Statement	
For the 14 week period ending May 3, 2025	
(C\$000s)	14 Weeks
	Total
Receipts	
Cash Receipts	125,994
Cash Sweep	(65,660)
Net Proceeds for Operations	\$ 60,334
Disbursements	
<i>Operating Disbursements</i>	
Payroll & Benefits	(14,387)
Occupancy Expenses	(8,313)
Merchandise Fee	(3,208)
Other Liquidation Expenses	(4,935)
Sales Tax Payable	(12,634)
Other Operating Expenses	(6,685)
Professional Fees	(2,190)
Product Expenses	(1,050)
Freight and Duty	(760)
Interest Expenses	(1,388)
Contingency	(350)
Total Disbursements	\$ (55,900)
Net Cash Flow	\$ 4,434
Cash	
Opening Cash	3,174
Net Cash Flow	4,434
Draw / (Repayment) of Post-Petition Debt	-
Ending Cash	\$ 7,608
Pre-Filing debt under 1903 Credit Agreement	
Opening Balance	65,660
Draw / (Repayments)	(65,660)
Ending Pre-Filing debt under 1903 Credit Agreement	\$ -
Post-Petition Debt under 1903 Credit Agreement	
Opening Balance	-
Draws / (Repayment)	-
Ending Post-Petition debt under 1903 Credit Agreement	\$ -

18. The Monitor has the following comments on the Revised Cash Flow Statement:
- a. The Forecast Period ends on May 3, 2025, at which time, it is anticipated that the liquidation and store closing process will be substantially completed; and

- b. The Revised Cash Flow Statement includes forecast proceeds from the liquidation of inventory and related operating costs and professional fees. Given the uncertainty at this time, the Revised Cash Flow Statement does not include any potential recoveries on other items including furniture, fixtures and equipment (“FF&E”) or intangibles.
19. As set out in the Revised Cash Flow Statement, during the Forecast Period the Peavey Group estimates:
- a. Cash receipts from the inventory liquidation of approximately \$126 million;
 - b. \$65.7 million in cash sweeps are applied to repay the principal pre-filing debt outstanding under the 1903 Credit Agreement, excluding the fees claimed under the Capital Fees Letter as defined and discussed below. Interest in the approximate amount of \$1.388 million is also forecast to be paid;
 - c. Amounts drawn post-filing on the 1903 Credit Agreement (secured by the Interim Lender’s Charge) are repaid in full; and
 - d. The Peavey Group forecasts to have a positive cash flow of approximately \$4.4 million and ending cash of \$7.6 million after repayments of the principal amount of \$65.7 million and interest of \$1.38 million of pre-filing obligations owing the Lenders through cash sweeps and repayment of post-filing advances under the 1903 Credit Agreement that are secured by the proposed Interim Lender’s Charge.
20. The Monitor notes that the summary table above does not present the week by week need for post-filing funding that occurs throughout the Forecast Period; however, the detailed weekly Revised Cash Flow Statement is presented at Appendix “A”. The weekly Revised Cash Flow Statement indicates that the post-filing funding need peaks in the week ending March 1, 2025 at approximately \$24 million. It is on this basis that the Monitor supports

the Applicants' request for an increase to the Interim Lender's Charge from \$15 million to \$25 million.

21. The Revised Cash Flow Statement is based on the following key assumptions:
- a. all cash receipts are based on GBC's expectations on the proceeds from the sale of inventory over the Forecast Period. Receipts include the collection of applicable Sales Taxes;
 - b. payroll & benefits are based on recent payroll amounts and future forecast amounts;
 - c. occupancy expenses are based on current rent obligations and future payments required to operate during the term of the SC Consulting Agreement at the Peavey Group's stores, distribution centres and offices;
 - d. Merchandise Fee represents GBC's fee of 2.5% of Gross Proceeds, net only of sales taxes, of merchandise sold during the term of SC Consulting Agreement.
 - e. other liquidation expenses include estimated other fees paid to GBC during the sale timeline pursuant to the SC Consulting Agreement;
 - f. sales tax payable represents the remittances of sales tax collected through the sale of the Peavey Group's inventory net of input tax credits;
 - g. other operating expenses includes general and administrative expenses including IT costs, utilities and maintenance, equipment rentals, capital leases and other costs necessary for operation during the Forecast Period;
 - h. professional fees are the estimated legal and professional fees associated with the CCAA proceedings;

- i. product expenses represent potential amounts paid to vendors for inventory delivered prior and after the date of the Initial Order. These payments are subject to the support of the Agent and the Monitor;
 - j. freight and duty reflect the payment to freight vendors for transporting product from warehouses to stores during the Forecast Period;
 - k. interest expenses include interest payable pursuant to the 1903 Credit Agreement;
 - l. post filing liquidity needs are based on funding requirements throughout the Forecast Period;
 - m. assumes the Peavey Group maintains a minimum of \$2.0 million in cash on hand. All post filing liquidity needs consider this minimum cash balance;
 - n. assumes, in accordance with the 1903 Credit Agreement, cash is swept to repay the pre-filing debt obligations owed to the Lenders under the 1903 Credit Agreement; and
 - o. post petition debt is based on the funding required through the Forecast Period as discussed above the detailed weekly Revised Cash Flow Statement at Appendix “A” demonstrates the week over week post-filing funding requirements.
22. With continued access to the 1903 Credit Agreement, the Applicants will have the necessary funding to satisfy post filing liquidity needs.

Monitor's Comments on the Cash Flow Statement

23. Section 23(1)(b) of the CCAA states that the Monitor shall, “review the company’s cash-flow statement as to its reasonableness and file a report with the court on the Monitor’s findings”.

24. Pursuant to section 23(1)(b) of the CCAA, and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Monitor hereby reports as follows:
- a. the Revised Cash Flow Statement has been prepared by management of the Peavey Group for the purpose described in the notes to the Revised Cash Flow Statement, using the probable assumptions and the hypothetical assumptions set out therein;
 - b. the Monitor's review consisted of inquiries, analytical procedures and discussion related to information supplied by certain of the management and employees of the Peavey Group. Since hypothetical assumptions need not be supported, the Monitor's procedures with respect to those assumptions were limited to evaluating whether they were consistent with the purpose of the Revised Cash Flow Statement. The Monitor has also reviewed the information in provided by Management in support of the probable assumptions and the preparation and presentation of the Revised Cash Flow Statement;
 - c. based on its review, and as at the date of this Report, nothing has come to the attention of the Monitor that causes it to believe that, in all material respects:
 - i. the hypothetical assumptions are not consistent with the purpose of the Revised Cash Flow Statement;
 - ii. the probable assumptions developed by management are not suitably supported and consistent with the plans of the Peavey Group or do not provide a reasonable basis for the Revised Cash Flow Statement, given the hypothetical assumptions; or
 - iii. the Revised Cash Flow Statement does not reflect the probable and hypothetical assumptions;

- d. since the Revised Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Revised Cash Flow Statement will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information present in this Report, or relied upon by the Monitor in preparing this Report; and
- e. the Revised Cash Flow Statement has been prepared solely for the purpose of estimating liquidity requirements of the Peavey Group during the forecast period. The Revised Cash Flow Statement should not be relied upon for any other purpose.

EXTENSION OF THE STAY OF PROCEEDINGS

25. The Monitor has considered the Applicants' application for the extension of the Stay of Proceedings to April 30, 2025, and has the following comments:
- a. with the Lender's commitment to ongoing access to the 1903 Credit Agreement (subject to the increase to the Interim Lender's Charge being granted) the Applicants are projected to have sufficient available liquidity to fund their ongoing obligations and the costs of the CCAA Proceedings during the term of the proposed extension of the Stay of Proceedings;
 - b. there will be no material prejudice to the Peavey Group's creditors and other stakeholders as a result of the extension of the Stay of Proceedings;
 - c. the Applicants are acting in good faith and with due diligence;

- d. the overall prospects of the Applicants effecting a viable restructuring and continuing with the store liquidations will both be enhanced by the extension of the Stay of Proceedings; and
- e. the length of the proposed Stay of Proceedings of approximately 3 months is reasonable given the timeline expected for ongoing store closure sales to be completed.

INTERIM FINANCING

26. The Peavey Group requires interim financing to fund its liquidity requirements for post-filing expenses and costs during the CCAA Proceedings. The Lender has agreed to act as Interim Lender (the “**Interim Lender**”) and provide interim financing through continued access to funding under the 1903 Credit Agreement (the “**Interim Financing**”). It is a condition of the Lender continuing to advance credit to the Peavey Group that post-filing advances made to the Peavey Group be secured by a court ordered security interest, lien and charge over all of the assets and undertakings of the Peavey Group (the “**Interim Lender’s Charge**”).
27. It is anticipated that proceeds from the liquidation of the Peavey Group inventory and FF&E will be used to reduce or repay pre-filing obligations outstanding under the 1903 Credit Agreement and post filing liquidity needs will be funded through continued access to the 1903 Credit Agreement as Interim Financing. In accordance with the 1903 Credit Agreement and the current cash management system, in effect, the Peavey Group’s cash from the liquidation will be deposited into the blocked accounts and swept by the Agent in order to reduce pre-filing amounts outstanding under the 1903 Credit Agreement. The Monitor notes that the FF&E may be subject to prior ranking secured claims or subject to fixture claims from landlords. GBC will seek the Monitor’s consent prior to the sale of any FF&E and the Monitor will review the priority of any landlord or secured creditor claims before it consents to the sale of any FF&E. The Monitor notes that section 13 of the

proposed for of ARIO provides landlords with seven days notice before any fixtures are removed from any of the leased premises.

28. The Monitor's counsel has conducted an independent review of the security held by the Lender under the 1903 Credit Agreement relating to the grant of security over the goods located at the stores and the Offered FF&E (as defined in the Store Closure Consulting Agreement) which security is comprised of a Pledge and Security Agreement dated December 20, 2024 among Peavey LP, Peavey GP, Guys, TSC Stores and the Agent (the "**Pledge and Security Agreement**"). The Pledge and Security Agreement is governed by Alberta law. Each of Peavey LP, Peavey GP, Guys, and TSC Stores granted a security interest in all of their respective present and after acquired personal property.
29. The Monitor's counsel has also conducted an independent review of the security held by Gordon Brothers Canada ULC under the Master Service Agreement for Consignment of Memo Merchandise dated December 20, 2024 between Peavy LP, as consignee, and Gordon Brothers Canada ULC (the "**Consignment Agreement**").
30. In connection with collateral located within the provinces of British Columbia, Alberta and Ontario, under both the Pledge and Security Agreement and the Consignment Agreement, the Monitor's counsel has issued an opinion that both security agreements create a valid security interest in favour of Agent on behalf of the Lender in the collateral described therein and that the security interests in the collateral and proceeds derived therefrom that are capable of perfection through the registration of a financing statement under the applicable *Personal Property Security Act* have been so perfected.
31. The Monitor is in the process of securing similar opinions in each of Saskatchewan, Manitoba, and Nova Scotia. The Monitor would note that its independent counsel has opined that the Pledge and Security Agreement and Consignment Agreement create valid security interests in favour of the Agent under the laws of the provinces of British Columbia, Alberta and Ontario. Additionally, the Monitor has conducted a review of the

PPSA registrations made by the Agent in each of Saskatchewan, Manitoba, and Nova Scotia and notes that the Agent has made registrations in the personal property registries against the Collateral. A summary of the registrations is attached as Appendix “B”.

32. The Store Closing Consulting Agreement purports to grant the Consultant a purchase money security interest in Additional Consultant Goods (i.e. augmentation goods). As at the date of this Report the Monitor understands that there have been no Additional Consultant Goods supplied by the Consultant and that no such goods are anticipated to be supplied.
33. The security opinion expressly disclaims any opinion on whether any of the security creates a valid purchase money security interest including purchase money security interests over inventory.
34. The Monitor has considered the provisions of section 11.2(1) of the CCAA which prohibits the Interim Lender’s Charge from securing an obligation that exists before the order is made. In consultation with Monitor’s counsel, the Monitor is of the view that since the pre-filing amounts are being reduced by liquidation proceeds generated from the liquidation, the Interim Lender’s Charge is only securing advances for required expenses made post-filing under the Interim Financing.
35. The Monitor notes the issue of payment of the Lender’s pre-filing indebtedness from the liquidation proceeds presupposes that the Lender has priority to such proceeds. In this case, the CCAA Charges including, the Administration Charge, Interim Lender’s Charge, D&O Charge and KERP / KEIP Charge rank in priority to the pre-filing indebtedness. In addition, holders of valid pmsi’s (none of which relate to inventory) would rank in priority to the pre-filing indebtedness as would statutory claims for things such as unremitted source deductions. As it pertains to the CCAA Charges, the Peavey Group, with the assistance of the Monitor, will continually review the status of the value of the security available to satisfy the CCAA Charges and, if it is determined that a material risk arises with respect to

satisfying such security, the Peavey Group will commence an application to seek direction or relief in this regard.

36. As it pertains to pmsi's, Management has advised the Monitor that none of the Peavey Group has secured any inventory whatsoever from any party other than GBC on consignment. As it pertains to potential priority statutory claims, Peavey management has advised that the Peavey Group is current on payroll source deductions, employment insurance and Canada Pension Plan.
37. On January 16, 2025 the Lenders served demand letters and notices of intention to enforce security under s. 244 of the *Bankruptcy and Insolvency Act (Canada)*. The amount demanded was \$66,414,413.41, plus fees, costs, charges, disbursements and expenses (“**Pre-filing Indebtedness**”). On January 25, 2025 the Lenders issued a capital fee letter (the “**Capital Fees Letter**”) to the Applicants setting out certain fees that have been triggered in respect of the Prepayment Fee Events and Liquidation Events as those terms are defined in the 1903 Credit Agreement. The fees claimed in the Capital Fees Letter total \$19,155,369.
38. The Revised Cash Flow Statement projects that the Pre-filing Indebtedness will be fully repaid by March 8, 2025 and the post-filing Interim Financing will be fully repaid by March 22, 2025. The ARIO proposes to limit the cash sweeps to repayment of the Pre-filing Indebtedness and Interim Financing. The Lenders will subsequently apply to the Court for approval to continue its cash sweeps until the fees claimed in the Capital Fees Letter are paid out in full.

KERP AND KEIP

39. Peavey Group is seeking the Court's approval of a KERP and KEIP. The KERP proposes a payment up to a maximum aggregate amount of \$954,470 to 256 employees (“**KERP Employees**”) and the KEIP proposes a contingent payment of \$250,000 to five senior employees (“**KEIP Employees**”) based on a specific recovery threshold. The KERP and

the KEIP do not include any proposed payment to the CEO, Douglas Anderson. The Monitor notes the number of final KERP Employees differs slightly from the Applicants materials as the KERP was still being finalized when the Applicants materials were filed. The KERP and KEIP are formalized in an agreement (“**KERP and KEIP Agreement**”) attached as Appendix “A” to the confidential supplement to this First Report dated, February 3, 2025. (“**Confidential Supplement Report**”). The Applicants are seeking a Restricted Court Access Order requesting that the Confidential Supplement Report be sealed as it contains commercially and personally sensitive information. The Monitor supports the Applicants’ request for the Restricted Access Order on this basis.

40. The KERP is structured as follows:
- a. KERP Employees includes a mix of employees from the corporate head office, the individual retail store locations and the warehouse distribution centers; and
 - b. The KERP payments will become payable on the earlier of April 30, 2025, or when the KERP Employees employment is terminated by the Peavey Group without cause.
41. The Monitor has reviewed the KERP and is of the view that its terms are reasonable based on the following:
- a. Peavey is currently executing store closing sales at all of its retail locations geographically spread across Canada. This process has resulted in an increase in store traffic and additional demand on the distribution warehouses to move product into stores. At the same time the employees are dealing with the many distractions and obstacles that arise after commencing CCAA Proceedings. The Monitor has been onsite with at Peavey’s head office and commends the dedication and professionalism demonstrated by the Peavey employees. Although 263 employees

is a large number of employees to be included in a KERP, the Peavy Group requires many key people to execute on the store closure sales.

- b. the KERP Employees are integral to the efficient execution of ongoing store closure sales. To date the store closure sales have been advancing efficiently without any substantial disruption. The KERP Employees are key to continuing with these efforts which will ultimately assist in maximizing value to Peavey Group stakeholders;
- c. The Monitor, in consultation with certain Peavey Group executives, the Lenders, GBC, have reviewed the KERP Employees list and is satisfied that the list is appropriate, not unduly broad and includes the critical employees necessary to advance the store closure sales and the CCAA Proceedings;
- d. The Monitor has consulted with the Lenders regarding the nature and quantum of the KERP and understand that all are supportive; and
- e. The Monitor considers the quantum and extent of the KERP are reasonable in the circumstances and consistent with prior approved KERPs granted by this Honourable Court.

42. The KEIP is structured as follows:

- a. Five senior employees/executives (“**KEIP Employees**”) are included in the KEIP. The KEIP does not include the Company’s CEO, Douglas Anderson.
- b. The KEIP will pay the KEIP Employees \$250,000 split evenly between the KEIP Employees if net proceeds after repayment of post-filing Interim Financing advances is great than or equal to \$75,000,000.

- c. If the \$75,000,000 threshold is triggered, the KEIP Employee will receive their payment on the later of April 30, 2025 or when the KEIP Employees employment is terminated (without cause).
 - d. If the employee voluntarily resigns or is terminated with cause before April 30, 2025 they will not be eligible for a KEIP payment.
43. The Monitor has reviewed the KEIP and is of the view that its terms are reasonable based on the following:
- a. The KEIP Employees are integral leaders within the Peavey Group from various departments (head office, stores operations and warehouse distribution centers) that play a key role in ensuring the CCAA Proceedings and store closures are executed in an efficient and value maximizing manner;
 - b. The threshold is reasonable and in the Monitor's initial view will take a concerted effort by the KEIP Employees to achieve;
 - c. The Monitor consulted with the Lenders with respect to the KEIP and understand they are supported; and
 - d. The KEIP Employees are senior leaders and many long-term employees of Peavey Group who will likely not be receiving any termination pay or severance once terminated, accordingly the Monitor considers the quantum and extent of the KEIP reasonable in the circumstances.

CCAA CHARGES

ADMINISTRATION CHARGE

44. The ARIO provides for an increase in the Administration Charge of \$500,000 granted under the Initial Order to a maximum of \$750,000. The Monitor has reviewed the

underlying assumptions upon which the Applicants have based the quantum of the proposed increase to the Administration Charge, the anticipated complexity of the CCAA Proceedings, the size of the Applicants operations and the services to be provided by the beneficiaries of the Administration Charge and is of the view that the proposed quantum of the Administration Charge is reasonable and appropriate in the circumstances.

INTERIM LENDER'S CHARGE

45. In the proposed form of ARIO, the Applicants are seeking an increase to the Interim Lender's Charge from \$15,000,000 to \$25,000,000 subject only to the Administration Charge. The Interim Lender's Charge will secure all post-filing advances under the 1903 Credit Agreement.

46. In the Monitor's view:
 - a. The quantum of the increase in the Interim Lender's Charge is supported by the revised cash flow statement presented at Appendix "A".

 - b. the continuation of the 1903 Credit Agreement provides the necessary funding to allow the Peavey Group to continue with ongoing store closure sales, maintain operations and enhance its ability to present a restructuring plan to its creditors. The Interim Lender's Charge is a condition precedent to the continued access to funding under the 1903 Credit Agreement and the financing would not be advanced without the Court-ordered charge; and

 - c. the Interim Lender's Charge does not materially prejudice any creditors.

47. Accordingly, the Monitor recommends that the Court approve the increase to the Interim Lender's Charge.

DIRECTOR'S CHARGE

48. The Initial Order provided for the charge not to exceed \$2,500,000 over the Peavey Group's property in favour of the directors and officers of the Applicants as security for the indemnity contained in the Initial Order in respect of specified obligations and liabilities that the directors and officers may incur after the commencement of the CCAA Proceeding (the "**D&O Charge**"). In the Monitor's pre-filing report it opined that the request was reasonable and appropriate for the reasons described in its Pre-Filing Report.
49. The Applicants are requesting to increase the D&O Charge from \$2,500,000 to \$7,000,000.
50. The Monitor is of the view that the increased amount of the D&O Charge is reasonable. The reason for the increase is mainly due to forecast expected sales over the Forecast Period and the sales taxes that will be collected on these sales by the Applicants. Over the Forecast Period Peavey Group will be liquidating its existing inventory while not purchasing new inventory. Therefore there will be limited input tax credits being generated to offset sales tax collected which increases the monthly sales tax remittance. The increase in the D&O Charge is supported by the increased expected post-filing sales tax obligations.

KERP/KEIP CHARGE

51. The Applicants are requesting a fourth-ranking priority charge ("**KERP/KEIP Charge**") on the Applicants' Property securing the obligations under the KERP and KEIP up to a maximum amount of ranking only behind the Administration Charge, the Interim Lender's Charge and the D&O Charge. The Monitor supports the granting of the KERP/KEIP Charge and notes that is common practice in CCAA Proceedings to secure obligations under these types of retention and incentive plans through a Court ordered charge as long as it is reasonable and appropriate, which the Monitor has opined on above.

SUMMARY OF THE PROPOSED RANKINGS OF THE COURT-ORDERED CHARGES

52. If the proposed ARIO is granted, the Court-ordered charges would have the following ranking:
- a. First – the Administration Charge in the amount of \$750,000;
 - b. Second – the Interim Lender’s Charge in the amount of \$25,000,000;
 - c. Third – the Director’s Charge in the amount of \$7,000,000;
 - d. Fourth – KERP Charge in the amount of \$1,204,470.

(collectively, the “Charges”).

53. The Monitor believes that the CCAA Charges, including their proposed quantum and ranking are required and reasonable in the circumstances of these CCAA Proceedings to preserve the operations of the Peavey Group as a result, supports the granting of the Charges as proposed by the Applicants in the ARIO.

WEPPA DECLARATION

54. Section 5(1) of the WEPPA provides that an individual is eligible to receive payment under that Act if, among other things, (i) the individual is owed eligible wages by a former employer; (ii) the former employer is subject to proceedings under the CCAA; and (iii) a court determines under subsection 5(5) that criteria prescribed by regulation are met.
55. Section 5(5) of WEPPA provides that, on application by any person, a court under the CCAA may determine that a former employee meets criteria prescribed by regulation. Section 3.2 of the WEPP Regulations provides that “for purposes of subsection 5(5) of the WEPPA, a court may determine whether the former employer is the former employer of

all of whose employees in Canada have been terminated other than any retained to wind down its business operations.”

56. At the commencement of the CCAA Proceedings, the Applicants had approximately 1,900 employees across all of the Applicants entities. The Peavey Group is currently in the process of store closing sales at all retail locations. Although the Applicants are exploring restructuring or sale options of parts of the Peavey Group’s business as a going concern, there is no assurance in the success of these efforts. Since the commencement of the CCAA Proceedings the Applicants have terminated approximately 116 employees and there will be additional terminations as store closure sales are completed. At the date of this Report, it is unclear how many employees will ultimately be terminated during the CCAA Proceedings but it will be substantial. Collectively, any employees already terminated during these CCAA Proceedings or terminated in the future as a result of these CCAA Proceedings are hereafter referred to as the “**Terminated Employees**”.
57. The Monitor is of the view that the Terminated Employees meet the criteria prescribed in the WEPP Regulations. As such, the Monitor supports the Applicants request for a declaration that the Peavey Group members are former employers for the purposes of section 5(5) of the WEPPA.
58. Labour Program Employment and Social Development Canada is on the Service List for these CCAA Proceedings and was served with the Applicants’ materials for the February 6, 2024 application.

CONCLUSIONS

59. The Monitor is of the view that the relief requested by the Peavey Group pursuant to the proposed ARIO is necessary, reasonable and justified in the circumstances. The ARIO and extension to the Stay of Proceedings will provide the Applicants with stability and the best opportunity to preserve value and maximize recoveries for its stakeholders.

60. Accordingly, the Monitor respectfully recommends that the Peavey Group’s request for the proposed ARIO be granted.

All of which is respectfully submitted this 3rd day of February 2025.

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



Deryck Helkaa, CA, CPA, CIRP, LIT
Senior Managing Director
FTI Consulting Canada Inc.



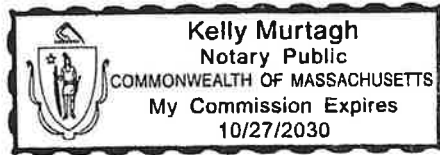
Dustin Olver, CA, CPA, CIRP, LIT
Senior Managing Director
FTI Consulting Canada Inc.

This is Exhibit "E" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of Massachusetts



CERTIFIED *E. Wheaton*
by the Court Clerk as a true copy of
the document digitally filed on Jan
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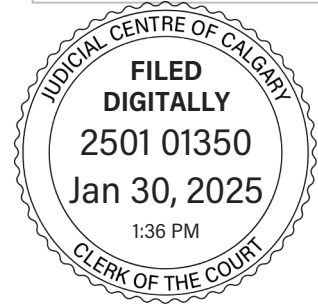
COURT OF KING'S BENCH OF
ALBERTA

JUDICIAL CENTRE

CALGARY

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., GUYS FREIGHTWAYS LTD., and
PEAVEY INDUSTRIES LIMITED



DOCUMENT

INITIAL ORDER (CCAA)

ADDRESS FOR SERVICE
AND
CONTACT INFORMATION
OF
PARTY FILING THIS
DOCUMENT

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File No.: 1001279041

DATE ON WHICH ORDER WAS PRONOUNCED: January 27, 2025

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice Feasby

LOCATION OF HEARING: Calgary, Alberta via WebEx

UPON the application of Peavey Industries General Partner Limited, TSC Stores GP Inc., Guys Freightways Ltd., Peavey Industries Mutual Fund Trust and Peavey Industries Limited (the **Applicants**); **AND UPON** having read the Originating Application and the Affidavit of Douglas Anderson, sworn on January 27, 2025 (the **Anderson Affidavit**); **AND UPON** reading the consent of FTI Consulting Inc. (**FTI** or the **Monitor**) to act as Monitor; **AND UPON** hearing counsel for the Applicants, Peavey Industries LP (**Peavey**), and Peavey Industries Mutual Fund Trust (**MFT**) (collectively, the **Peavey Group**), and any other party that may be present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. This application and supporting materials for this Order were served only on the Agent and the proposed Monitor. Any requirement for service on others, including other secured creditors, is hereby dispensed with, and this application is properly returnable today.

CAPITALIZED TERMS

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the Anderson Affidavit.

APPLICATION

3. The Applicants are companies to which the *Companies' Creditors Arrangement Act* of Canada (the **CCAA**) applies.
4. Although not Applicants, Peavey and MFT are integral to the business of the Applicants, and shall be bound by this Order as though they were Applicants, and enjoy the benefits of the protections and authorizations provided in this Order, and shall be subject to the same restrictions provided herein.

PLAN OF ARRANGEMENT

5. The Peavey Group shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the **Plan**).

POSSESSION OF PROPERTY AND OPERATIONS

6. The Peavey Group shall:
 - (a) remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the **Property**);
 - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of its business (the **Business**) and Property;
 - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively **Assistants**) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order; and

- (d) be entitled to continue to utilize the central cash management system currently in place as described in the Anderson Affidavit, or replace it with another substantially similar central cash management system (the **Cash Management System**) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Peavey Group of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Peavey Group, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.
7. To the extent permitted by law, the Peavey Group shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order:
- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
 - (b) any or all amounts outstanding for inventory delivered by critical suppliers, provided the Agent and the Monitor consent to such payment; and
 - (c) the reasonable fees and disbursements of any Assistants retained or employed by the Peavey Group in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.
8. Except as otherwise provided to the contrary herein, the Peavey Group shall be entitled but not required to pay all reasonable expenses incurred by the Peavey Group in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
 - (b) payment for goods or services actually supplied to the Peavey Group following the date of this Order.

9. The Peavey Group shall remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of:
 - (i) employment insurance,
 - (ii) Canada Pension Plan,
 - (iii) Quebec Pension Plan, and
 - (iv) income taxes,but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;
 - (b) all goods and services or other applicable sales taxes (collectively, **Sales Taxes**) required to be remitted by the Peavey Group in connection with the sale of goods and services by the Peavey Group, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
 - (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by the Peavey Group.
10. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Peavey Group may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Peavey Group from time to time for the period commencing from and including the date of this Order (**Rent**), but shall not pay any rent in arrears.

11. Except as specifically permitted in this Order, the Peavey Group is hereby directed, until further order of this Court:
- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Peavey Group to any of its creditors as of the date of this Order;
 - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and
 - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. The Peavey Group shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the 1903 Credit Agreement (as defined in para 36), have the right to:
- (a) permanently or temporarily cease, downsize or shut down any portion of its business or operations and to dispose of redundant or non-material assets not exceeding \$750,000 in any one transaction or \$1,500,000 in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to the Peavey Group (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;
 - (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Peavey Group and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
 - (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Peavey Group deems appropriate, in accordance with section 32 of the CCAA; and
 - (d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,
- all of the foregoing to permit the Peavey Group to proceed with an orderly restructuring of the Business (the **Restructuring**).
13. The Peavey Group shall provide each of the relevant landlords with notice of the Peavey Group's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date

of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Peavey Group's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Peavey Group, or by further order of this Court upon application by the Peavey Group on at least two (2) days' notice to such landlord and any such secured creditors. If the Peavey Group disclaims or resiliates the lease governing such leased premises in accordance with section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to the Peavey Group's claim to the fixtures in dispute.

14. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
 - (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Peavey Group and the Monitor 24 hours' prior written notice; and
 - (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Peavey Group in respect of such lease or leased premises and such landlord shall be entitled to notify the Peavey Group of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

15. The Applicants are authorized and directed to continue performance pursuant to the SC Consulting Agreement, the RE Consulting Agreement and the Consignment Agreement, as described in the Anderson Affidavit.

NO PROCEEDINGS AGAINST THE PEAVEY GROUP OR THE PROPERTY

16. Until and including February 6, 2025, or such later date as this Court may order (the **Stay Period**), no proceeding or enforcement process in any court (each, a **Proceeding**) shall be commenced or continued against or in respect of the Peavey Group or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Peavey Group or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

17. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being **Persons** and each being a **Person**), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Peavey Group or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
- (a) empower the Peavey Group to carry on any business that the Peavey Group is not lawfully entitled to carry on;
 - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
 - (c) prevent the filing of any registration to preserve or perfect a security interest;
 - (d) prevent the registration of a claim for lien; or
 - (e) exempt the Peavey Group from compliance with statutory or regulatory provisions relating to health, safety or the environment.
18. Nothing in this Order shall prevent any party from taking an action against the Peavey Group where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

19. During the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Peavey Group, except with the written consent of the Peavey Group and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

20. During the Stay Period, all persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or

- (b) oral or written agreements or arrangements with the Peavey Group, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Peavey Group

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Peavey Group or exercising any other remedy provided under such agreements or arrangements. The Peavey Group shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Peavey Group in accordance with the payment practices of the Peavey Group, or such other practices as may be agreed upon by the supplier or service provider and each of the Peavey Group and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

21. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any person, other than the Interim Lender (as defined in para ●), in accordance with the Cash Management System and this Order, be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Peavey Group.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 18 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Peavey Group (the **D&Os**) with respect to any claim against the directors or officers that arose before the date of this Order and that relates to any obligations of the Peavey Group whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Peavey Group, if one is filed, is sanctioned by this Court or is refused by the creditors of the Peavey Group or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

23. The Peavey Group shall indemnify their D&Os against obligations and liabilities that they may incur as directors and officers of the Peavey Group after the commencement of the within proceedings

except to the extent that, with respect to any D&O, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

24. The D&Os of the Peavey Group shall be entitled to the benefit of and are hereby granted a charge (the **D&O Charge**) on the Property, which charge shall not exceed an aggregate amount of \$2,500,000, as security for the indemnity provided in paragraph 23 of this Order. The D&O Charge shall have the priority set out in paragraphs 39 and 41 herein.
25. Notwithstanding any language in any applicable insurance policy to the contrary:
 - (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge; and
 - (b) the Peavey Group's D&Os shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

APPOINTMENT OF MONITOR

26. FTI Consulting Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs of the Peavey Group with the powers and obligations set out in the CCAA or set forth herein and that the Peavey Group and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Peavey Group pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
27. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
 - (a) monitor the Peavey Group's receipts and disbursements, Business and dealings with the Property;
 - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Peavey Group;

- (c) assist the Peavey Group, to the extent required by the Peavey Group, in its dissemination to the Interim Lender (as defined in para 34) and its counsel of financial and other information as agreed to between the Peavey Group and the Interim Lender which may be used in these proceedings, including reporting on a basis as reasonably required by the Interim Lender and as set out in the 1903 Credit Agreement's terms governing the 1903 Revolving Loan Facility;
 - (d) advise the Peavey Group in its preparation of the Peavey Group's cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its counsel on a periodic basis agreed to by the Interim Lender;
 - (e) advise the Peavey Group in its development of the Plan and any amendments to the Plan;
 - (f) assist the Peavey Group, to the extent required by the Peavey Group, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
 - (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Peavey Group to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Peavey Group or to perform its duties arising under this Order;
 - (h) be at liberty to engage independent legal counsel or such other Persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
 - (i) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Peavey Group and any other Person; and
 - (j) perform such other duties as are required by this Order or by this Court from time to time.
28. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the

Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.

29. The Monitor shall provide any creditor of the Peavey Group and the Interim Lender with information provided by the Peavey Group in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Peavey Group is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Peavey Group may agree.
30. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
31. The Monitor, counsel to the Monitor, and counsel to the Peavey Group shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Peavey Group as part of the costs of these proceedings. The Peavey Group is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Peavey Group from time to time, in addition, the Peavey Group is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Peavey Group, retainers as reasonably requested by the Monitor, counsel for the Monitor and counsel for the Peavey Group.
32. The Monitor and its legal counsel shall pass their accounts from time to time.
33. The Monitor, counsel to the Monitor, if any, and the Peavey Group's counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the **Administration Charge**) on the Property, which charge shall not initially exceed an aggregate amount of \$500,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 39 and 41 herein.

INTERIM FINANCING

34. Notwithstanding any existing or ongoing defaults by the Peavey Group under the 1903 Credit Agreement, the Peavey Group shall be entitled to continue to use the 1903 Revolving Loan Facility under the Cash Management System that is granted by 1903P Loan Agent, LLC, as lender and agent (the **Agent**) pursuant to the 1903 Credit Agreement, as defined and described in the Anderson Affidavit, for the purposes of interim financing. For greater certainty, (i) the Peavey Group is authorized, despite existing and ongoing defaults under the 1903 Credit Agreement, to borrow, repay and re-borrow such amounts from time to time as the Peavey Group may consider necessary or desirable under the 1903 Credit Agreement, subject to the terms and conditions of the 1903 Credit Agreement and this Order; and (ii) 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, whether directly or through blocked accounts, against the indebtedness owing under the 1903P Credit Agreement, whether such indebtedness arose before or after the date of this Order.
35. The Cash Management System will be governed by the terms of the 1903 Credit Agreement, despite existing and ongoing defaults under the 1903 Credit Agreement, this Order, and such other documentation applicable to the Cash Management System, including any blocked account agreements. The rights and remedies of the Interim Lender shall be unaffected by paragraphs 16, 17, 19 and 20 of this Order or any other stay of proceedings that may be granted in these proceedings.
36. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the **Interim Lender's Charge**) on the Property, which charge shall not initially exceed an aggregate amount of \$15,000,000, as security for any advances made under the 1903 Credit Agreement from and after the commencement of these CCAA proceedings. The Interim Lender's Charge shall have the priority set out in paragraphs 39 and 41 herein. The Interim Lender's Charge shall not secure any obligation existing before the date this Order is made.
37. Notwithstanding any other provision of this Order:
- (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge;
 - (b) upon the occurrence of a further event of default under the 1903 Credit Agreement or the Interim Lender's Charge, the Interim Lender, upon two (2) days' notice to the Peavey Group and the Monitor, may exercise any and all of its rights and remedies against the Peavey Group or the Property under or pursuant to the 1903 Credit Agreement and the Interim Lender's Charge, including without limitation, to cease making advances to the Peavey

Group and set off and/or consolidate any amounts owing by the Agent to the Peavey Group against the obligations of the Peavey Group to the Agent under the 1903 Credit Agreement or the Interim Lender's Charge, to make demand, accelerate payment, and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Peavey Group and for the appointment of a trustee in bankruptcy of the Peavey Group; and

- (c) the foregoing rights and remedies of the Agent shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Peavey Group or the Property.

38. The Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Peavey Group under the CCAA, or any proposal filed by the Peavey Group under the *Bankruptcy and Insolvency Act of Canada* (the **BIA**), with respect to any post-filing advances made under the 1903 Credit Agreement.

VALIDITY AND PRIORITY OF CHARGES

39. The priorities of the Administration Charge, the Interim Lender's Charge, and the D&O Charge (collectively, the **Charges** and each a **Charge**), as among them, shall be as follows:

First – Administration Charge (initially, to the maximum amount of \$500,000);

Second – Interim Lender's Charge (initially, to the maximum amount of \$15,000,000);

Third – D&O Charge (initially, to the maximum amount of \$2,500,000).

40. The filing, registration or perfection of the Charges shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

41. Each of the Charges shall constitute a charge on the Property and subject always to section 34(11) of the CCAA, such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors that were provided with the filed materials referred to in the recitals to this Order, statutory or otherwise (collectively, **Encumbrances**) in favour of any Person. The Court may expand the priority of the Charges over claims of additional or all secured creditors of the Peavey Group at the comeback hearing.

42. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Peavey Group shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu*

with, any of the Administration Charge, the Interim Lender's Charge, and the D&O Charge, unless the Peavey Group also obtains the prior written consent of the Monitor, the Interim Lender, and the beneficiaries of the D&O Charge and the Administration Charge, or further order of this Court.

43. The Charges and the 1903 Credit Agreement shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the **Chargees**) and/or the Interim Lender thereunder shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
 - (d) the provisions of any federal or provincial statutes; or
 - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an **Agreement**) that binds the Peavey Entities, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, shall create or be deemed to constitute a new breach by the Peavey Group of any Agreement to which it is a party;
 - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
 - (iii) the payments made by the Peavey Group pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

ALLOCATION

44. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Charges amongst the various assets comprising the Property.

SERVICE AND NOTICE

45. The Monitor shall (i) without delay, publish in the Globe and Mail, Retail Insider, and Calgary Herald a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Peavey Group of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.
46. The Peavey Group and, where applicable, the Monitor, are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Peavey Group's creditors or other interested parties at their respective addresses as last shown on the records of the Peavey Group and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.
47. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the **Service List**) to be maintained by the Monitor. The Monitor shall post and maintain an up-to-date form of the Service List on its website at: <http://cfcanada.fticonsulting.com/peavey/>

GENERAL

48. The Peavey Group, the Interim Lender, or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
49. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
50. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Peavey Group, the Business or the Property.
51. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this

Order and to assist the Peavey Group, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Peavey Group and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Peavey Group and the Monitor and their respective agents in carrying out the terms of this Order.

52. Each of the Peavey Group and the Monitor shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
53. Any interested party (including the Peavey Group and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
54. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.



Justice of the Court of King's Bench of Alberta

This is Exhibit "F" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of Massachusetts



CERTIFIED *E. Whinston*
by the Court Clerk as a true copy of
the document digitally filed on Feb
11, 2025

COURT FILE NUMBER

2501 01350

COURT

COURT OF KING'S BENCH OF
ALBERTA

JUDICIAL CENTRE

CALGARY

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., GUYS FREIGHTWAYS LTD., and
PEAVEY INDUSTRIES LIMITED

DOCUMENT

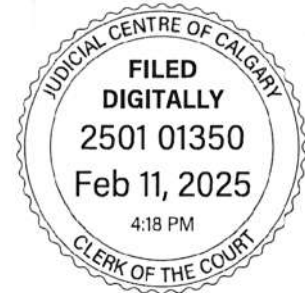
**AMENDED AND RESTATED INITIAL
ORDER (CCAA)**

ADDRESS FOR SERVICE
AND
CONTACT INFORMATION
OF
PARTY FILING THIS
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File No.: 1001279041



DATE ON WHICH ORDER WAS PRONOUNCED: February 6, 2024

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice B.B. Johnston

LOCATION OF HEARING: Calgary, Alberta via WebEx

UPON the Application of Peavey Industries General Partner Limited, TSC Stores GP Inc., Guys Freightways Ltd., Peavey Industries Mutual Fund Trust and Peavey Industries Limited (the **Applicants**); **AND UPON** having read the first and second affidavits of Douglas Anderson, sworn January 27 (**Anderson Affidavit #1**) and January 31, 2025, respectively, and the affidavit of service of Joanna Van Ham, sworn February 5, 2025; **AND UPON** having read the Brief of Law of the Applicants, filed January 27, 2025; **AND UPON** having read the First Report of the Monitor, FTI Consulting Inc. (**Monitor** and **First Report of the Monitor**); **AND UPON** reviewing the Initial Order granted in the proceedings under the *Companies Creditors Arrangement Act*, RSC 1985, c C-36 (**CCAA**) by the Honourable Justice Feasby on January 27, 2025 (the **Initial Order**); **AND UPON** hearing counsel for the Applicants, Peavy Industries LP (**Peavey**), and Peavey Industries Mutual Fund Trust (**MFT**) (collectively, the **Peavey Group**), and any other party that may be present;

IT IS HEREBY ORDERED AND DECLARED THAT:**SERVICE**

1. The time for service of the notice of application of this Amended and Restated Initial Order is hereby abridged and deemed good and sufficient, and this application is properly returnable today.

CAPITALIZED TERMS

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in Anderson Affidavit #1.

APPLICATION

3. The Applicants are companies to which the *Companies' Creditors Arrangement Act* of Canada (the **CCAA**) applies.
4. Although not Applicants, Peavey and MFT are integral to the business of the Applicants, and shall be bound by this Order as though they were Applicants, and enjoy the benefits of the protections and authorizations provided in this Order, and shall be subject to the same restrictions provided herein.

PLAN OF ARRANGEMENT

5. The Peavey Group shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the **Plan**).

POSSESSION OF PROPERTY AND OPERATIONS

6. The Peavey Group shall:
 - (a) remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the **Property**);
 - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of its business (the **Business**) and Property;
 - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively **Assistants**) currently retained or employed by it, with liberty to retain such further

Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order; and

- (d) be entitled to continue to utilize the central cash management system currently in place as described in Anderson Affidavit #1, or replace it with another substantially similar central cash management system (the **Cash Management System**) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Peavey Group of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Peavey Group, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.
7. To the extent permitted by law, the Peavey Group shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after the date of the Initial Order:
- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of the Initial Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
 - (b) any or all amounts outstanding for inventory delivered by critical suppliers, provided the Agent and the Monitor consent to such payment; and
 - (c) the reasonable fees and disbursements of any Assistants retained or employed by the Peavey Group in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of the Initial Order.
8. Except as otherwise provided to the contrary herein, the Peavey Group shall be entitled but not required to pay all reasonable expenses incurred by the Peavey Group in carrying on the Business in the ordinary course after the Initial Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
 - (b) payment for goods or services actually supplied to the Peavey Group following the date of the Initial Order.
9. The Peavey Group shall remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of:
 - (i) employment insurance,
 - (ii) Canada Pension Plan,
 - (iii) Quebec Pension Plan, and
 - (iv) income taxes,

but only where such statutory deemed trust amounts arise after the date of the Initial Order, or are not required to be remitted until after the date of the Initial Order, unless otherwise ordered by the Court;
 - (b) all goods and services or other applicable sales taxes (collectively, **Sales Taxes**) required to be remitted by the Peavey Group in connection with the sale of goods and services by the Peavey Group, but only where such Sales Taxes are accrued or collected after the date of the Initial Order, or where such Sales Taxes were accrued or collected prior to the date of the Initial Order but not required to be remitted until on or after the date of the Initial Order; and
 - (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by the Peavey Group.
10. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Peavey Group may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms

of existing lease arrangements or as otherwise may be negotiated by the Peavey Group from time to time for the period commencing from and including the date of the Initial Order (**Rent**), but shall not pay any rent in arrears.

11. Except as specifically permitted in this Order, the Peavey Group is hereby directed, until further order of this Court:
- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Peavey Group to any of its creditors as of the date of the Initial Order;
 - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and
 - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. The Peavey Group shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the 1903 Credit Agreement (as defined in para 36), have the right to:
- (a) permanently or temporarily cease, downsize or shut down any portion of its business or operations and to dispose of redundant or non-material assets (including furniture, fixtures and equipment (**FF&E**) but excluding inventory sold to public customers) not exceeding \$750,000 in any one transaction or \$3,000,000 in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to the Peavey Group (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;
 - (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Peavey Group and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
 - (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Peavey Group deems appropriate, in accordance with section 32 of the CCAA; and
 - (d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

- all of the foregoing to permit the Peavey Group to proceed with an orderly restructuring of the Business (the **Restructuring**).
13. The Peavey Group shall provide each of the relevant landlords with notice of the Peavey Group's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Peavey Group's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Peavey Group, or by further order of this Court upon application by the Peavey Group on at least two (2) days' notice to such landlord and any such secured creditors. If the Peavey Group disclaims or resiliates the lease governing such leased premises in accordance with section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to the Peavey Group's claim to the fixtures in dispute.
- 13a. No FF&E that is subject to a registered security interest shall be sold without consent of the holder of the registered security interest and the Monitor, or further order of this Court.
14. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
- (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Peavey Group and the Monitor 24 hours' prior written notice; and
 - (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Peavey Group in respect of such lease or leased premises and such landlord shall be entitled to notify the Peavey Group of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.
15. The SC Consulting Agreement, the RE Consulting Agreement and the Consignment Agreement (all as defined in Anderson Affidavit #1, being the **Consulting Agreements**), and any applicable Statements of Work thereunder, are hereby approved, authorized and ratified and the Peavey Group is authorized and directed to continue to perform pursuant to the Consulting Agreements

(including remitting payment for fees and expenses to the Consultant) or take any and all actions as may be necessary to implement the Consulting Agreements and the transactions contemplated therein, but always subject to this Order and any other Orders of this Court.

16. The Consultant is and shall act as an independent consultant to the Peavey Group.

NO PROCEEDINGS AGAINST THE PEAVEY GROUP OR THE PROPERTY

17. Until and including April 30, 2025, or such later date as this Court may order (the **Stay Period**), no proceeding or enforcement process in any court (each, a **Proceeding**) shall be commenced or continued against or in respect of the Peavey Group or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Peavey Group or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

18. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being **Persons** and each being a **Person**), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Peavey Group or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
- (a) empower the Peavey Group to carry on any business that the Peavey Group is not lawfully entitled to carry on;
 - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
 - (c) prevent the filing of any registration to preserve or perfect a security interest;
 - (d) prevent the registration of a claim for lien; or
 - (e) exempt the Peavey Group from compliance with statutory or regulatory provisions relating to health, safety or the environment.
19. Nothing in this Order shall prevent any party from taking an action against the Peavey Group where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

20. During the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Peavey Group, except with the written consent of the Peavey Group and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

21. During the Stay Period, all persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
 - (b) oral or written agreements or arrangements with the Peavey Group, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Peavey Group

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Peavey Group or exercising any other remedy provided under such agreements or arrangements. The Peavey Group shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of the Initial Order are paid by the Peavey Group in accordance with the payment practices of the Peavey Group, or such other practices as may be agreed upon by the supplier or service provider and each of the Peavey Group and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

22. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of the Initial Order, nor shall any person, other than the Interim Lender (as defined in paragraph 35), in accordance with the Cash Management System and this Order, be under any obligation on or after the date of the Initial Order to advance or re-advance any monies or otherwise extend any credit to the Peavey Group.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

23. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 19 of this Order, no Proceeding may be commenced or continued against any of the

former, current or future directors or officers of the Peavey Group (the **D&Os**) with respect to any claim against the directors or officers that arose before the date of the Initial Order and that relates to any obligations of the Peavey Group whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Peavey Group, if one is filed, is sanctioned by this Court or is refused by the creditors of the Peavey Group or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

24. The Peavey Group shall indemnify their D&Os against obligations and liabilities that they may incur as directors and officers of the Peavey Group after the commencement of the within proceedings except to the extent that, with respect to any D&O, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
25. The D&Os of the Peavey Group shall be entitled to the benefit of and are hereby granted a charge (the **D&O Charge**) on the Property, which charge shall not exceed an aggregate amount of \$7,000,000, as security for the indemnity provided in paragraph 24 of this Order. The D&O Charge shall have the priority set out in paragraphs 42 and 44 herein.
26. Notwithstanding any language in any applicable insurance policy to the contrary:
 - (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge; and
 - (b) the D&Os shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 24 of this Order.

APPOINTMENT OF MONITOR

27. FTI Consulting Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs of the Peavey Group with the powers and obligations set out in the CCAA or set forth herein and that the Peavey Group and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Peavey Group pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

28. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
- (a) monitor the Peavey Group's receipts and disbursements, Business and dealings with the Property;
 - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Peavey Group;
 - (c) assist the Peavey Group, to the extent required by the Peavey Group, in its dissemination to the Interim Lender (as defined in paragraph 35) and its counsel of financial and other information as agreed to between the Peavey Group and the Interim Lender which may be used in these proceedings, including reporting on a basis as reasonably required by the Interim Lender and as set out in the 1903 Credit Agreement's terms governing the 1903 Revolving Loan Facility;
 - (d) advise the Peavey Group in its preparation of the Peavey Group's cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its counsel on a periodic basis agreed to by the Interim Lender;
 - (e) advise the Peavey Group in its development of the Plan and any amendments to the Plan;
 - (f) assist the Peavey Group, to the extent required by the Peavey Group, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
 - (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Peavey Group to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Peavey Group or to perform its duties arising under this Order;
 - (h) be at liberty to engage independent legal counsel or such other Persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
 - (i) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Peavey Group and any other Person; and

- (j) perform such other duties as are required by this Order or by this Court from time to time.
29. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.
30. The Monitor shall provide any creditor of the Peavey Group and the Interim Lender with information provided by the Peavey Group in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Peavey Group is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Peavey Group may agree.
31. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
32. The Monitor, counsel to the Monitor, and counsel to the Peavey Group shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Peavey Group as part of the costs of these proceedings. The Peavey Group is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Peavey Group from time to time, in addition, the Peavey Group is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Peavey Group, retainers as reasonably requested by the Monitor, counsel for the Monitor and counsel for the Peavey Group.

33. The Monitor and its legal counsel shall pass their accounts from time to time.
34. The Monitor, counsel to the Monitor, if any, and the Peavey Group's counsel, as security for the professional fees and disbursements incurred both before and after the granting of the Initial Order, shall be entitled to the benefits of and are hereby granted a charge (the **Administration Charge**) on the Property, which charge shall not exceed an aggregate amount of \$750,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of the Initial Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 42 and 44 herein.

INTERIM FINANCING

35. Notwithstanding any existing or ongoing defaults by the Peavey Group under the 1903 Credit Agreement, the Peavey Group is authorized and directed to continue to use the 1903 Revolving Loan Facility under the Cash Management System that is granted by 1903P Loan Agent, LLC, as lender and agent (the **Agent**) pursuant to the 1903 Credit Agreement, as defined and described in Anderson Affidavit #1, for the purposes of interim financing. For greater certainty, (i) the Peavey Group is authorized and directed, despite existing and ongoing defaults under the 1903 Credit Agreement, to borrow, repay and re-borrow such amounts from time to time as the Peavey Group may consider necessary or desirable under the 1903 Credit Agreement, subject to the terms and conditions of the 1903 Credit Agreement and this Order; and (ii) for so long as the Peavey Group remains authorized and directed to borrow, repay and re-borrow under the 1903 Credit Agreement in accordance with (i), 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, whether directly or through blocked accounts, against pre-filing indebtedness owing under the 1903P Credit Agreement up to the maximum aggregate amount of \$66,414,413.41, subject to further Order of this Court.
36. The Cash Management System will be governed by the terms of the 1903 Credit Agreement, despite existing and ongoing defaults under the 1903 Credit Agreement, this Order, and such other documentation applicable to the Cash Management System, including any blocked account agreements. The rights and remedies of the Interim Lender shall be unaffected by paragraphs 17, 18, 20 and 21 of this Order or any other stay of proceedings that may be granted in these proceedings.
37. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the **Interim Lender's Charge**) on the Property, which charge shall not exceed an aggregate amount of \$25,000,000, as security for any advances made under the 1903 Credit Agreement from and after the commencement of these CCAA proceedings. The Interim Lender's Charge shall have the

priority set out in paragraphs 42 and 44 herein. The Interim Lender's Charge shall not secure any obligation existing before the date on which the Initial Order was made.

38. Notwithstanding any other provision of this Order:
- (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge;
 - (b) upon the occurrence of a new and further event of default under the 1903 Credit Agreement or the Interim Lender's Charge, the Interim Lender, upon two (2) days' notice to the Peavey Group and the Monitor, may exercise any and all of its rights and remedies against the Peavey Group or the Property under or pursuant to the 1903 Credit Agreement and the Interim Lender's Charge, including without limitation, to cease making advances to the Peavey Group and set off and/or consolidate any amounts owing by the Agent to the Peavey Group against the obligations of the Peavey Group to the Agent under the 1903 Credit Agreement or the Interim Lender's Charge, to make demand, accelerate payment, and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Peavey Group and for the appointment of a trustee in bankruptcy of the Peavey Group; and
 - (c) the foregoing rights and remedies of the Agent shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Peavey Group or the Property.
39. The Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Peavey Group under the CCAA, or any proposal filed by the Peavey Group under the *Bankruptcy and Insolvency Act* of Canada (the **BIA**), with respect to any post-filing advances made under the 1903 Credit Agreement.

KEY EMPLOYEE RETENTION AND INCENTIVE PLAN

40. The amounts payable to key employees pursuant to the KERP and KEIP (as attached to the First Report of the Monitor at Confidential Appendix 1) are hereby secured by a charge (the **KERP / KEIP Charge**) on the Property, in favour of the key employees identified therein. The KERP / KEIP Charge shall have the priority set out in paragraphs 42 and 44 hereof.
41. The KERP / KEIP Charge shall be in the aggregate amount of no more than \$1,204,470, less any amounts allocable in the KERP to any employees who do not retain their employment in accordance with the KERP.

VALIDITY AND PRIORITY OF CHARGES

42. The priorities of the Administration Charge, the Interim Lender's Charge, the D&O Charge, and the KERP Charge (collectively, the **Charges** and each a **Charge**), as among them, shall be as follows:
- First – Administration Charge (to the maximum amount of \$750,000);
- Second – Interim Lender's Charge (to the maximum amount of \$25,000,000);
- Third – D&O Charge (to the maximum amount of \$7,000,000); and
- Fourth – KERP Charge (to the maximum amount of \$1,204,470).
43. The filing, registration or perfection of the Charges shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
44. Each of the Charges shall constitute a charge on the Property and subject always to section 34(11) of the CCAA, such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, **Encumbrances**) in favour of any Person.
45. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Peavey Group shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Peavey Group also obtains the prior written consent of the Monitor, the Interim Lender, and the beneficiaries of the D&O Charge, the Administration Charge, and the KERP Charge, or further order of this Court.
46. The Charges and the 1903 Credit Agreement shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the **Chargees**) and/or the Interim Lender thereunder shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
 - (d) the provisions of any federal or provincial statutes; or

- (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an **Agreement**) that binds the Peavey Entities, and notwithstanding any provision to the contrary in any Agreement:
- (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, shall create or be deemed to constitute a new breach by the Peavey Group of any Agreement to which it is a party;
 - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
 - (iii) the payments made by the Peavey Group pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

ALLOCATION

47. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Charges amongst the various assets comprising the Property.

WAGE EARNER PROTECTION PROGRAM ACT

48. Pursuant to subsection 5(1)(b)(iv) and 5(5) of the *Wage Earner Protection Program Act* (Canada), SC 2005, c 47, s 1, Peavey Industries General Partner Limited, TSC Stores GP Inc., Guys Freightways Ltd., Peavey Industries Limited, Peavey Industries LP and Peavey Industries Mutual Fund Trust meet the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222.

SERVICE AND NOTICE

49. The Monitor shall (i) without delay, publish in the *Globe and Mail*, *Retail Insider*, and *Calgary Herald* a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Peavey Group of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the

prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.

50. The Peavey Group and, where applicable, the Monitor, are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Peavey Group's creditors or other interested parties at their respective addresses as last shown on the records of the Peavey Group and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.
51. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the **Service List**) to be maintained by the Monitor. The Monitor shall post and maintain an up-to-date form of the Service List on its website at: <http://cfcanada.fticonsulting.com/peavey/>

GENERAL

52. The Peavey Group, the Interim Lender, or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
53. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
54. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Peavey Group, the Business or the Property.
55. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Peavey Group, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Peavey Group and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Peavey Group and the Monitor and their respective agents in carrying out the terms of this Order.

56. Each of the Peavey Group and the Monitor shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
57. Any interested party (including the Peavey Group and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
58. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.



Justice of the Court of King's Bench of Alberta

This is Exhibit "G" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of Massachusetts



From: Hunter Grobmyer
Sent: Wednesday, September 25, 2024 9:57 AM
To: Kyle Shonak
Cc: Tamar Scoville; Caroline Maxwell; Clara Pedrosa; Matthew Czerkowicz
Subject: Re: Peavey Draft IDR & Term Sheet

Kyle,

We had a good conversation with Jamie / FTI this morning. They appear to have had preliminary conversations with Peavey's President & Shareholder, Doug Anderson, who is open to putting up additional equity that would pair with a new financing facility.

The FTI process for an equity investor / buyer ends next Thursday. This will give us and FTI a sense if there are serious 3rd parties for a similar equity injection to pair with new financing. FTI is hoping to hear our feedback on financing by next week as well.

We are proposing the below milestones / covenants for your review:

- Minimum Excess Availability covenant at the greater of 10% of the Revolver Borrowing Base and \$10,000,000.
- Up to a 20% variance to Company's 13w cashflow budget.
- [30 days following the financing closing date] Company shall have a signed LOI relating to an equity raise or go-forward purchase.

Thank you,

Hunter Grobmyer | Gordon Brothers | 816-213-9214

From: Hunter Grobmyer <hgrobmyer@gordonbrothers.com>
Sent: Monday, September 23, 2024 8:31 PM
To: Kyle Shonak <kshonak@gordonbrothers.com>
Cc: Tamar Scoville <tscoville@gordonbrothers.com>; Caroline Maxwell <cmaxwell@gordonbrothers.com>; Clara Pedrosa <cpedrosa@gordonbrothers.com>
Subject: Peavey Draft IDR & Term Sheet

Hi Kyle,

Attached please find draft of i) Peavey Mart IDR and ii) Term Sheet. As you are aware, FTI is running a process for a financing/capital raise along with a Company sale or a liquidation bid (for some or all of the stores). In our current model from FTI, there is seen to be enough excess availability for the Company to survive through the remainder of FY24 and FY25. However, due to the companies negative financial performance in FY23 and YTD FY24, the failed diligence process with the initial Canadian Bank/US TL provider (bringing deal back to us), and the necessitation for an adjustment of the Block in their current borrowing base from \$10mm to \$2.5mm, we believe that management projections are overly optimistic and do not reflect the realistic cash burn they will incur in FY25. We are running sensitivity models for the

financial and borrowing base projections, assuming a miss on revenues and increase revolver borrowings. We believe that March through May would be the tightest months, due to continued cash burn and seasonal inventory purchases.

Due to this, we believe some level of store closures and/or equity injection is necessary in FY25. The company is currently closing 4 locations that we know of and has solicited liquidation proposals from GB and Hilco.

We would appreciate feedback on the IDR and Term Sheet as we are best trying to determine how to market our facility given the parallel processes that are currently underway. Similar to a Soft / Sam Ash, we think milestones around a monetization plan, plan for sale of stores / disposition of inventory, bids for an equity raise, FTI projections that highlight company's ability to operate as a going concern, etc. could be beneficial to this deal, especially since GBRP is comfortable with the inventory in an event of default or liquidation.

We do not have clear insights into the other processes that FTI is running (other than what we ask GBRP team), so we are a bit stuck on how to most effectively tell the "Capital Story" here since there is a high likelihood of liquidation.

Thank you,
Hunter

Hunter Grobmyer
Associate, Capital
[Gordon Brothers](#)
cell 816-213-9214
follow us on [LinkedIn](#)



From: Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>
Sent: Saturday, October 19, 2024 8:48 AM
To: Caroline Maxwell
Subject: RE: [EXTERNAL] RE: Peavey Mart Term Sheet

Thanks for the responses here, Caroline. Very helpful.

Let me know when you have availability Monday/Tuesday and we can connect again.

Patrick Kennedy
+1.416.649.8080 T | +1.416.697.3310 M

From: Caroline Maxwell <cmaxwell@gordonbrothers.com>
Sent: Friday, October 18, 2024 3:41 PM
To: Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>
Subject: RE: [EXTERNAL] RE: Peavey Mart Term Sheet

Hi Patrick,

Thank you for the questions! Please see below for initial feedback for some of the points but note that we are continuing to discuss internally and adjusting our model / terms accordingly.

- Block – any room to move here back to original term sheet of 8% - **Team is reviewing internally**
- Advance Rates – any room to move on Inventory, getting closer to the initial GB proposal, noting that any change here would require resizing the FILO to limit suppression **Team is reviewing internally**
- FFE - any appetite to get deeper into the assets based on the appraisal – **I do not think we are able to go deeper than what is on the appraisal within our BBC**
- Timing of Stepdowns – any room to delay timing of inventory advance and FFE stepdowns – **Checking internally, but most likely can start the step down 1 year into facility**
- Owned Real Estate – is there any appetite for GB to look at the owned real estate to unlock some equity value there – **Our internal Real Estate team has reviewed all the properties and does not think they can provide much incremental value on top of what is current owed.**
- GB Model – would like to understand the calculations/methodology behind the various reserves and how these were derived compared to the Company’s forecast– **Have added in additional cushions for shrink and excess/aged inventory, which we are continuing to review internally**
- Appraisals – confirm for us what would be needed to get to a binding term sheet stage, mainly, would GB require any of the appraisals/field exam to be rolled forward– **What do you mean by binding Term Sheet? Do you mean post Term Sheet execution and pre-close/fund?**

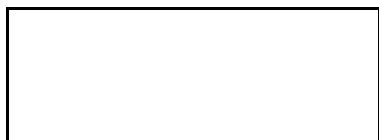
Additionally, I wanted to touch base on a quick point to ensure we were aligned with what Gordon Brother’s expectation is. The current status of the process is that Peavey is currently pursuing solely a going concern route. That solution will be comprised of debt and equity, with the debt coming from an ABL provider and equity from either i) Doug through RE refinances or ii) a Sponsor separate from the Company? Is the management team looking to sell the business? In addition, the sponsor bids relate to the mid/end of November deadline, correct?

Sorry for all the clarifying questions, I left our call Tuesday slightly confused with what exactly GB’s role here was and how we would partner / work with an equity provider to provide Peavey a fulsome solution. Maybe we set up a group

call on Monday or Tuesday to touch base as well, so we can see what your exact timing is on what you need from us and when. Thanks and have a great weekend!

Best,
Caroline

Caroline Maxwell
Associate, Capital
Gordon Brothers
cell 978-844-3955
follow us on LinkedIn & Twitter



From: Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>
Sent: Thursday, October 17, 2024 4:52 PM
To: Caroline Maxwell <cmaxwell@gordonbrothers.com>
Subject: RE: [EXTERNAL] RE: Peavey Mart Term Sheet

Hi Caroline – apologies for the delay on this. Few thoughts below from our call.

- Block – any room to move here back to original term sheet of 8%
- Advance Rates – any room to move on Inventory, getting closer to the initial GB proposal, noting that any change here would require resizing the FILO to limit suppression
- FFE - any appetite to get deeper into the assets based on the appraisal
- Timing of Stepdowns – any room to delay timing of inventory advance and FFE stepdowns
- Owned Real Estate – is there any appetite for GB to look at the owned real estate to unlock some equity value there
- GB Model – would like to understand the calculations/methodology behind the various reserves and how these were derived compared to the Company’s forecast
- Appraisals – confirm for us what would be needed to get to a binding term sheet stage, mainly, would GB require any of the appraisals/field exam to be rolled forward

Happy to chat again to walk through these together – let me know.

Best,

Patrick Kennedy
+1.416.649.8080 T | +1.416.697.3310 M

From: Caroline Maxwell <cmaxwell@gordonbrothers.com>
Sent: Thursday, October 17, 2024 11:10 AM
To: Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>
Subject: RE: [EXTERNAL] RE: Peavey Mart Term Sheet

Hi Patrick,

Reaching out to see if you could provide a list of commentary on the Gordon Brothers Term Sheet. Upon receipt, we will work internally to see ways we can be creative and best serve Peavey’s liquidity needs.

Best,
Caroline

Caroline Maxwell
Associate, Capital
Gordon Brothers
cell 978-844-3955
follow us on LinkedIn & Twitter



From: Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>
Sent: Tuesday, October 15, 2024 2:56 PM
To: Caroline Maxwell <cmaxwell@gordonbrothers.com>
Subject: RE: [EXTERNAL] RE: Peavey Mart Term Sheet

Hi Caroline – I'm just stuck on a call that is going to go over 3pm. Can I give you a call at 315?

Patrick Kennedy
+1.416.649.8080 T | +1.416.697.3310 M

From: Caroline Maxwell <cmaxwell@gordonbrothers.com>
Sent: Tuesday, October 15, 2024 12:08 PM
To: Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>
Subject: RE: [EXTERNAL] RE: Peavey Mart Term Sheet

I'm free between 3:00 – 4:00 PM, does a time in that block work for you?

Best,
Caroline

Caroline Maxwell
Associate, Capital
Gordon Brothers
cell 978-844-3955
follow us on LinkedIn & Twitter



From: Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>
Sent: Tuesday, October 15, 2024 11:59 AM
To: Caroline Maxwell <cmaxwell@gordonbrothers.com>
Subject: RE: [EXTERNAL] RE: Peavey Mart Term Sheet

Hi Caroline – thanks for checking-in. Do you have a couple minutes to chat this afternoon?

Patrick Kennedy

+1.416.649.8080 T | +1.416.697.3310 M

From: Caroline Maxwell <cmaxwell@gordonbrothers.com>**Sent:** Tuesday, October 15, 2024 11:00 AM**To:** Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>; Manarin, Olivia <Olivia.Manarin@fticonsulting.com>; Belcher, Jamie <Jamie.Belcher@fticonsulting.com>**Cc:** Hunter Grobmyer <hgrobmyer@gordonbrothers.com>; Matthew Czerkowicz <mczerkowicz@gordonbrothers.com>; Tamar Scoville <tscoville@gordonbrothers.com>; Kyle Shonak <kshonak@gordonbrothers.com>**Subject:** RE: [EXTERNAL] RE: Peavey Mart Term Sheet

Hi Patrick and Team,

Hope you all had nice Thanksgiving celebrations. Wanted to touch base to see if there was any status update on Peavey, especially given the fact the current facility matures in ~2 months. Any updates are greatly appreciated, and we are more than happy to talk through live. Let me know if you want me to set up a time to discuss.

Best,
Caroline

Caroline Maxwell
Associate, Capital
Gordon Brothers
cell 978-844-3955
follow us on [LinkedIn](#) & [Twitter](#)



From: Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>**Sent:** Tuesday, October 8, 2024 6:58 PM**To:** Caroline Maxwell <cmaxwell@gordonbrothers.com>; Manarin, Olivia <Olivia.Manarin@fticonsulting.com>; Belcher, Jamie <Jamie.Belcher@fticonsulting.com>**Cc:** Hunter Grobmyer <hgrobmyer@gordonbrothers.com>; Matthew Czerkowicz <mczerkowicz@gordonbrothers.com>; Tamar Scoville <tscoville@gordonbrothers.com>; Kyle Shonak <kshonak@gordonbrothers.com>**Subject:** RE: [EXTERNAL] RE: Peavey Mart Term Sheet

Hi Caroline – thanks for reaching out. We are still working through our process on our side with the various stakeholders, but will reach out to connect in the coming days. Thanks for your patience.

Patrick Kennedy

+1.416.649.8080 T | +1.416.697.3310 M

From: Caroline Maxwell <cmaxwell@gordonbrothers.com>**Sent:** Tuesday, October 8, 2024 5:14 PM**To:** Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>; Manarin, Olivia <Olivia.Manarin@fticonsulting.com>; Belcher, Jamie <Jamie.Belcher@fticonsulting.com>**Cc:** Hunter Grobmyer <hgrobmyer@gordonbrothers.com>; Matthew Czerkowicz <mczerkowicz@gordonbrothers.com>

Tamar Scoville <tscoville@gordonbrothers.com>; Kyle Shonak <kshonak@gordonbrothers.com>

Subject: RE: [EXTERNAL] RE: Peavey Mart Term Sheet

Hi Jamie, Patrick, and Olivia,

Hope you are all doing well. Wanted to check in and see if there was any commentary or questions you had on the Gordon Brothers Term Sheet. We are more than happy to set up a time to discuss live. Let me know what works best on your end, thank you!

Best,
Caroline

Caroline Maxwell
Associate, Capital
Gordon Brothers
cell 978-844-3955
follow us on [LinkedIn](#) & [Twitter](#)



From: Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>

Sent: Thursday, October 3, 2024 10:44 AM

To: Caroline Maxwell <cmaxwell@gordonbrothers.com>; Manarin, Olivia <Olivia.Manarin@fticonsulting.com>; Belcher, Jamie <Jamie.Belcher@fticonsulting.com>

Cc: Hunter Grobmyer <hgrobmyer@gordonbrothers.com>; Matthew Czerkowicz <mczerkowicz@gordonbrothers.com>; Tamar Scoville <tscoville@gordonbrothers.com>; Kyle Shonak <kshonak@gordonbrothers.com>

Subject: RE: [EXTERNAL] RE: Peavey Mart Term Sheet

Thanks Caroline, confirming receipt and we will be in touch.

Patrick Kennedy

+1.416.649.8080 T | +1.416.697.3310 M

From: Caroline Maxwell <cmaxwell@gordonbrothers.com>

Sent: Thursday, October 3, 2024 9:37 AM

To: Manarin, Olivia <Olivia.Manarin@fticonsulting.com>; Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>; Belcher, Jamie <Jamie.Belcher@fticonsulting.com>

Cc: Hunter Grobmyer <hgrobmyer@gordonbrothers.com>; Matthew Czerkowicz <mczerkowicz@gordonbrothers.com>; Tamar Scoville <tscoville@gordonbrothers.com>; Kyle Shonak <kshonak@gordonbrothers.com>

Subject: RE: [EXTERNAL] RE: Peavey Mart Term Sheet

Hi All,

Thank you again for the time yesterday morning to talk through our term sheet, please reach out if any additional questions arise as you continue to model out scenarios.

As discussed, attached please find our Availability Model for reference, let us know if you would like to hop on a call to discuss. If possible, could you please send over your latest projection model as well? Appreciate it!

Best,
Caroline

Caroline Maxwell
Associate, Capital
Gordon Brothers
cell 978-844-3955
follow us on [LinkedIn](#) & [Twitter](#)



From: Manarin, Olivia <Olivia.Manarin@fticonsulting.com>
Sent: Tuesday, October 1, 2024 6:48 PM
To: Caroline Maxwell <cmaxwell@gordonbrothers.com>; Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>; Belcher, Jamie <Jamie.Belcher@fticonsulting.com>
Cc: Hunter Grobmyer <hgrobmyer@gordonbrothers.com>; Matthew Czerkowicz <mczerkowicz@gordonbrothers.com>; Tamar Scoville <tscoville@gordonbrothers.com>; Kyle Shonak <kshonak@gordonbrothers.com>
Subject: RE: [EXTERNAL] RE: Peavey Mart Term Sheet

Hi Caroline,

Tomorrow morning at 9:30am works on our end – I will send across an invite shortly!

Best,

Olivia Manarin

From: Caroline Maxwell <cmaxwell@gordonbrothers.com>
Sent: Tuesday, October 1, 2024 5:29 PM
To: Manarin, Olivia <Olivia.Manarin@fticonsulting.com>; Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>; Belcher, Jamie <Jamie.Belcher@fticonsulting.com>
Cc: Hunter Grobmyer <hgrobmyer@gordonbrothers.com>; Matthew Czerkowicz <mczerkowicz@gordonbrothers.com>; Tamar Scoville <tscoville@gordonbrothers.com>; Kyle Shonak <kshonak@gordonbrothers.com>
Subject: RE: [EXTERNAL] RE: Peavey Mart Term Sheet

Hi Olivia,

Hope all is well. Reaching out as we would appreciate the opportunity to speak tomorrow with the FTI team to discuss the Peavey Term Sheet and your thoughts given the bid deadline on Thursday. We are free between 8:30 – 10:00 AM EST. Let me know if you have availability during that time. Thank you in advance and look forward to hearing from you!

Best,
Caroline

Caroline Maxwell
Associate, Capital
Gordon Brothers
cell 978-844-3955
follow us on [LinkedIn](#) & [Twitter](#)



From: Manarin, Olivia <Olivia.Manarin@fticonsulting.com>
Sent: Monday, September 30, 2024 6:01 PM
To: Caroline Maxwell <cmaxwell@gordonbrothers.com>; Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>; Belcher, Jamie <Jamie.Belcher@fticonsulting.com>
Cc: Hunter Grobmyer <hgrobmyer@gordonbrothers.com>; Matthew Czerkowicz <mczerkowicz@gordonbrothers.com>; Tamar Scoville <tscoville@gordonbrothers.com>; Kyle Shonak <kshonak@gordonbrothers.com>
Subject: [EXTERNAL] RE: Peavey Mart Term Sheet

Thanks Caroline –

Confirming receipt and will revert with any questions.

Best,

Olivia Manarin

From: Caroline Maxwell <cmaxwell@gordonbrothers.com>
Sent: Monday, September 30, 2024 5:33 PM
To: Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>; Manarin, Olivia <Olivia.Manarin@fticonsulting.com>; Belcher, Jamie <Jamie.Belcher@fticonsulting.com>
Cc: Hunter Grobmyer <hgrobmyer@gordonbrothers.com>; Matthew Czerkowicz <mczerkowicz@gordonbrothers.com>; Tamar Scoville <tscoville@gordonbrothers.com>; Kyle Shonak <kshonak@gordonbrothers.com>
Subject: [EXTERNAL] Peavey Mart Term Sheet

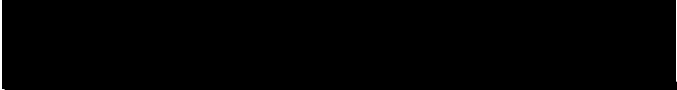
Hi Jamie and Team,

Hope you all had nice weekends. Attached please find Gordon Brother's indicative term sheet for Peavey Mart. Upon your review, please let us know of any questions. The deal team is more than happy to discuss live if you would like.

Best,
Caroline

Caroline Maxwell
Associate, Capital
Gordon Brothers
cell 978-844-3955
follow us on [LinkedIn](#) & [Twitter](#)





From: Kyle Shonak <kshonak@gordonbrothers.com>
Sent: Friday, November 8, 2024 9:10 PM
To: Belcher, Jamie
Cc: Caroline Maxwell; Tamar Scoville; Matthew Czerkowicz
Subject: Term Sheet
Attachments: Gordon Brothers Term Sheet 11.8 v2.docx

Jamie-per our discussion, take a look at the attached updated term sheet, I think this covers everything. I'm around tomorrow on questions and we will be prepared to hit the ground running ASAP. Appreciate the opportunity.

kcs

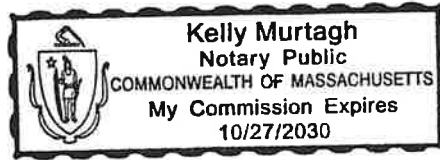
Kyle C. Shonak
Head of Lending | North America
Senior Managing Director | Transaction Team
Gordon Brothers
508.282.7491 / 617.275.9950

This is Exhibit "H" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of Massachusetts





Indicative Term Sheet November 8, 2024 (“Term Sheet”)

THE PROPOSED TERMS AND CONDITIONS SET OUT IN THIS TERM SHEET ARE PROVIDED FOR DISCUSSION PURPOSES ONLY AND DO NOT CONSTITUTE AN OFFER, AGREEMENT OR COMMITMENT TO LEND; PROVIDED THAT, THE PARTIES AGREE THAT THE BINDING SECTIONS (DEFINED BELOW) SHALL BE ENFORCEABLE AGREEMENTS OF THE PARTIES. THE ACTUAL TERMS AND CONDITIONS UPON WHICH 1903P LOAN AGENT, LLC OR ONE OF ITS AFFILIATES MIGHT EXTEND CREDIT TO THE BORROWER ARE SUBJECT TO SATISFACTORY COMPLETION OF DUE DILIGENCE, FINAL CREDIT COMMITTEE APPROVAL, SATISFACTORY REVIEW OF AND ENTRY INTO LONG-FORM DOCUMENTATION AND SUCH OTHER TERMS AND CONDITIONS AS ARE DETERMINED BY 1903P LOAN AGENT, LLC OR ONE OF ITS AFFILIATES AND ITS COUNSEL. THE TERMS SET OUT IN THIS TERM SHEET ARE PROVIDED TO YOU ON A CONFIDENTIAL BASIS AND MUST BE TREATED ACCORDINGLY. **ALL AMOUNTS REFERENCED HEREIN ARE IN CANADIAN DOLLARS.**

Structure

Borrower:	Peavey Industries LP
Guarantors:	TBD in underwriting, certain affiliates/subsidiaries of Borrower (the “ <u>Guarantors</u> ” and collectively with the Borrower, individually, a “ <u>Loan Party</u> ”, and collectively, the “ <u>Loan Parties</u> ”), generally in line with current Borrower/Guarantor structure under existing revolving credit agreement.
Agent and Lenders:	1903P Loan Agent, LLC, as agent (“ <u>Agent</u> ”), and one or more of its affiliates as Lenders (collectively, with successors and assigns, the “ <u>Lenders</u> ”).
Facility:	<p>Subject to the terms and conditions hereunder:</p> <ul style="list-style-type: none"> • a senior secured revolving credit facility (the “<u>Revolver Facility</u>”) available to the Borrower in an aggregate Committed amount of up to the lesser of (i) \$105,000,000 (the “<u>Revolver Maximum Amount</u>”) and (ii) the Revolver Borrowing Base (defined below) as then in effect (the “<u>Revolver</u>” and the loans thereunder, the “<u>Loans</u>”) along with a \$10,000,000 Uncommitted Accordion available in increments of \$1,000,000. All draws under the Revolver shall be subject to certain terms and conditions required by the Agent and Lenders, including sufficient availability under the Revolver Borrowing Base (“<u>Availability</u>”). Company shall provide Agent with written notice 15-days prior to drawing on non-committed portion of accordion and shall pay subsequent closing fees on said portion. • a senior secured term loan facility (the “<u>Term Loan Facility</u>” together with the Revolver Facility, the “<u>Facility</u>”) available to the Borrower in an aggregate principal amount of up to the lesser of (i) \$33,000,000 (the “<u>Term Loan Maximum Amount</u>”) and (ii) the Term Loan Borrowing Base (defined below) as then in effect. All draws under the Term Loan Facility shall be subject to certain terms and conditions required by the Agent and Lenders, including sufficient availability under the Term Loan Borrowing Base. Advances under the Term Loan Facility that are repaid shall not be reborrowed. • Secured Vendor Consignment Program provided by the Lenders or their affiliates up to \$20,000,000
Collateral:	The obligations under the (i) Revolver Facility will be secured by a first priority perfection lien on, and security interest in, all tangible and intangible working capital assets of each Loan Party whether now owned or hereafter created or acquired (the “ <u>Revolver Collateral</u> ”), and (ii) Term Loan Facility will be secured by a first priority perfection lien on, and security interest in, all tangible and intangible assets of each Loan Party whether now owned or hereafter created or acquired (other than the Revolver Collateral), including without limitation, M&E and FF&E (the “ <u>Term Loan Collateral</u> ” and collectively with the Revolver Collateral, the “ <u>Collateral</u> ”).



Indicative Term Sheet November 8, 2024 (“Term Sheet”)

Covenants:

- The loan documents for the Facility (the “Loan Documents”) will contain representations and warranties that are usual and customary for transactions of this type and such others as may be reasonably requested by the Agent, and consistent with the results of updated appraisals, field examinations and other due diligence. The Loan Documents will contain affirmative and negative covenants that are usual and customary for transactions of this type and such others as may be reasonably requested by Agent.
- Cash Dominion at all times during first 6 months of the facility, thereafter Cash Dominion triggered in the event Excess Availability at any time drops below the greater of i) 5.00% of Revolver Borrowing Base or ii) \$5,000,000

Budget Covenants

- Minimum Sales - Borrowers’ actual sales, calculated on a trailing 3-week basis, shall not be less than 80% of the amount set forth in the Budget.
- Minimum Collections - Borrowers’ actual cash collected from accounts receivable, calculated on a trailing 3-week basis, shall not be less than 80% of the amount set forth in the Budget.
- Maximum Disbursements - Borrowers’ actual disbursements, calculated on a trailing 3-week basis, shall not exceed by more than 25% the disbursements projected in the Budget.

Revolver Borrowing Base and Term Loan Borrowing Base:

Loans under the Revolver Facility shall be subject to a borrowing base equal to the sum of up to the following (the “Revolver Borrowing Base”):

- 80% of Eligible Account Receivables, *plus*
- 80% of Eligible Credit Card Receivable, *plus*
- 80% of the appraised net orderly liquidation value (“NOLV”) of Eligible Inventory, *minus*
- Availability Block in an amount equal to the greater of: (a) 10% of the Revolver Borrowing Base, and (b) \$10,000,000, *minus*
- Applicable Reserves customary for a transaction of this nature and those implemented by the Agent in its permitted discretion

Advances under the Term Loan Facility shall be subject to compliance with the following term loan borrowing base equal to the sum of up to the following (the “Term Loan Borrowing Base”):

- Up to 15% (not to exceed 95% gross) of Eligible Account Receivables, *plus*
- Up to 20% (not to exceed 100% gross) of Eligible Credit Card Receivable, *plus*
- Up to 23% (not to exceed 103% gross) of the NOLV of Eligible Inventory*, *plus*
- Up to 50% of the NOLV of Eligible M&E (capped at net \$1.1MM, cap reducing to \$550k upon first anniversary of closing), *minus*
- Applicable Reserves implemented by the Agent in its permitted discretion

*Inventory advance rates in the Term Loan Borrowing Base shall step down 50bps every 6 months, beginning 12-months post close.

If the Term Loan Borrowing Base is less than the outstanding amount under the Term Loan Facility at any time, then there shall be a “push-down” reserve in the amount of the difference in the Revolver Borrowing Base.

Eligibility criteria shall be determined by the Agent in its reasonable credit judgment.

Secured Vendor Program:

- Lenders or their affiliates shall purchase goods identified by the Borrower as consignment inventory (the “Goods”). The Goods, as well as the proceeds from the sale of such Goods, shall be segregated in the Borrower’s records.
- Payments including the cost of the Goods sold in the preceding week plus a fee of 8% of the sale price shall be made to the Lender or its affiliate via weekly settlements.
- Lender shall make appropriate UCC filings to the perfect Lender’s interest in the Goods on a consignment basis.



Indicative Term Sheet November 8, 2024 (“Term Sheet”)

- In the event of liquidation of the Borrower, Lenders or their affiliates shall pay the Borrower’s estate a fee of 5% on sales of Goods.

Closing Date:	The date upon which Agent determines all conditions precedent to the effectiveness of the Loan Documents are satisfied (the “ <u>Closing Date</u> ”).
Other Services:	Option to utilize Gordon Brothers Real Estate services team to provide evaluation of real estate portfolio for no additional fee.
Term:	The Facility will mature upon the earlier to occur of (i) three (3) years from the Closing Date, and (ii) the occurrence of an event of default under the Loan Documents (the “ <u>Maturity Date</u> ”). Subject to the terms and conditions of the Loan Documents, Loans may be borrowed, prepaid and reborrowed during the period from the Closing Date until the earlier to occur of the (i) Maturity Date, and (ii) termination of the Lenders’ commitment to make Loans.
Uses:	To: (i) refinance Borrower’s existing asset based loan revolving line of credit, (ii) pay certain fees and expenses associated with the Facility, and (iii) finance the ongoing general working capital needs and lawful corporate purposes of the Borrower.
<u>Pricing</u>	
Interest:	<p>Revolver Facility – Interest on the outstanding principal of the Loans shall accrue at the per annum rate of CORRA + 6.75%; provided that CORRA shall at no time be less than the CORRA Floor (defined below). Interest on the Loans shall be payable monthly in arrears on the first day of each calendar month. Interest rate shall decrease to the per annum rate of CORRA + 5.75% in the Event that Company hits their FY2025 EBITDA projection of \$22,900,000.</p> <p>Term Loan Facility – Interest on the outstanding principal under the Term Loan Facility shall accrue at the per annum rate of CORRA + 10.50%; provided that CORRA shall at no time be less than the CORRA Floor. Interest on the Term Loan Facility shall be payable monthly in arrears on the first day of each calendar month.</p> <p>“CORRA Floor” means the greater of (i) 2.00% and (ii) 100bps lower than the 3-month CORRA rate on the Closing Date.</p>
Closing Fee:	<p>Revolver Facility – a fully earned, nonrefundable closing fee in the amount of \$2,100,000 (calculated as 2.00% of the Revolver Maximum Amount) shall be earned on the Closing Date with 1.00% of Revolver Maximum Amount payable on the Closing Date and remaining 1.00% of Revolver Maximum Amount payable upon 6-month anniversary of the facility.</p> <p>Term Loan Facility – a fully earned, nonrefundable closing fee in the amount of \$495,000 (calculated as 1.50% of the Term Loan Maximum Amount) shall be fully earned upon close and non-refundable, and payable in 6 equal monthly installments over the 6 months period from the Closing Date.</p>
Agency Fee:	A fully earned, nonrefundable agency fee in the amount of 0.75% of the sum of Revolver Maximum Amount <i>plus</i> the principal amount funded under the Term Loan Facility, shall be due and payable upon the Closing Date, and on each anniversary of the Closing Date through the end of the Term. The parties agree that solely with respect to the Agency Fee otherwise payable upon the Closing Date, 0.50% shall be payable upon the Closing Date, with 0.25% payable upon the 6-month anniversary of the facility.
Monitoring Fee:	A nonrefundable monitoring fee, fully earned for the Term, in the amount of \$240,000 per annum, payable monthly in advance in the amount of \$20,000, on the Closing Date and on the first day of each calendar month thereafter.
Unused Line Fee:	An unused line fee will be based on the average daily unused commitment of the Revolver Facility, multiplied by 0.50% per annum, which shall accrue from and after the Closing Date and shall be payable monthly in arrears.



Indicative Term Sheet November 8, 2024 (“Term Sheet”)

Prepayment Fee:	<p>Revolver Facility – If the Revolver Facility is prepaid in full or Lenders’ commitments thereunder are terminated within: (a) the first twelve (12) months of the Term, Borrower shall pay a prepayment fee in the amount of 3% of the Revolver Maximum Amount, (b) the period after the twelfth (12th) month of the Term through the twenty fourth (24th) month of the Term, Borrower shall pay a prepayment fee in the amount of 2% of the Revolver Maximum Amount, and (c) the period after the twenty fourth (24th) month of the Term, Borrower shall pay a prepayment fee in the amount of 1% of the Maximum Amount.</p> <p>Term Loan Facility – If the Term Loan Facility is prepaid in full within the first two (2) years of the Facility: Borrower shall pay a prepayment fee of the greater of (a) a Make-Whole Amount as defined below, or such other mutually agreeable equivalent calculation as determined by the agent in underwriting and (b) 3.0%, thereafter: 1.0%.</p> <p>“Make-Whole Amount” means the interest and fees that the Lenders would have been earned if the Term Loan Maximum Amount was outstanding for twenty-four (24) months of the Term minus the interest and fees paid to date.</p>
General Provisions	
Reporting:	Loan Parties shall furnish financial reporting (including without limitation, annual audited and quarterly and monthly unaudited financial statements (in each case, accompanied by covenant compliance certificates) and annual forecasts). The Loan Documents will also contain customary collateral reporting requirements.
Conditions Precedent:	<ul style="list-style-type: none"> • Completion of business and legal due diligence • Satisfactory review of Company’s financial projections • Satisfactory 13 Week Cash flow delivered to Agent • Minimum liquidity at close in an amount to be mutually agreed upon • Satisfactory review of the most recent commercial field exam • Satisfactory review of the most recent asset appraisals • In-person or video conference management meeting • Satisfactory loan documentation, customary for transactions of this type, including satisfactory inter-creditor agreement • Receipt of Investment Committee approval and other conditions as are usual and customary for financings of this type
Appraisal / Field Exams:	At Borrower’s expense, two (2) annual inventory appraisals and field exams per year and one (1) machinery and equipment appraisal per year.
Diligence Deposit, Agent, Lender Costs & Expenses:	Borrower shall pay to Agent an initial Diligence Deposit in the amount of \$150,000 (the “ <u>Initial Deposit</u> ”), which shall be applied by Agent to reimburse Agent and Lenders for Agent’s and Lenders’ costs and expenses. Borrower further agrees to provide such further deposits required by Agent in order to reimburse the Agent and Lenders for all of Agent’s and Lenders’ incremental costs and expenses that exceed the amount of the Initial Deposit. It is agreed and understood that Borrower agrees to pay for all of Agent’s and Lenders’ costs and expenses regardless if the transactions contemplated by this Term Sheet close. Any unutilized amounts of the Initial Deposit will be fully earned and not returned to the Borrower.
Exclusivity:	Borrower shall grant the Agent and the Lenders exclusivity for a period of 120 days following the date Borrower executes this Term Sheet (the “ <u>Exclusivity Period</u> ”), during which Borrower shall not solicit, initiate, encourage or engage in discussions or negotiations regarding any debt financing involving the Borrower (an “ <u>Alternative Transaction</u> ”). Borrower may terminate exclusivity before the end of the Exclusivity Period, so long as Borrower pays Agent a fee equal to the Closing Fee on or before the date of such termination or any Alternative Transaction is consummated (the “ <u>Alternate Transaction Fee</u> ”). For the avoidance of doubt, the Alternative Transaction Fee is due and payable if Borrower terminates the foregoing exclusivity granted to Agent and the Lenders during the Exclusivity Period, or if an Alternative Transaction is consummated. The Exclusivity Period shall terminate and no Alternate Transaction Fee shall



Indicative Term Sheet November 8, 2024 (“Term Sheet”)

be payable by the Borrower in the event that the Agent and Lender decide not to close the financing on terms substantially similar to those contained herein, and the Agent and Lender shall promptly inform the borrower of their decision not to move forward with the financing at such time.

Non-Binding:

Except for the provisions set forth in this “Non-Binding” section, the “Diligence Deposit, Agent, Lender Costs & Expenses” section, and “Exclusivity” section herein (collectively, the “Binding Sections”), this Term Sheet is not intended to reflect and does not constitute an offer by any party, or a binding agreement between any of the parties. A binding agreement of the parties, if any, is subject to and will only arise upon the negotiation, execution, and delivery of mutually acceptable definitive documentation, and the satisfaction of any and all other conditions set forth therein. The Binding Sections may only be amended by a written agreement executed by the parties.

Unless the Borrower returns to Agent an executed copy of this Term Sheet together with the Initial Deposit on or before November 13, 2024, this Term Sheet shall expire and be deemed null and void.

1903P Loan Agent, LLC

DocuSigned by:



By: A35C6F66BD2840E
Kyle C. Shonak, Manager

Signed & Accepted,

Peavey Industries LP

By:

Name: Karen Dillon, CPA, CA

Title: Chief Financial Officer

Date: 11/14/2024

This is Exhibit "I" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



Kelley Murtagh

A Notary Public in and for the State of Massachusetts





CONFIDENTIAL

December 4, 2024

Peavey Industries LP

7740 – 40th Avenue

Red Deer, AB, T4P 2H9Canada

Attention: Douglas Anderson, President

Commitment Letter
\$135,000,000 Senior Secured Asset-Based Credit Facility

Ladies and Gentlemen:

You have advised 1903P Loan Agent, LLC (collectively with affiliates, successors and assigns, “1903P,” “us” or “we”) that Peavey Industries LP, a limited partnership organized under the laws of Alberta, Canada (the “Borrower” or “you”) seeks financing to (a) repay certain existing debt of the Borrower and its subsidiaries, (b) pay costs, fees and expenses in connection with, and consummate, the transactions contemplated by the Term Sheet referred to below (the “Transactions”), and (c) provide for working capital and other general corporate requirements of the Borrower and its subsidiaries all as more fully described in the Term Sheet dated December 4, 2024 attached hereto as Annex A (the “Term Sheet”). This letter (the “Commitment Letter”) describes a senior secured asset-based credit facility of up to **\$135,000,000** (the “Senior Credit Facility”), comprised of an up to \$105,000,000 senior secured asset-based revolving credit facility and a \$30,000,000 senior secured term loan facility, to be provided to the Borrower upon and subject to the terms and conditions set forth herein and in the Term Sheet. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Term Sheet. The date of the initial funding under the Senior Credit Facility is referred to herein as the “Closing Date.”

1. Commitment.

Based upon and subject to the foregoing and subject to the terms and conditions set forth in this Commitment Letter and in the Term Sheet, 1903P (individually or together with one or more of its affiliates, and funding sources) is pleased to confirm its commitment (the “Commitment”) to provide the Senior Credit Facility.

Effective upon your agreement to and acceptance of this Commitment Letter the Borrower and its affiliates (collectively the “Borrower Parties”) will not, except to the extent otherwise expressly contemplated by the Term Sheet, solicit, initiate, entertain or permit, or enter into any discussions with any other bank, investment bank, financial institution, person or entity in respect of any structuring, arrangement, underwriting, offering, placement, or syndication of all or any portion of the Senior Credit Facility, any other senior credit financing similar to, or as a replacement of, all or any portion of the Senior Credit Facility, or any other debt financing.

2. Conditions to Commitment.

The Commitment hereunder and the obligation of 1903P to provide the services described herein are subject to satisfaction of the following conditions precedent: (a) prior to closing the Senior Credit Facility, the Royal Bank of Canada (“RBC”) will continue to fund the Borrower’s operations pursuant to the Borrower’s budget and in accordance with the RBC credit facility documentation, (b) the receipt of all definitive loan, security, ancillary (including, but not limited to, cash management agreements, any and all required third party priority and/or subordination agreements, collateral access agreements and payout documents) with respect to the Senior Credit Facility, in form and substance acceptable to 1903P and the Lenders (the “Loan Documents”), (c) the successful closing of the Senior Credit Facility in accordance with the terms and conditions of the Term Sheet, and (d) the accuracy and completeness of all representations and warranties, and financial information provided by the Borrower Parties to 1903P, and compliance with the terms of this Commitment and the Term Sheet.

3. Other Services.

Nothing contained herein shall limit or preclude 1903P or any of its affiliates (collectively, the “1903P Parties”) from carrying on any business with, providing other services to, or from participating in any capacity, including as an equity investor, in any other company or person whatsoever, including, without limitation, any competitor, supplier or customer of any of the Borrower Parties or any other company or person that may have interests different than or adverse to the Borrower Parties.

You acknowledge that one or more of the 1903P Parties may be providing debt financing, equity capital or other services (including financial advisory services) to other companies or persons with which you or your affiliates may have interests that conflict regarding the Transactions or otherwise, that the 1903P Parties may act, without violating their contractual obligations to you, as they deem appropriate with respect to such other companies or persons, and that the 1903P Parties have no obligation in connection with the Transactions to use, or to furnish to the Borrower Parties, confidential information obtained from such other companies or persons. You further acknowledge and agree that in connection with all aspects of the Transactions and this Commitment Letter, (a) the Borrower Parties, on the one hand, and the 1903P Parties, on the other hand, have an arm’s length business relationship, (b) that no 1903P Party has any fiduciary obligation to any of the Borrower Parties, (c) that no 1903P Party has been or will be acting as an agent or fiduciary of, or for or on behalf of, any of the Borrower Parties or your or their respective equityholders, (d) nothing in this Commitment Letter or the Term Sheet (together the “Commitment Documents”), any other related document, or in our communications or activities pursuant hereto or thereto, will be deemed to create any advisory, fiduciary or agency relationship or any fiduciary or other implied duty between any 1903P Party, on the one hand, and any of the Borrower Parties or your or their respective equityholders, on the other hand, and (e) you are responsible for making your own independent judgment with respect to the Transactions and have consulted your own legal and financial advisors to the extent you have deemed appropriate. Without limiting the foregoing, you acknowledge and agree that no 1903P Party has provided any tax, accounting, regulatory or legal advice and that you have obtained such independent advice from your own advisors to the extent you have deemed appropriate.

4. Information.

You hereby represent and warrant that (a) all information, other than the Projections (as defined below), which has been or is hereafter made available to 1903P or the Lenders by any of the Borrower Parties or any of their respective representatives in connection with the Transactions (the “Information”) is and will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained

therein not misleading, and (b) all financial projections concerning any of the Borrower Parties that have been or are hereafter made available to 1903P or the Lenders by you, your subsidiaries or affiliates or any of your or their respective representatives (the “Projections”) have been or will be prepared in good faith based upon reasonable assumptions. You agree to furnish 1903P with such Information and Projections as 1903P may reasonably request and to supplement the Information and the Projections from time to time until the Closing Date so that the representation and warranty in the preceding sentence is correct on such date (including, without limitation, updating the Projections to the extent you become aware that such Projections have become materially inaccurate or have been prepared based upon assumptions that you believe are no longer reasonable). You hereby authorize and agree, on behalf of yourself and the other Borrower Parties, that 1903P may make available the Informational Materials to the potential Lenders

5. Expenses.

You agree to pay to 1903P and the Lenders the fees and expenses of 1903P as set forth in the Term Sheet, including without limitation counsel to 1903P, in connection with the Transactions, in each case whether or not the Senior Credit Facility is closed or any credit is extended thereunder.

6. Indemnification.

You agree to indemnify and hold harmless the 1903P Parties and their respective directors, officers, employees, agents, advisors and representatives (collectively, the “Indemnified Parties”) from and against any and all actions, suits, losses, claims, damages, liabilities and expenses of any kind or nature, joint or several, to which such Indemnified Parties may become subject, related to or arising out of or in connection with any matter contemplated by this Commitment Letter, the Term Sheet, or any of the Transactions, including, without limitation, the execution of the Loan Documents, the closing of the Senior Credit Facility, or the use or contemplated use of proceeds of the Senior Credit Facility, and will reimburse the Indemnified Parties for all reasonable out-of-pocket expenses (including reasonable attorneys’ fees and expenses) on demand as they are incurred in connection with the investigation of, preparation for, or defense of any pending or threatened claim related to any matter subject to this indemnification or any action or proceeding arising therefrom. You shall not, without the prior written consent of each Indemnified Party affected thereby (which consent will not be unreasonably withheld), settle any threatened or pending claim or action that would give rise to the right of any Indemnified Party to claim indemnification hereunder unless such settlement (a) includes a full and unconditional release of all liabilities arising out of such claim or action against such Indemnified Party and (b) does not include any statement as to or an admission of fault, culpability or failure to act by or on behalf of any Indemnified Party. You also agree that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to any Borrower Party or to their respective equity holders or creditors arising out of, related to or in connection with any aspect of this Commitment Letter, the Term Sheet, or the Transactions. Neither this Commitment Letter nor the Term Sheet is intended to confer any obligations to or benefits upon any third party.

7. Confidentiality.

Except as required by law or legal process, or upon prior written consent of 1903P, neither you nor any other Borrower Party is authorized to show or circulate this Commitment Letter or the Term Sheet, or disclose the contents hereof or thereof, to any other person or entity (other than to your affiliates, directors, officers, legal counsel and financial advisors), whether in connection with the Senior Credit Facility or otherwise.

You acknowledge and agree that the 1903P Parties may disclose any information relating to the Senior Credit Facility, the other Transactions and the Borrower Parties to their respective affiliates, agents, advisors (legal or otherwise), funding sources, or representatives.

8. Survival of Obligations.

The provisions of Sections 4, 5, 6, 7, 8, and 9 of this Commitment Letter, and the Binding Sections in the Term Sheet shall remain in full force and effect regardless of whether any Loan Documents shall be executed and delivered and notwithstanding the termination of this Commitment Letter or any commitment or undertaking of 1903P hereunder, *provided* that your obligations under Sections 6 and 7, hereof shall automatically terminate and be superseded by the definitive Loan Documents upon the execution and delivery thereof (solely to the extent provided for therein).

9. Miscellaneous.

(a) The Commitment Documents shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein and without giving effect to the conflicts of laws principles thereof.

(b) Each of the parties hereto irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the courts of the Province of Ontario and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Commitment Letter or the Term Sheet, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such Ontario court or, to the fullest extent permitted by applicable 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. Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to the Commitment Documents in any court referred to in this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE COMMITMENT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAS BEEN INDUCED TO ENTER INTO THE COMMITMENT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

(d) The Commitment Documents may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. The Commitment Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart

of a signature page to a Commitment Document by facsimile or in electronic (e.g., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of thereof.

(e) None of the Commitment Documents or any provision thereof may be waived, amended, supplemented or otherwise modified, or any departure therefrom consented to, except pursuant to an agreement or agreements in writing entered into by, between or among each of the parties hereto.

(f) The Commitment Documents may not be assigned by any party hereto without the prior written consent of each other party hereto (and any purported assignment without such consent will be null and void), is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto (and the Indemnified Parties).

(g) This Commitment Letter shall terminate at 5:00 p.m. (Eastern Time) on **December 6, 2024**, unless the Commitment Documents are accepted by you in writing prior to such time, whereupon the Commitment Documents shall become binding agreements in accordance hereof. Please indicate your acceptance of the Commitment Documents and your agreement to the terms thereof by signing this Commitment Letter and returning it to us. By so doing, you will be bound by the terms hereof and you will pay all fees and expenses as provided herein and in the Term Sheet.

(h) The parties hereto anticipate closing the Senior Credit Facility on December 20, 2024. Even if accepted in accordance with the provisions hereof, the Commitment and obligations of 1903P hereunder shall expire and terminate automatically, without further act or condition at 5:00 p.m. (Eastern Time) on **December 31, 2024** or such later date as may be agreed upon in writing by 1903P and you, if the Closing Date shall not have occurred by such time.

[Signature pages follow]

We are pleased to have been given the opportunity to assist you in connection with this important financing. If you are in agreement with the foregoing, please sign this Commitment Letter and return it to 1903P.

Sincerely,

1903P Loan Agent, LLC, as Administrative Agent

By: _____

Kyle Shonak, Manager

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to be 'KS' with a large loop. The line extends to the right of the signature.

Agreed to and accepted as of
the date first above written:

**PEAVEY INDUSTRIES LP by its
general partner, PEAVEY INDUSTRIES
GENERAL PARTNER LIMITED, an
Alberta limited partnership**

By: 

Douglas Anderson, President

ANNEX A

Term Sheet

[*See attached*]



Term Sheet

December 4, 2024

THE FINAL TERMS AND CONDITIONS UPON WHICH 1903P LOAN AGENT, LLC OR ONE OF ITS AFFILIATES WILL EXTEND CREDIT TO THE BORROWER ARE SUBJECT TO THE SATISFACTORY COMPLETION AND EXECUTION AND DELIVERY OF ALL LOAN DOCUMENTATION IN FORM AND SUBSTANCE SATISFACTORY TO AGENT. ALL AMOUNTS REFERENCED HEREIN ARE IN CANADIAN DOLLARS.

Structure

Borrower:	Peavey Industries LP
Guarantors:	TBD in underwriting, certain affiliates/subsidiaries of Borrower (the " <u>Guarantors</u> ") and collectively with the Borrower, individually, a " <u>Loan Party</u> ", and collectively, the " <u>Loan Parties</u> ").
Agent and Lenders:	1903P Loan Agent, LLC, as agent (" <u>Agent</u> "), and one or more of its affiliates as Lenders (collectively, with successors and assigns, the " <u>Lenders</u> ").
Facility:	<p>Subject to the terms and conditions hereunder:</p> <ul style="list-style-type: none"> • a senior secured revolving credit facility (the "<u>Revolver Facility</u>") available to the Borrower in an aggregate Committed amount of up to the lesser of (i) \$105,000,000* (the "<u>Revolver Maximum Amount</u>") and (ii) the Revolver Borrowing Base (defined below) as then in effect (the "<u>Revolver</u>" and the loans thereunder, the "<u>Loans</u>") along with a \$10,000,000 Uncommitted Accordion available in increments of \$1,000,000. All draws under the Revolver shall be subject to certain terms and conditions required by the Agent and Lenders, including sufficient availability under the Revolver Borrowing Base ("<u>Availability</u>"). Company shall provide Agent with written notice 15-days prior to drawing on non-committed portion of accordion and shall pay subsequent closing fees on said portion. <ul style="list-style-type: none"> *The "<u>Revolver Maximum Amount</u>" commitment will step down to \$90,000,000 on April 1st, 2025. • a senior secured term loan facility (the "<u>Term Loan Facility</u>" together with the Revolver Facility, the "<u>Facility</u>") available to the Borrower in an aggregate principal amount of up to the lesser of (i) \$30,000,000 (the "<u>Term Loan Maximum Amount</u>") and (ii) the Term Loan Borrowing Base (defined below) as then in effect. All draws under the Term Loan Facility shall be subject to certain terms and conditions required by the Agent and Lenders, including sufficient availability under the Term Loan Borrowing Base. Advances under the Term Loan Facility that are repaid shall not be reborrowed. • Secured Vendor Consignment Program provided by the Lenders or their affiliates to the Borrower up to \$20,000,000 secured by all consignment inventory and its proceeds.
Collateral:	The obligations under the (i) Revolver Facility will be secured by a first priority perfection lien on, and security interest in, all tangible and intangible working capital assets of each Loan Party whether now owned or hereafter created or acquired (the " <u>Revolver Collateral</u> "), and (ii) Term Loan Facility will be secured by a first priority perfection lien on, and security interest in, all tangible and intangible assets of each Loan Party whether now owned or hereafter created or acquired (other than the Revolver Collateral), including without limitation, M&E and FF&E (the " <u>Term Loan Collateral</u> ") and collectively with the Revolver Collateral, the " <u>Collateral</u> ").
Covenants:	<ul style="list-style-type: none"> • The loan documents for the Facility (the "<u>Loan Documents</u>") will contain representations and warranties that are usual and customary for transactions of this type and such others as may be reasonably requested by the Agent, and consistent with the results of updated appraisals, field examinations



Term Sheet

December 4, 2024

and other due diligence. The Loan Documents will contain affirmative and negative covenants and events of default that are usual and customary for transactions of this type and such others as may be reasonably requested by Agent.

- Cash Dominion at all times during first 6 months of the facility, thereafter Cash Dominion triggered in the event Excess Availability at any time drops below the greater of i) 5.00% of Revolver Borrowing Base or ii) \$5,000,000.
- Borrower will be required at all times to continue to maintain feed inventory levels consistent with historical practice and at an acceptable level to service the Borrower's customer base in order to maintain the Borrower's enterprise as a going concern.

Budget Covenants

Borrower shall satisfy each of the following post closing of the Facility:

- Minimum Sales - Borrowers' actual sales, calculated on a trailing 3-week basis, shall not be less than 85% of the amount set forth in a budget approved by Agent (the "Budget").
- Minimum Collections - Borrowers' actual cash collected from accounts receivable, calculated on a trailing 3-week basis, shall not be less than 85% of the amount set forth in the Budget.
- Maximum Disbursements - Borrowers' actual disbursements, calculated on a trailing 3-week basis, shall not exceed by more than 15% the disbursements projected in the Budget.
- Inventory Receipt - Borrowers' actual inventory (including feed) received from vendors, calculated on a trailing 3-week basis, shall not be less than 85% of the levels set forth in the Budget.
- Inventory Level - Borrowers' actual Inventory level on site shall not be less than 85% of the amount set forth in the Budget.
- Equity Infusion - Borrower must receive cash proceeds of at least \$10,000,000 pursuant to an equity investment on terms and pursuant to documentation in form and substance acceptable to Agent on or before April 1, 2025.

Revolver Borrowing Base and Term Loan Borrowing Base:

Loans under the Revolver Facility shall be subject to a borrowing base equal to the sum of up to the following (the "Revolver Borrowing Base"):

- i. 80% of Eligible Account Receivables, *plus*
- ii. 80% of Eligible Credit Card Receivable, *plus*
- iii. 80% of the appraised net orderly liquidation value ("NOLV") of Eligible Inventory, *minus*
- iv. Availability Block in an amount equal to the greater of: (a) 10% of the Revolver Borrowing Base, and (b) \$10,000,000, *minus*
- v. Applicable Reserves customary for a transaction of this nature and those implemented by the Agent in its permitted discretion

The advance under the Term Loan Facility shall be subject to compliance with the following term loan borrowing base equal to the sum of up to the following (the "Term Loan Borrowing Base"):

- i. Up to 15% (not to exceed 95% gross) of Eligible Account Receivables, *plus*
- ii. Up to 20% (not to exceed 100% gross) of Eligible Credit Card Receivable, *plus*
- iii. Up to 23% (not to exceed 103% gross) of the NOLV of Eligible Inventory*, *plus*
- iv. Up to 50% of the NOLV of Eligible M&E (capped at net \$1.1MM, cap reducing to \$550k upon first anniversary of closing), *minus*
- v. Applicable Reserves implemented by the Agent in its permitted discretion



Term Sheet

December 4, 2024

*Inventory advance rates in the Term Loan Borrowing Base shall step down 50bps every 6 months, beginning 12-months post close.

If the Term Loan Borrowing Base is less than the outstanding amount under the Term Loan Facility at any time, then there shall be a “push-down” reserve in the amount of the difference in the Revolver Borrowing Base.

Eligibility criteria shall be determined by the Agent in its reasonable credit judgment.

Secured Vendor Program:	<ul style="list-style-type: none"> • Lenders or their affiliates shall purchase goods identified by the Borrower as consignment inventory (the “<u>Goods</u>”). The Goods, as well as the proceeds from the sale of such Goods, shall be segregated in the Borrower’s records and accounts. • [REDACTED] • Lender shall make appropriate UCC/PPSA filings to the perfect Lender’s interest in the Goods on a consignment basis. • [REDACTED] • Such other terms and conditions required by Lenders or their affiliates at each of their discretion.
--------------------------------	--

Closing Date:	The date upon which Agent determines all conditions precedent to the effectiveness of the Loan Documents are satisfied (the “ <u>Closing Date</u> ”).
----------------------	---

Other Services:	Option to utilize Gordon Brothers Real Estate services team to provide evaluation of real estate portfolio.
------------------------	---

Term:	The Facility will mature upon the earlier to occur of (i) three (3) years from the Closing Date, and (ii) the occurrence of an event of default under the Loan Documents (the “ <u>Maturity Date</u> ”). Subject to the terms and conditions of the Loan Documents, Loans (other than the term loan) may be borrowed, prepaid and reborrowed during the period from the Closing Date until the earlier to occur of the (i) Maturity Date, and (ii) termination of the Lenders’ commitment to make Loans.
--------------	--

Uses:	To: (i) refinance Borrower’s existing asset based loan revolving line of credit, (ii) pay certain fees and expenses associated with the Facility, and (iii) finance the ongoing general working capital needs and lawful corporate purposes of the Borrower.
--------------	--

Pricing

Interest:	<p>Revolver Facility – Interest on the outstanding principal of the Loans shall accrue at the per annum rate of CORRA + 6.75%; provided that CORRA shall at no time be less than the CORRA Floor (defined below). Interest on the Loans shall be payable monthly in arrears on the first day of each calendar month. Interest rate shall decrease to the per annum rate of CORRA + 5.75% in the Event that Company hits their FY2025 EBITDA projection of \$22,900,000.</p>
------------------	---

Term Loan Facility – Interest on the outstanding principal under the Term Loan Facility shall accrue at the per annum rate of CORRA + 10.50%; provided that CORRA shall at no time be less than the CORRA Floor. Interest on the Term Loan Facility shall be payable monthly in arrears on the first day of each calendar month.

“CORRA Floor” means the greater of (i) 2.00% and (ii) 100bps lower than the 3-month CORRA rate on the Closing Date.

Closing Fee:	Revolver Facility – a fully earned, nonrefundable closing fee in the amount of \$2,100,000 (calculated as 2.00% of the Revolver Maximum Amount) shall be earned on the Closing Date and paid as follows: \$1,050,000 paid on the Closing Date, and remaining \$1,050,000 paid upon 6-month anniversary of the facility.
---------------------	---



Term Sheet

December 4, 2024

	Term Loan Facility – a fully earned, nonrefundable closing fee in the amount of \$450,000 (calculated as 1.50% of the Term Loan Maximum Amount) shall be fully earned upon close and non-refundable, and paid in 6 monthly installments of \$75,000 per month over the 6 month period following the Closing Date.
Agency Fee:	A fully earned, nonrefundable agency fee in the amount of \$1,012,50 (calculated as 0.75% of the sum of Revolver Maximum Amount <i>plus</i> the principal amount funded under the Term Loan Facility), shall be due and payable upon the Closing Date, and on each anniversary of the Closing Date through the end of the Term; <i>provided</i> that, with respect to the Agency Fee due on the Closing Date, \$675,000 of such payment shall be paid on the Closing Date, and the remaining \$337,500 shall be paid upon the sixth (6 th) month anniversary of the Closing Date.
Monitoring Fee:	A nonrefundable monitoring fee, fully earned for the Term, in the amount of \$240,000 per annum, payable monthly in advance in the amount of \$20,000, on the Closing Date and on the first day of each calendar month thereafter.
Unused Line Fee:	An unused line fee will be based on the average daily unused commitment of the Revolver Facility, multiplied by 0.50% per annum, which shall accrue from and after the Closing Date and shall be payable monthly in arrears.
Prepayment Fee:	<p><u>Revolver Facility</u> – If the Revolver Facility is prepaid in full or Lenders' commitments thereunder are terminated within: (a) the first twelve (12) months of the Term, Borrower shall pay a prepayment fee in the amount of 3% of the Revolver Maximum Amount, (b) the period after the twelfth (12th) month of the Term through the twenty fourth (24th) month of the Term, Borrower shall pay a prepayment fee in the amount of 2% of the Revolver Maximum Amount, and (c) the period after the twenty fourth (24th) month of the Term, Borrower shall pay a prepayment fee in the amount of 1% of the Revolver Maximum Amount.</p> <p><u>Term Loan Facility</u> – If the Term Loan Facility is prepaid in full within the first two (2) years of the Facility: Borrower shall pay a prepayment fee of the greater of (a) a Make-Whole Amount as defined below, or such other mutually agreeable equivalent calculation as determined by the Agent in underwriting and (b) 3.0%, of the Term Loan Facility, and 1% of the Term Loan Facility if repaid after the first two (2) years and prior to the Maturity Date.</p> <p>“Make-Whole Amount” means the interest and fees that the Lenders would have been earned if the Term Loan Maximum Amount was outstanding for twenty-four (24) months of the Term minus the interest and fees paid to date.</p>
Preferred Return:	In consideration for providing these facilities to enable the Loan Parties to refinance its current indebtedness and provide them with the opportunity to develop and implement a restructuring plan, the Borrower shall pay a fee in the amount of \$5,000,000 in the event of a liquidity event, including a sale or liquidation of all or a material part of the business in one or more series of transactions, which may be waived by Agent in its discretion in the event that Agent, any Lender, or Agent's or Lenders' affiliate is engaged to assist with any such event.
<u>General Provisions</u>	
Reporting:	Loan Parties shall furnish financial reporting (including without limitation, annual audited and quarterly and monthly unaudited financial statements (in each case, accompanied by covenant compliance certificates) and annual forecasts). The Loan Documents will also contain customary collateral reporting requirements, with weekly reports with respect to the Budget, and Budget Covenants in form and substance acceptable to Agent.
Appraisal / Field Exams:	At Borrower's expense, two (2) annual inventory appraisals and field exams per year and one (1) machinery and equipment appraisal per year.



Term Sheet
December 4, 2024

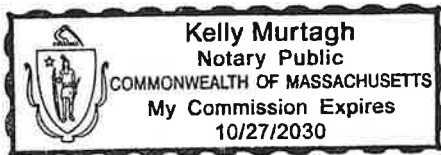
Diligence Deposit, Agent, Lender Costs & Expenses:	Borrower shall pay to Agent an initial Diligence Deposit in the amount of \$150,000 (the " <u>Initial Deposit</u> "), which shall be applied by Agent to reimburse Agent and Lenders for Agent's and Lenders' costs and expenses. Borrower further agrees to provide such further deposits required by Agent in order to reimburse the Agent and Lenders for all of Agent's and Lenders' incremental costs and expenses that exceed the amount of the Initial Deposit. It is agreed and understood that Borrower agrees to pay for all of Agent's and Lenders' costs and expenses regardless if the transactions contemplated by this Term Sheet close. Any unutilized amounts of the Initial Deposit will be fully earned and not returned to the Borrower.
Exclusivity:	Borrower shall grant the Agent and the Lenders exclusivity for a period of 120 days following the date hereof (the " <u>Exclusivity Period</u> "), during which Borrower shall not solicit, initiate, encourage or engage in discussions or negotiations regarding any financing, involving the Borrower (each, an " <u>Alternative Transaction</u> "). Borrower may terminate exclusivity before the end of the Exclusivity Period, so long as Borrower pays Agent a fee equal to the Closing Fee on or before the date of such termination or any Alternative Transaction is consummated (the " <u>Alternate Transaction Fee</u> "). For the avoidance of doubt, the Alternative Transaction Fee is due and payable if Borrower terminates the foregoing exclusivity granted to Agent and the Lenders during the Exclusivity Period, or if an Alternative Transaction is consummated.

This is Exhibit "J" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of Massachusetts



From: Belcher, Jamie <Jamie.Belcher@fticonsulting.com>
Sent: Wednesday, November 27, 2024 2:35 PM
To: Kyle Shonak <kshonak@gordonbrothers.com>
Subject: [EXTERNAL] Commitment

Hey – Company counsel wanted me to relay the verbiage in our milestone on December 4th:

... which provides binding debt commitments (which shall be subject only to limited and customary conditionality, which, for certainty, shall not include (i) financial, legal or business due diligence, (ii) credit or investment committee approval or (iii) successful syndication) sufficient to fully satisfy all Secured Obligations on or before December 20, 2024, in form and substance satisfactory to the Agent

Jamie Belcher
Senior Managing Director

FTI Capital Advisors Canada
+1.416.649.8081 T | +1.647.205.3197 M
jamie.belcher@fticonsulting.com

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Veuillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspectes.

From: Belcher, Jamie <Jamie.Belcher@fticonsulting.com>
Sent: Monday, December 2, 2024 12:46 PM
To: Kyle Shonak <kshonak@gordonbrothers.com>
Subject: [EXTERNAL] FW: Peavey - GB Commitment Letter - URGENT

Hey – this is what was being discussed on our end – assume this is before being stripped back. I know you don't want to pre-negotiate the commitment but just wanted to flag it – presumably the IC gets addressed tomorrow, but the problem areas will be the broad diligence outs that also reference the CP's in the term sheet, etc.

From: Marlow Gereluk (he/him) <marlow.gereluk@nortonrosefulbright.com>
Sent: Monday, December 2, 2024 11:55 AM
To: Belcher, Jamie <Jamie.Belcher@fticonsulting.com>; Mullett, Dean <Dean.Mullett@fticonsulting.com>; Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>; Doug Anderson <Doug.Anderson@PeaveyIndustries.com>; Karen Dilon <Karen.Dilon@peaveyindustries.com>; Helkaa, Deryck <Deryck.Helkaa@fticonsulting.com>; Olver, Dustin <Dustin.Olver@fticonsulting.com>
Cc: Aaron Stephenson (he/him) <aaron.stephenson@nortonrosefulbright.com>; Brad Hayden <brad.hayden@nortonrosefulbright.com>; Howard Gorman <howard.gorman@nortonrosefulbright.com>; Craig Hickey <craig.hickey@nortonrosefulbright.com>
Subject: [EXTERNAL] RE: Peavey - GB Commitment Letter - URGENT
Importance: High

Thank you, Jamie.

GB's counsel just sent me the following text that they'd been given to include (which may not be exhaustive):

The Commitment hereunder and the obligation of 1903P to provide the services described herein are subject to satisfaction of the conditions precedent pursuant to the Term Sheet and in a manner acceptable to 1903P, including without limitation, (a) (i) **completion by 1903P of its due diligence** (including legal, tax, accounting, business, financial, environmental, collateral, know-your-customer and ERISA/Canadian pension due diligence) concerning the Borrower Parties in all respects satisfactory to 1903P in its sole and absolute discretion, (ii) **receipt of internal credit approvals by 1903P and the Lenders**, (b) the determination by 1903P that, from the date hereof until the Closing Date, there shall have been no violation of the Other Financing Prohibition*, (c) the satisfaction of all other conditions described herein, in the Term Sheet and in the definitive documentation for the Senior Credit Facility (the "Loan Documents"), and (d) the accuracy and completeness of all representations and warranties that the Borrower Parties make to 1903P and your compliance with the terms of this Commitment Letter and the Fee Letter.

*Effective upon your agreement to and acceptance of this Commitment Letter the Borrower and its affiliates (collectively the "Borrower Parties") will not, except to the extent otherwise expressly contemplated by the Term Sheet, solicit, initiate, entertain or permit, or enter into any discussions with any other bank, investment bank, financial institution, person or entity in respect of any structuring, arrangement, underwriting, offering, placement, or syndication of all or any portion of the Senior Credit Facility, any other senior credit financing similar to, or as a replacement of, all or any portion of the Senior Credit Facility, or any other debt or equity financing (the "Other Financing Prohibition").

Marlow Gereluk
Partner

Norton Rose Fulbright Canada LLP / S.E.N.C.R.L., s.r.l.
400 3rd Avenue SW, Suite 3700, Calgary Alberta T2P 4H2 Canada
T: +1 403.267.8113 | M: +1 403.818.7966 | F: +1 403.264.5973
marlow.gereluk@nortonrosefulbright.com

NORTON ROSE FULBRIGHT

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Veillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspectes.

From: Belcher, Jamie <Jamie.Belcher@fticonsulting.com>
Sent: Wednesday, December 4, 2024 10:58 PM
To: Kyle Shonak <kshonak@gordonbrothers.com>
Cc: Jonas McCray <jmccray@gordonbrothers.com>
Subject: Re: [EXTERNAL] RE: GB/Peavey; Commitment Ltr

Hey - well nothing bad has happened yet so that's good.

Looks like RBC has told Doug they are supportive of the milestone but have not yet heard back from all syndicate members. There's always a chance with this group that someone still makes a fuss, but so far so good. Will know for sure in the morning.

Thanks again guys.

On Dec 4, 2024, at 10:35 PM, Kyle Shonak <kshonak@gordonbrothers.com> wrote:

Any news?

kcs

Kyle C. Shonak
Chief Transaction Officer
North America
Gordon Brothers
508.282.7491 / 617.275.9950

From: Jonas McCray <jmccray@gordonbrothers.com>
Sent: Wednesday, December 4, 2024 7:10:30 PM

To: Belcher, Jamie <Jamie.Belcher@fticonsulting.com>; Kyle Shonak <kshonak@gordonbrothers.com>
Subject: RE: [EXTERNAL] RE: GB/Peavey; Commitment Ltr

Jamie, pls see the attached redacted version of the executed Commitment Ltr. I'll send the un-redacted version via separate email to avoid confusion. Thanks

Jonas D.L. McCray
Director, Finance Transaction Counsel (Americas)
[Gordon Brothers](#)
Office +1.617.422.6277
Cell +1.617.697.8757
follow us on [LinkedIn](#) & [Twitter](#)

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From: Belcher, Jamie <Jamie.Belcher@fticonsulting.com>
Sent: Wednesday, December 4, 2024 6:54 PM
To: Jonas McCray <jmccray@gordonbrothers.com>; Kyle Shonak <kshonak@gordonbrothers.com>
Subject: [EXTERNAL] RE: GB/Peavey; Commitment Ltr

Hi Jonas – just confirming – is the redacted version coming soon? Many thanks.

Jamie.

From: Belcher, Jamie
Sent: Wednesday, December 4, 2024 6:13 PM
To: Jonas McCray <jmccray@gordonbrothers.com>; Kyle Shonak <kshonak@gordonbrothers.com>
Subject: FW: GB/Peavey; Commitment Ltr

From: Doug Anderson <Doug.Anderson@peaveyindustries.com>
Sent: Wednesday, December 4, 2024 6:09 PM
To: Craig Hickey <craig.hickey@nortonrosefulbright.com>
Cc: Belcher, Jamie <Jamie.Belcher@fticonsulting.com>
Subject: [EXTERNAL] RE: GB/Peavey; Commitment Ltr

Please see attached.

Doug Anderson
President & CEO, Peavey Industries LP
t: +14033468991x1266

From: Craig Hickey <craig.hickey@nortonrosefulbright.com>
Sent: December 4, 2024 4:01 PM
To: Doug Anderson <Doug.Anderson@peaveyindustries.com>
Subject: RE: GB/Peavey; Commitment Ltr

CAUTION: This email was sent from outside our organization. Make sure you recognize the sender and know the contents are safe before clicking links or opening attachments. If you are unsure, contact IT.

Doug, please see attached PILP's signature page for your execution. Perhaps you could sign now and send us the PDF, which we will hold until we have settled the Commitment Letter and Term Sheet.

Thanks,
Craig

Craig Hickey
Associate

Norton Rose Fulbright Canada LLP / S.E.N.C.R.L., s.r.l.
400 3rd Avenue SW, Suite 3700, Calgary Alberta T2P 4H2 Canada
T: +1 403.267.8281 | M: +1 403.370.0749 | F: +1 403.264.5973
craig.hickey@nortonrosefulbright.com

NORTON ROSE FULBRIGHT

From: Belcher, Jamie <Jamie.Belcher@fticonsulting.com>
Sent: Wednesday, December 4, 2024 3:44 PM
To: Aaron Stephenson (he/him) <aaron.stephenson@nortonrosefulbright.com>; Brad Hayden <brad.hayden@nortonrosefulbright.com>; Howard Gorman <howard.gorman@nortonrosefulbright.com>; Mullett, Dean <Dean.Mullett@fticonsulting.com>; Doug Anderson <Doug.Anderson@peaveyindustries.com>; Karen Dilon <Karen.Dilon@peaveyindustries.com>; Helkaa, Deryck <Deryck.Helkaa@fticonsulting.com>; Olver, Dustin <Dustin.Olver@fticonsulting.com>; Hailey Boutin <hailey.boutin@nortonrosefulbright.com>; Marlow Gereluk (he/him) <marlow.gereluk@nortonrosefulbright.com>; Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>; Craig Hickey <craig.hickey@nortonrosefulbright.com>
Subject: FW: GB/Peavey; Commitment Ltr

[External Email – Use Caution]

Hi everyone – see attached. I think this is most of what we asked for. The budget covenant language isn't perfect but I would suggest in the interest of time we get this over to EY/RBC as soon as possible and can revisit if RBC raises an issue. You'll see they added some language that they want RBC to continue to fund the business in the 'normal course' in the period between now and closing. If anyone sees anything material please let us know otherwise I would suggest the next step is for Doug to execute so GB can prepare their redactions.

From: Jonas McCray <jmccray@gordonbrothers.com>
Sent: Wednesday, December 4, 2024 5:22 PM
To: Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>
Cc: Belcher, Jamie <Jamie.Belcher@fticonsulting.com>; Kyle Shonak <kshonak@gordonbrothers.com>; Matthew Czerkowicz <mczerkowicz@gordonbrothers.com>; Caroline Maxwell <cmaxwell@gordonbrothers.com>; Tamar Scoville <tscoville@gordonbrothers.com>; Hunter Grobmyer <hgrobmyer@gordonbrothers.com>
Subject: [EXTERNAL] RE: GB/Peavey; Commitment Ltr

Hi Patrick, Kyle relayed comments to the commitment ltr and term sheet. Attached are mark ups of each, and a clean commitment letter/term sheet-with same instructions as below. Pls let us know if you have anything further.

Thanks again

Jonas

Jonas D.L. McCray
Director, Finance Transaction Counsel (Americas)

[Gordon Brothers](#)

Office +1.617.422.6277

Cell +1.617.697.8757

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<image001.png>

From: Jonas McCray

Sent: Wednesday, December 4, 2024 2:34 PM

To: Patrick.Kennedy@fticonsulting.com

Cc: Jamie.Belcher@fticonsulting.com; Kyle Shonak <kshonak@gordonbrothers.com>; Matthew Czerkowicz <mczerkowicz@gordonbrothers.com>; Caroline Maxwell <cmaxwell@gordonbrothers.com>; Tamar Scoville <tscoville@gordonbrothers.com>; Hunter Grobmyer <hgrobmyer@gordonbrothers.com>

Subject: GB/Peavey; Commitment Ltr

Patrick, as discussed with Matt-attached is the Commitment Letter (with attached Term Sheet) for execution by Doug at the Company. Please have him sign in the space provided (pg. 7 of the .pdf) and scan back to us. We will send a fully executed redacted version back to you for you to provide to RBC (we will provide you/the Company an unredacted executed version by separate email for your files). Please do not send the unredacted version to RBC.

Thanks!

Jonas

Jonas D.L. McCray
Director, Finance Transaction Counsel (Americas)

[Gordon Brothers](#)

Office +1.617.422.6277

Cell +1.617.697.8757

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From: Belcher, Jamie <Jamie.Belcher@fticonsulting.com>
Sent: Wednesday, December 4, 2024 3:12 PM
To: Kyle Shonak <kshonak@gordonbrothers.com>; Jonas McCray <jmccray@gordonbrothers.com>; Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>
Cc: Matthew Czerkowicz <mczerkowicz@gordonbrothers.com>; Caroline Maxwell <cmaxwell@gordonbrothers.com>; Tamar Scoville <tscoville@gordonbrothers.com>; Hunter Grobmyer <hgrobmyer@gordonbrothers.com>
Subject: [EXTERNAL] RE: GB/Peavey; Commitment Ltr

Thanks Kyle – yes let’s hold the time for now. Should work – only potential barrier is if we (FTI) will need to be working with EY / RBC to walk them through anything on the commitment to make sure we’re good. We’ll revert.

From: Kyle Shonak <kshonak@gordonbrothers.com>
Sent: Wednesday, December 4, 2024 2:46 PM
To: Jonas McCray <jmccray@gordonbrothers.com>; Kennedy, Patrick <Patrick.Kennedy@fticonsulting.com>
Cc: Belcher, Jamie <Jamie.Belcher@fticonsulting.com>; Matthew Czerkowicz <mczerkowicz@gordonbrothers.com>; Caroline Maxwell <cmaxwell@gordonbrothers.com>; Tamar Scoville <tscoville@gordonbrothers.com>; Hunter Grobmyer <hgrobmyer@gordonbrothers.com>
Subject: [EXTERNAL] RE: GB/Peavey; Commitment Ltr

Jamie-are we good for 5pm for a call with GBRP/management (and lawyers?) as well on next steps?

kcs

Kyle C. Shonak
Head of Lending | North America
Senior Managing Director | Transaction Team
Gordon Brothers
508.282.7491 / 617.275.9950

From: Jonas McCray <jmccray@gordonbrothers.com>
Sent: Wednesday, December 4, 2024 2:34 PM
To: Patrick.Kennedy@fticonsulting.com

Cc: Jamie.Belcher@fticonsulting.com; Kyle Shonak <kshonak@gordonbrothers.com>; Matthew Czerkowicz <mczerkowicz@gordonbrothers.com>; Caroline Maxwell <cmaxwell@gordonbrothers.com>; Tamar Scoville <tscoville@gordonbrothers.com>; Hunter Grobmyer <hgrobmyer@gordonbrothers.com>

Subject: GB/Peavey; Commitment Ltr

Patrick, as discussed with Matt-attached is the Commitment Letter (with attached Term Sheet) for execution by Doug at the Company. Please have him sign in the space provided (pg. 7 of the .pdf) and scan back to us. We will send a fully executed redacted version back to you for you to provide to RBC (we will provide you/the Company an unredacted executed version by separate email for your files). Please do not send the unredacted version to RBC.

Thanks!

Jonas

Jonas D.L. McCray
Director, Finance Transaction Counsel (Americas)

[Gordon Brothers](#)

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Cell +1.617.697.8757

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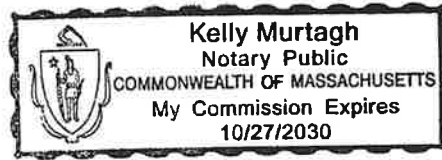
Veuillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspectes.

This is Exhibit "K" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of Massachusetts



From: Adams, Cindy
Sent: Wednesday, December 11, 2024 2:09 PM
To: Craig Hickey; Eric Davies (he/him); Marlow Gereluk (he/him); Katrijn Thys (she/her); Hailey Boutin; Isaiah Martin (he/him)
Cc: Plastina, Amanda; Rosenstein, Kenneth; Louie, Kristen
Subject: Gordon Brothers/Peavey Financing - Fee Letter
Attachments: 81049247_4_Fee Letter re Peavey Industries LP.DOCX

NRF Team,

Attached is the draft Fee Letter, which remain subject our client's ongoing review and comment. Please let us know if you have any comments.

Thank you,
Cindy

CINDY ADAMS
Associate

Pronouns: She, Her, Hers

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cadams@millerthomson.com



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From: Adams, Cindy
Sent: Thursday, December 19, 2024 11:57 AM
To: Kennedy, Patrick; Caroline Maxwell; Kyle Shonak; Belcher, Jamie; Jonas McCray; Matthew Czerkowicz; hgrobmyer@gordonbrothers.com; tscoville@gordonbrothers.com; Rick Edwards; David Braun; dsanchez@gordonbrothers.com; Rosenstein, Kenneth; Plastina, Amanda; Azeff, Gregory; Karen Dillon; Doug Anderson; Marlow Gereluk (he/him); Craig Hickey
Subject: RE: All Hands Peavey Call - Punch List

PUNCH LIST

1. **Credit Agreement:** NRF/Peavey to provide comments to MT draft received Dec 19.
2. **Schedules to Credit Agreement:** NRF draft of updated schedules received.
3. **Exhibits to Credit Agreement:** NRF to provide any comments to forms of Exhibits MT circulated on Dec 11. Peavey/GB to provide Exhibit F re Form of Budget;
4. **Fee Letter:** MT circulated revised draft on Dec 18; NRF to provide further comments or confirm form is settled;
5. **Pledge and Security Agreement:** NRF/Peavey to provide part C of schedule 3.4; form settled;
6. **Limited Recourse Guarantee and Pledge:** NRF to provide comments on MT draft circulated on December 18.
7. **Trademark Security Agreement:** NRF provided Dec 19, MT to review;
8. **Share Certificates/stock power transfers:** NRF/Peavey to circulate revised drafts based on MT comments provided on Dec 17; NRF/MT to coordinate delivery of originals to MT Calgary office;
9. **Certificate(s) of insurance:** NRF/Peavey to provide revised certificate with schedule attached; GB to confirm coverage as satisfactory;
10. **Remaining due diligence searches:** MT to review received searches and confirm complete;
11. **PPSA Registrations:** MT in process of filing and will circulate confirmations;
12. **Master Service for Consignment Agreement:** Under Peavey review;
13. **Consulting Agreement:** Under Peavey review;
14. **Real Estate Services Agreement:** Under Peavey review;
15. **Intercompany Debt:** NRF/Peavey to confirm none;
16. **Related Party Landlord Waiver:** GB comments sent Dec 19 under review by MT;
17. **NRF Opinion:** MT comments on NRF draft provided on Dec 17; NRF to circulate revised form;
18. **ATB Blocked Account Agreement:** Sent to NRF December 16, 2024; awaiting ATB sign off;
19. **RBC Payout letter:** NRF/Peavey provided final comments on Dec 19; NRF/Peavey to provide executed form;
20. **Additional Payouts:** NRF to confirm that there are no additional payouts other than cash collateral amounts deposited with RBC and ATB (\$200K and \$25K) for the credit cards that will remain post-closing.
21. **Subordination re Prom Note:** MT to review prom note and determine if subordination will be required post-close;
22. **Funding Direction:** NRF to provide wire instructions; MT to circulate a draft;
23. **Signature Pages:** NRF/Peavey to provide executed signature pages (Consignment Agreement, Consulting Agreement and Real Estate Services Agreement).

CINDY ADAMS
 Associate

Pronouns: She, Her, Hers



From: Craig Hickey <craig.hickey@nortonrosefulbright.com>

Sent: Thursday, December 19, 2024 11:04 PM

To: Plastina, Amanda <aplastina@millerthomson.com>; Adams, Cindy <cadams@millerthomson.com>; Louie, Kristen <klouie@millerthomson.com>; Rosenstein, Kenneth <krosenstein@millerthomson.com>

Cc: Marlow Gereluk (he/him) <marlow.gereluk@nortonrosefulbright.com>; Eric Davies (he/him)

<eric.davies@nortonrosefulbright.com>; Hailey Boutin <hailey.boutin@nortonrosefulbright.com>; Isaiah Martin (he/him) <isaiah.martin@nortonrosefulbright.com>; Brad Hayden <brad.hayden@nortonrosefulbright.com>

Subject: RE: Gordon Brothers/Peavey Financing - Closing Agenda

Hi Amanda, please see attached a revised draft of the Fee Letter (clean and blackline to the version MT circulated last night). We have included the clarification for the Collateral Monitoring Fee, and we have reverted the language regarding the Agency Fee, which we understand GB signed off on with FTI.

Thanks,
Craig

Craig Hickey
Associate

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craig.hickey@nortonrosefulbright.com

NORTON ROSE FULBRIGHT

From: Plastina, Amanda <aplastina@millerthomson.com>

Sent: Wednesday, December 18, 2024 9:44 PM

To: Craig Hickey <craig.hickey@nortonrosefulbright.com>; Adams, Cindy <cadams@millerthomson.com>; Louie, Kristen <klouie@millerthomson.com>; Rosenstein, Kenneth <krosenstein@millerthomson.com>

Cc: Marlow Gereluk (he/him) <marlow.gereluk@nortonrosefulbright.com>; Eric Davies (he/him)

<eric.davies@nortonrosefulbright.com>; Hailey Boutin <hailey.boutin@nortonrosefulbright.com>; Isaiah Martin (he/him) <isaiah.martin@nortonrosefulbright.com>; Brad Hayden <brad.hayden@nortonrosefulbright.com>

Subject: RE: Gordon Brothers/Peavey Financing - Closing Agenda

Hi Craig,

Attached is a revised draft of the fee letter, along with a redline to the draft you circulated on Monday.

Please let me know if you have further questions or if we can consider the form final.

Thanks,

AP

AMANDA PLASTINA
Partner

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aplastina@millerthomson.com



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From: Craig Hickey <craig.hickey@nortonrosefulbright.com>
Sent: Monday, December 16, 2024 5:49 PM
To: Adams, Cindy <cadams@millerthomson.com>; Louie, Kristen <klouie@millerthomson.com>; Rosenstein, Kenneth <krosenstein@millerthomson.com>; Plastina, Amanda <aplastina@millerthomson.com>
Cc: Marlow Gereluk (he/him) <marlow.gereluk@nortonrosefulbright.com>; Eric Davies (he/him) <eric.davies@nortonrosefulbright.com>; Hailey Boutin <hailey.boutin@nortonrosefulbright.com>; Isaiah Martin (he/him) <isaiah.martin@nortonrosefulbright.com>; Brad Hayden <brad.hayden@nortonrosefulbright.com>
Subject: RE: Gordon Brothers/Peavey Financing - Closing Agenda

MT Team, please see attached revised draft of the Fee Letter (clean and blackline to MT's initial draft).

Thanks,
Craig

Craig Hickey
Associate

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craig.hickey@nortonrosefulbright.com

NORTON ROSE FULBRIGHT

From: Craig Hickey
Sent: Monday, December 16, 2024 3:19 PM
To: Adams, Cindy <cadams@millerthomson.com>
Cc: Plastina, Amanda <aplastina@millerthomson.com>; Rosenstein, Kenneth <krosenstein@millerthomson.com>; Marlow Gereluk (he/him) <marlow.gereluk@nortonrosefulbright.com>; Eric Davies (he/him) <eric.davies@nortonrosefulbright.com>; Hailey Boutin <hailey.boutin@nortonrosefulbright.com>; Isaiah Martin (he/him) <isaiah.martin@nortonrosefulbright.com>; Brad Hayden <brad.hayden@nortonrosefulbright.com>; Louie, Kristen <klouie@millerthomson.com>
Subject: RE: Gordon Brothers/Peavey Financing - Closing Agenda

Hi Cindy, please see attached for your review share certificates, share registers and transfer POAs. Please let us know if you have any comments.

Also attached is a revised draft of the Payout and Release (clean and blackline to the version we last circulated), which we have just received from RBC's counsel. Please note that this agreement remains under review with RBC and Peavey/NRF. Please let us know if you have any comments.

Regarding Solvency Certificate and the Certificates re: Financial Calculations described in the Closing Agenda, does MT have forms that they intend for us to use?

Thanks,
Craig

Craig Hickey
Associate

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NORTON ROSE FULBRIGHT

From: Adams, Cindy <cadams@millertomson.com>
Sent: Monday, December 16, 2024 9:05 AM
To: Craig Hickey <craig.hickey@nortonrosefulbright.com>; Louie, Kristen <klouie@millertomson.com>
Cc: Plastina, Amanda <aplastina@millertomson.com>; Rosenstein, Kenneth <krosenstein@millertomson.com>; Marlow Gereluk (he/him) <marlow.gereluk@nortonrosefulbright.com>; Eric Davies (he/him) <eric.davies@nortonrosefulbright.com>; Hailey Boutin <hailey.boutin@nortonrosefulbright.com>; Isaiah Martin (he/him) <isaiah.martin@nortonrosefulbright.com>; Brad Hayden <brad.hayden@nortonrosefulbright.com>
Subject: RE: Gordon Brothers/Peavey Financing - Closing Agenda

Hi NRF team,

Attached is the Closing Agenda, in clean and redline, which remains subject to our client's review and comment.

Please let us know if you have any updates.

Thank you,
Cindy

CINDY ADAMS
Associate

Pronouns: She, Her, Hers

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From: Craig Hickey <craig.hickey@nortonrosefulbright.com>
Sent: Sunday, December 15, 2024 5:38 PM
To: Louie, Kristen <klouie@millერთhompson.com>
Cc: Plastina, Amanda <aplastina@millერთhompson.com>; Rosenstein, Kenneth <krosenstein@millერთhompson.com>; Adams, Cindy <cadams@millერთhompson.com>; Marlow Gereluk (he/him) <marlow.gereluk@nortonrosefulbright.com>; Eric Davies (he/him) <eric.davies@nortonrosefulbright.com>; Hailey Boutin <hailey.boutin@nortonrosefulbright.com>; Isaiah Martin (he/him) <isaiah.martin@nortonrosefulbright.com>; Brad Hayden <brad.hayden@nortonrosefulbright.com>
Subject: [**EXT**] RE: Gordon Brothers/Peavey Financing - Searches [MTDMS-Legal.FID13178927]

Thanks, Kristen. We will send the remaining searches as soon as possible.

Craig Hickey
Associate

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craig.hickey@nortonrosefulbright.com

NORTON ROSE FULBRIGHT

From: Louie, Kristen <klouie@millერთhompson.com>
Sent: Sunday, December 15, 2024 3:37 PM
To: Craig Hickey <craig.hickey@nortonrosefulbright.com>
Cc: Plastina, Amanda <aplastina@millერთhompson.com>; Rosenstein, Kenneth <krosenstein@millერთhompson.com>; Adams, Cindy <cadams@millერთhompson.com>; Marlow Gereluk (he/him) <marlow.gereluk@nortonrosefulbright.com>; Eric Davies (he/him) <eric.davies@nortonrosefulbright.com>; Hailey Boutin <hailey.boutin@nortonrosefulbright.com>; Isaiah Martin (he/him) <isaiah.martin@nortonrosefulbright.com>; Brad Hayden <brad.hayden@nortonrosefulbright.com>
Subject: RE: Gordon Brothers/Peavey Financing - Searches [MTDMS-Legal.FID13178927]

External Email - Use Caution

Hi Craig,

I confirm that where an entity is extra-provincially registered but has no tangible assets or locations, we can forego all searches except PPSA. The balance of searches needed are as we discussed on the phone.

Apologies for any confusion.

Thanks,

KRISTEN LOUIE
Associate

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From: Louie, Kristen <klouie@millerthomson.com>

Sent: December 15, 2024 9:14 AM

To: Craig Hickey <craig.hickey@nortonrosefulbright.com>

Cc: Plastina, Amanda <aplantina@millerthomson.com>; Rosenstein, Kenneth <krosenstein@millerthomson.com>; Adams, Cindy <cadams@millerthomson.com>; Chau, Jessie <jchau@millerthomson.com>; Marlow Gereluk (he/him) <marlow.gereluk@nortonrosefulbright.com>; Eric Davies (he/him) <eric.davies@nortonrosefulbright.com>; Hailey Boutin <hailey.boutin@nortonrosefulbright.com>; Isaiah Martin (he/him) <isaiah.martin@nortonrosefulbright.com>; Brad Hayden <brad.hayden@nortonrosefulbright.com>

Subject: Gordon Brothers/Peavey Financing - Searches [MTDMS-Legal.FID13178927]

Hi Craig,

As requested, please see below list of outstanding searches that we need from your office.

Peavey Industries General Partner Limited

- Execution (NS, SK, NT, MB, ON and BC)
- Litigation (NS, SK, NT, MB, ON and BC) – equivalent of KB only
- AB bankruptcy (KB)

Peavey Industries LP

- PPSA (NS, MB, ON & SK)
- Execution (MB)
- Litigation (MB) – equivalent of KB only
- AB bankruptcy (KB)

Guys Freightways Ltd.

- Litigation (SK & BC) – equivalent of KB only
- Execution/Writ (SK, BC)
- AB bankruptcy (KB)

TSC Stores GP Inc.

- Litigation (ON)
- ON bankruptcy (court)

Thanks for your patience on this.

Kristen

KRISTEN LOUIE
 Associate

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This is Exhibit "L" referred to in the affidavit of
Kyle Shonak sworn before me at Boston,
Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of
Massachusetts



CREDIT AGREEMENT

Dated as of December 20, 2024,

by and among

PEAVEY INDUSTRIES LP,

as Borrower,

**EACH SUBSIDIARY OF THE BORROWER
LISTED AS A GUARANTOR ON THE SIGNATURE PAGES HERETO,
as Guarantors,**

**THE LENDERS FROM TIME TO TIME PARTY HERETO,
as Lenders,**

and

**1903P LOAN AGENT, LLC,
as Administrative Agent**

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CREDIT AGREEMENT

This Credit Agreement dated as of December 20, 2024 (this “Agreement”), is by and among Peavey Industries LP, an Alberta limited partnership (the “Borrower”), each subsidiary of the Borrower listed as a “Guarantor” on the signature pages hereto (together with each Person that executes a Joinder Agreement and becomes a “Guarantor” hereunder, each a “Guarantor” and collectively, the “Guarantors”), the lenders from time to time party hereto (each a “Lender” and collectively, the “Lenders”), 1903P Loan Agent, LLC, a Delaware limited liability company, as administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the “Administrative Agent”).

RECITALS

The Borrower has asked the Lenders to extend credit to the Borrower consisting of a revolving credit facility and a term loan. The Lenders are severally, and not jointly, willing to extend such credit to the Borrower subject to the terms and conditions hereinafter set forth.

For good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS; CERTAIN TERMS

Section 1.01 Definitions. As used in this Agreement, the following terms shall have the respective meanings indicated below:

“Acquisition” means the acquisition (whether by means of a merger, consolidation, amalgamation or otherwise) of all of the Equity Interests of any Person or all or substantially all of the assets of (or any division or business line of) any Person.

“Action” has the meaning specified therefor in Section 10.12.

“Administrative Agent” has the meaning specified therefor in the preamble hereto.

“Administrative Agent’s Accounts” means one or more accounts designated by the Administrative Agent at a bank designated by the Administrative Agent from time to time as the accounts into which the Loan Parties shall make all payments to the Administrative Agent for the benefit of the Administrative Agent and the Lenders under this Agreement and the other Loan Documents.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by or otherwise acceptable to the Administrative Agent.

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” of a Person means the power, directly or indirectly, either to (a) 50% or more of the Equity Interests having ordinary voting

power for the election of members of the Board of Directors of such Person or (b) direct or cause the direction of the management and policies of such Person whether by contract or otherwise. Notwithstanding anything herein to the contrary, in no event shall Administrative Agent or any Lender be considered an “Affiliate” of any Loan Party.

“Agreement” has the meaning specified therefor in the preamble hereto.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Loan Parties or their respective Subsidiaries from time to time concerning or relating to bribery or corruption.

“Anti-Money Laundering Laws” means the applicable laws, regulations, and sanctions, state, provincial and federal, criminal and civil, in any jurisdiction in which any Loan Party or any of its Subsidiaries or Affiliates is located or is doing business that: (a) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (b) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States and/or Canada; (c) require identification and documentation of the parties with whom a financial institution conducts business; or (d) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions shall be deemed to include the USA PATRIOT Act, the Bank Secrecy Act, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

“Anti-Terrorism Laws” has the meaning set forth in Section 4.24(e).

“Applicable Law” means, with respect to any Person, collectively, the common law and any and all federal, state, provincial, local, foreign, multinational, or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities), and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of any Governmental Authority, in each case that are applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Applicable Margin” means, as of any date of determination, with respect to the interest rate of (a) any Revolving Loan, 6.75% *per annum*, to be reduced to 5.75% *per annum* if EBITDA of the Borrower for the Fiscal Year ended December 31, 2025 is at least equal to the FY 2025 EBITDA Projection and (b) any Term Loan or any portion thereof, 10.50% *per annum*.

“Approved Budget Reporting Date” has the meaning set forth in Section 5.01(g).

“Assignment and Assumption” means an assignment and assumption entered into by an assigning Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.07), and accepted by the Administrative Agent, substantially in the form of Exhibit A hereto or such other form approved by the Administrative Agent in its discretion.

“Authorized Officer” means (a) the chief executive officer, president, executive vice president, or a Financial Officer of a Loan Party (or in the case of a Loan Party that is a partnership, of a general partner of such Loan Party), and (b) solely for purposes of the delivery of incumbency certificates and certified Governing Documents and resolutions, any vice president, secretary, or assistant secretary of a Loan Party (or in the case of a Loan Party that is a partnership, of a general partner of such Loan Party). Any document delivered hereunder that is signed by an Authorized Officer of a Loan Party (or on behalf of a Loan Party) shall be conclusively presumed to have been authorized by all necessary corporate, partnership, or other action on the part of such Loan Party and such Authorized Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Availability” means, at any time, the difference between (a) the lesser of (i) the Revolving Borrowing Base and (ii) the Total Revolving Credit Commitment minus the Availability Block and (b) the aggregate outstanding principal amount of all Revolving Loans.

“Availability Block” means, at all times, an amount equal to the greater of: (a) 10% of the Revolving Borrowing Base and (b) \$10,000,000.

“Availability Reserves” means, without duplication of any other Reserves or items to the extent such items are otherwise addressed or excluded through eligibility criteria, such reserves as the Administrative Agent from time to time determines in its Permitted Discretion as being appropriate (a) to reflect the impediments to the Administrative Agent’s ability to realize upon the Collateral, (b) to reflect claims and liabilities that the Administrative Agent determines will need to be satisfied in connection with the realization upon the Collateral, (c) to reflect criteria, events, conditions, contingencies or risks which adversely affect any component of the Revolving Borrowing Base or the Term Borrowing Base, as applicable, or the assets, business, financial performance or financial condition of any Loan Party, or (d) to reflect that a Default or an Event of Default then exists. Without limiting the generality of the foregoing, Availability Reserves may include, in the Administrative Agent’s Permitted Discretion, (but are not limited to) reserves based on: (i) rent, (ii) customs duties, and other costs to release Inventory which is being imported into Canada; (iii) outstanding Taxes and other governmental charges including ad valorem, real estate, personal property, sales, pension plan obligations, worker’s compensation, unemployment insurance, claims of any Person or Governmental Authority and other Taxes which may have priority over or rank *pari passu* with the interests and Liens of the Administrative Agent in the Collateral; (iv) salaries, wages and benefits due to employees of any Loan Party including all claims under the *Wage Earner Protection Program Act* (Canada), (v) customer credit liabilities consisting of the aggregate remaining value at such time of (a) outstanding gift certificates and gift cards of any Loan Party entitling the holder thereof to use all or a portion of the certificate or gift card to pay all or a portion of the purchase price for any Inventory, (b) outstanding merchandise credits of any Loan Party, and (c) liabilities in connection with frequent shopping programs of any Loan Party, (vi) deposits made by customers with respect to the purchase of goods or the performance of services and layaway obligations of any Loan Party, (vii) reserves for reasonably anticipated changes in the value of Eligible Inventory between appraisals, (viii) Priority Payables, (ix) warehousemen’s or bailee’s charges and other Permitted Liens which may have priority over or rank *pari passu* with the interests of the Administrative Agent in the Collateral, (x) amounts due to vendors on account of consigned goods, (xi) Rent Reserves, (xii) royalties payable in respect of licensed merchandise, (xiii) such other reserves as the Administrative Agent may at any time or

times deem necessary in its Permitted Discretion as a result of (x) negative forecasts and/or trends in the Loan Parties' business, operations, industry, prospects, profits, operations or financial condition or assets (taken as a whole) or (y) other issues, circumstances or facts that could otherwise negatively impact the Loan Parties' business, operations, industry, prospects, profits, operations or financial condition or assets (taken as a whole).

“Bankruptcy Code” means Title 11 of the United States Code, as amended from time to time, and any successor statute.

“Benchmark” means the Term CORRA Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term CORRA Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.12(a).

“Benchmark Replacement” means, with respect to any Benchmark Transition Event for any then-current Benchmark,

(a) with respect to obligations, interest, fees, commissions or other amounts calculated with respect to the Term CORRA Reference Rate; and;

(b) with respect to obligations, interest, fees, commissions or other amounts calculated with respect to a Benchmark other than the Term CORRA Reference Rate, the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment,

provided that, if the Benchmark Replacement as determined above for any such day would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for such day for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) have been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Bank of Canada, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such

statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, if such Benchmark is a term rate, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.12(b) and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.12(b).

“Beneficial Ownership Certification” means, with respect to any Loan Party, a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation, which certification shall be substantially similar in form and substance to the form of Certification Regarding Beneficial Owners of Legal Entity Customers published jointly, in May 2018, by the Loan Syndications and Trading Association and Securities Industry and Financial Markets Association or such other form satisfactory to the Administrative Agent.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“BIA” means the *Bankruptcy and Insolvency Act* (Canada), and the regulations promulgated thereunder, as amended and in effect.

“Board” means the Board of Governors of the Federal Reserve System of the United States (or any successor).

“Board of Directors” means, as to any Person, the board of directors (or comparable managers) of such Person, or any committee thereof duly authorized to act on behalf of the board of directors (or comparable managers).

“Borrower” has the meaning specified therefor in the preamble hereto.

“Borrowing Base Certificate” means a certificate signed by an Authorized Officer of the Borrower and setting forth the calculation of the Revolving Borrowing Base and Term Borrowing Base in compliance with Section 5.01(f), substantially in the form of Exhibit B, or such other form as Administrative Agent may approve in its discretion.

“Budget” means a 13-week cash flow forecast and budget of the Borrower delivered on or prior to the Effective Date and updated from time to time as set forth in Section 5.01(g), substantially in the form of Exhibit F, setting forth, among other things, the Borrower’s projected cash receipts from accounts receivable, disbursements, inventory levels, inventory received by vendors (including feed inventory) liquidity, sales, loan balance, net operating cash flow and net cash flow during such 13-week period.

“Budget Variance Report” means a weekly (commencing with the fourth full calendar week following the Effective Date, except for Inventory Level reporting which shall be at each point in time of reporting) report, prepared by the Borrower and provided to the Administrative Agent, and as certified by a Responsible Officer of the Borrower as being true, correct and complete in all material respects, showing in each case for the three-week period most recently ended on the last Saturday prior to the delivery thereof the negative variance (if any) of the (i) actual Total Sales compared to the Total Sales of the Loan Parties set forth in the Budget, calculated on a trailing three-week basis, (ii) Cash Collections as compared to the Cash Collections of the Loan Parties set forth in the Budget, calculated on a trailing three-week basis, (iii) Disbursements as compared to the Disbursements of the Loan Parties set forth in the Budget, calculated on a trailing three-week basis, (iv) Inventory Receipts as compared to the Inventory Receipts of the Loan Parties set forth in the Budget, calculated on a trailing three-week basis, and (v) Inventory Level as compared to the Inventory Level of the Loan Parties set forth in the Budget.

“Business Day” means any day other than a Saturday, Sunday, or other day on which commercial banks are authorized or required to close under the laws of the Province of Alberta, State of New York, USA.

“Canadian Benefit Plan” means any Canadian Pension Plan or Canadian Multiemployer Plan.

“Canadian Defined Benefit Plan” means any Canadian Benefit Plan which contains a “defined benefit provision” as defined in subsection 147.1(i) of the ITA.

“Canadian Multiemployer Plan” means a “multi-employer pension plan” as defined by Canadian Pension Laws and registered in accordance with Canadian Pension Laws and as to which any Loan Party is making, or is accruing an obligation to make, or has accrued an obligation to make contributions within the preceding seven (7) years, and shall not include any Multiemployer Plan.

“Canadian Pension Event” means (a) the voluntary whole or partial wind up of a Canadian Pension Plan by any Loan Party; (b) the filing of a notice of intent to terminate in whole or in part a Canadian Pension Plan or the treatment of a Canadian Pension Plan amendment as a termination or partial termination; (c) the institution of proceedings by any Governmental Authority to terminate in whole or in part or have a trustee appointed to administer a Canadian

Pension Plan, or (d) any other event or condition which might constitute grounds for the termination of, winding up or partial termination or winding up or the appointment of trustee to administer, any Canadian Pension Plan.

“Canadian Pension Laws” means the PBA, the ITA and any other Canadian federal or provincial pension benefits standards legislation applicable to a Canadian Pension Plan or a Canadian Multiemployer Plan.

“Canadian Pension Plan” means any “registered pension plan” as defined under Section 248(l) of the ITA or a “pension plan” as defined under any Canadian federal or provincial pension benefits standards legislation or any other registered or unregistered pension, or retirement or retirement savings plan and which (a) is sponsored, maintained, funded, contributed to or required to be contributed to, or administered for the employees or former employees of any Loan Party or (b) has at any time within the preceding seven (7) years been sponsored, maintained, funded, contributed to or required to be contributed to, or administered for the employees or former employees of any Loan Party, and shall not include any Canadian Multiemployer Plan.

“Capitalized Lease” means, with respect to any Person, any lease of (or other arrangement conveying the right to use) real or personal property by such Person as lessee that is required under GAAP to be capitalized on the balance sheet of such Person.

“Capitalized Lease Obligations” means, with respect to any Person, obligations of such Person under Capitalized Leases, and, for purposes hereof, the amount of any such obligation shall be the capitalized amount thereof determined in accordance with GAAP.

“Cash Collections” has the meaning set forth in the Budget.

“Cash Dominion Trigger Event” means either of (a) the occurrence of an Event of Default which is continuing, or (b) Excess Availability being less than the greater of (i) \$5,000,000.00 and (ii) 5% of the Revolving Borrowing Base at any time.

“Cash Dominion Trigger Period” means (a) the first 180 days from the Effective Date, and (b) thereafter, each period commencing upon the occurrence of a Cash Dominion Trigger Event and continuing until the date when (i) no Event of Default shall exist and be continuing and (ii) Excess Availability is greater than the greater of (A) \$5,000,000.00 and (B) 5% of the Revolving Borrowing Base for 90 consecutive days.

“Cash Equivalents” means each of the following:

- (a) debt obligations maturing within one year from the date of acquisition thereof to the extent the principal thereof and interest thereon is backed by the full faith and credit of the United States or Canada (or by any state or province thereof, or by an instrumentality or agency of the foregoing to the extent such obligations are backed by the full faith and credit of the United States of America or the government of Canada or of such state or province);

(b) commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or Moody's;

(c) certificates of deposit, banker's acceptances and time deposits maturing within 270 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States, Canada or any state, province, commonwealth or other political subdivision thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000 or, to the extent not otherwise included, any Lender, and which is rated at least A-2 by S&P and P-2 by Moody's in the note or commercial paper rating category;

(d) deposits in bank accounts in the ordinary course and as otherwise permitted hereunder;

(e) fully collateralized repurchase agreements with a term of not more than 90 days for securities described in clause (a) of this definition and entered into with a financial institution satisfying the criteria described in clause (c) of this definition;

(f) money market mutual funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P or Aaa by Moody's, and (iii) have portfolio assets of at least \$5,000,000,000; and

(g) investment funds investing at least 95% of their assets in securities of the types described in clauses (a) through (f) above.

“Cash Management Accounts” means the deposit accounts of each Loan Party maintained at one or more Cash Management Banks listed on Schedule 5.15.

“Cash Management Bank” has the meaning specified therefor in Section 5.15.

“Cash Management Services” means, collectively, (a) commercial debit or credit cards, merchant card processing and other services, purchase or debit cards, including non-card e-payables services, (b) treasury management services (including cash pooling arrangements, controlled disbursement, netting, overdraft, lockbox and electronic or automatic clearing house fund transfer services, return items, sweep and interstate depository network services, foreign check clearing services), and (c) any other demand deposit or operating account relationships or other cash management services.

“CCAA” means the *Companies' Creditors Arrangement Act* (Canada), and the regulations promulgated thereunder as amended and in effect.

“Change in Law” means (a) the adoption of any new applicable Law after the date of this Agreement, (b) any change in any existing Applicable Law or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement, or (c) compliance by any Lender with any request, guideline or directive (whether or not having the force of law, but in the case of a request, guideline or directive not having the force of law, being a

request, guideline or directive with which persons customarily comply) of any Governmental Authority made or issued after the date of this Agreement.

“Change of Control” means the occurrence of any of the following:

(a) any Person (other than Peavey Industries Limited and its Affiliates) becomes the beneficial owner, directly or indirectly, of fifty (50%), or more, of the Equity Interests of Borrower;

(b) Peavey Industries General Partner Limited ceases to be the general partner of the Borrower;

(c) the Borrower ceases to beneficially and of record own and control, directly or indirectly, 100% of the Equity Interests in all other Loan Parties (other than Peavey Industries General Partner Limited); and

(d) Douglas Anderson shall cease to be involved in the day-to-day operations and management of the business of the Borrower, and a successor reasonably acceptable to the Administrative Agent and the Required Lenders is not appointed on terms reasonably acceptable to the Administrative Agent and the Required Lenders within 30 days of such cessation of involvement,

“Code” means the U.S. *Internal Revenue Code of 1986*, as amended from time to time.

“Collateral” means any and all “Collateral” as defined in any applicable Security Document and all other property that is intended under the terms of the Security Documents to be subject to Liens in favour of the Administrative Agent and proceeds thereof now owned or hereafter acquired by any Person upon which a Lien is granted or purported to be granted by such Person as security for all or any part of the Obligations.

“Collateral Access Agreement” means a landlord waiver, bailee waiver, or other agreement between the Administrative Agent and any third party (including any bailee, assignee, consignee, customs broker, or other similar Person) in possession of any Collateral or any landlord of any Loan Party for any Real Property where any Collateral is located, in each case, in form and substance satisfactory to the Administrative Agent.

“Collections” means all cash, checks, notes, instruments, and other items of payment (including insurance proceeds, proceeds of cash sales, rental proceeds, and tax refunds).

“Commitments” means, with respect to each Lender, such Lender’s Revolving Credit Commitment and Term Loan Commitment.

“Commodity Exchange Act” means the U.S. *Commodity Exchange Act* (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Compliance Certificate” means a Compliance Certificate, substantially in the form of Exhibit C or such other form as Administrative Agent may approve in its discretion, duly executed by an Authorized Officer of the Borrower.

“Conforming Changes” means, with respect to the use or administration of a Benchmark or the use, administration, adoption, or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Prime Rate,” Business Day,“ or any similar or analogous definition (or the addition of a concept of “interest period,” timing and frequency of determining rates and making payments of interest, timing of prepayment notices, the applicability and length of lookback periods, and other technical, administrative, or operational matters)) that the Administrative Agent decides, acting reasonably, may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides, acting reasonably, is necessary in connection with the administration of this Agreement and the other Loan Documents).

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consignment Agreement” means the Master Services Agreement for Consignment of Memo Merchandise that may be entered into among one or more of the Loan Parties and GBRP, as amended, restated, modified, supplemented or replaced from time to time.

“Consignment Documents” means the Consignment Agreement, all purchase orders issued thereunder by one or more of the Loan Parties, and any other document, instrument or agreement now or hereafter executed and delivered in connection with the inventory consignment program to be established by GBRP in favor of one or more of the Loan Parties pursuant to the Consignment Agreement.

“Consulting Agreement” means a Store Closing Consulting Agreement or similar agreement among the Loan Parties and GBRP in form and substance acceptable to the parties.

“Contingent Indemnity Obligations” means any Obligation constituting a contingent, unliquidated indemnification obligation of any Loan Party, in each case, to the extent (a) such obligation has not accrued and is not yet due and payable and (b) no claim has been made or is reasonably anticipated to be made with respect thereto.

“Contingent Obligation” means, with respect to any Person, any obligation of such Person guaranteeing or intending to guarantee any Indebtedness, leases, dividends or other obligations (“primary obligations”) of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, including (a) the direct or indirect guarantee, endorsement (other than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of a primary obligor, (b) the

obligation to make take-or-pay or similar payments, if required, regardless of nonperformance by any other party or parties to an agreement, and (c) any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, assets, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; provided, however, that the term “Contingent Obligation” shall not include any product warranties extended in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation with respect to which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such Person may be liable pursuant to the terms of the instrument evidencing such Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability with respect thereto (assuming such Person is required to perform thereunder), as determined by such Person in good faith.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument, or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control Agreement” means, with respect to any deposit account, securities account, commodity account, securities entitlement or commodity contract, an agreement, in form and substance satisfactory to the Administrative Agent, among the Administrative Agent, the financial institution or other Person at which such account is maintained or with which such entitlement or contract is carried, and the Loan Party maintaining such account, entitlement, or contract, effective to grant “control” (as defined under the applicable UCC or PPSA, as applicable) over such account to the Administrative Agent.

“CORRA” means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

“CORRA Loan” means a Loan made pursuant to Section 2.01 that bears interest at a rate based on Term CORRA.

“Credit Card Issuer” means Visa, MasterCard, American Express, Discover, and any other credit and debit card issuers approved by the Administrative Agent in its Permitted Discretion.

“Credit Card Notification” has the meaning set forth in Section 5.15(e).

“Credit Card Processor” means any servicing or processing agent or any financial intermediary that facilitates, services, processes, or manages the credit authorization, billing transfer, and/or payment procedures with respect to any Loan Party’s sales transactions involving credit card or debit card purchases by customers using credit cards or debit cards issued by any Credit Card Issuer.

“Credit Card Receivables” means each Payment Intangible together with all income, payments and proceeds thereof, owed by a Credit Card Issuer or Credit Card Processor to a Loan Party resulting from charges by a customer of a Loan Party on credit or debit cards issued by such Credit Card Issuer in connection with the sale of goods by a Loan Party in the ordinary course of its business.

“Debtor Relief Law” means, the BIA, the CCAA, the WRA, the Bankruptcy Code and any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief law of the United States, Canada or other applicable jurisdiction from time to time in effect.

“Default” means an event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

“Defaulting Lender” means, subject to Section 2.14(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower to confirm in writing to the Administrative Agent or the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent or the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) [Reserved]; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.14(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

“Dilution” means, as of any date of determination, a percentage that is the result of dividing the Dollar amount of (a) set-off, warranty claims, discounts, advertising allowances, credits, or other similar items that are granted in the ordinary course of business with respect to the Borrower’s accounts during the preceding 12 Fiscal Months, by (b) the Borrower’s billings with respect to accounts during such period.

“Dilution Reserve” means, as of any date of determination, an amount sufficient to reduce the advance rate against Eligible Accounts by one percentage point for each percentage point by which Dilution is in excess of 5.0%, or such lesser or greater amount as Administrative Agent in its Permitted Discretion shall determine from time to time.

“Disbursements” has the meaning set forth in the Budget.

“Disposition” means any transaction, or series of related transactions, pursuant to which any Person sells, assigns, transfers, leases, licenses, or otherwise disposes of any property or assets (whether now owned or hereafter acquired) to any other Person, in each case, whether or not the consideration therefor consists of cash, securities, or other assets owned by the acquiring Person. “Dispose” and “Disposed” shall each have meanings correlative thereto.

“Disqualified Equity Interests” means any Equity Interest that, by its terms (or by the terms of any security or other Equity Interest into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition, (a) matures or is mandatorily redeemable (other than solely for Equity Interests that are not Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise, (b) is redeemable at the option of the holder thereof, in whole or in part (other than solely for Equity Interests that are not Disqualified Equity Interests), (c) provides for the scheduled payments of dividends or distributions in cash, or (d) is convertible into or exchangeable for (i) Indebtedness or (ii) any other Equity Interests that would constitute Disqualified Equity Interests, in each case of clauses (a) through (d), prior to the date that is 180 days after the Final Maturity Date.

“Dollar,” “Dollars” and the symbol “\$” each means lawful money of Canada.

“EBITDA” means, without duplication, for any period:

(a) the consolidated net income (excluding any extraordinary, unusual or non-recurring gains, losses or expenses) of the Loan Parties; *plus*

(b) to the extent deducted in calculating such consolidated net income, (i) depreciation, amortization, and other non-cash items, (ii) Interest Expense, (iii) income Tax expense (including provincial, state, margin, franchise, gross receipts or similar Taxes) and (iv) fees and expenses related to the refinancing of the Existing Credit Facility and the negotiation, execution, delivery and consummation of the Loan Documents in an aggregate amount not exceeding \$3,300,000.00, *plus*

(c) to the extent deducted in calculating such consolidated net income, the net amount of losses resulting from the disposition of assets (excluding inventory), provided, however, if there is a net gain resulting from the disposition of assets (excluding inventory) which increases such consolidated net income for such period (and which is not

deducted therefrom pursuant to the definition thereof), such amount shall be deducted from EBITDA, *minus*

(d) to the extent added in calculating such consolidated net income, any non-cash income.

“Effective Date” has the meaning specified therefor in Section 3.01.

“Eligible Account” means, each Account (other than a Credit Card Receivable) of a Loan Party resulting from the sale of goods or performance of services by such Borrower in the ordinary course of business which Administrative Agent deems to be an Eligible Account in its Permitted Discretion. Without limiting the generality of the foregoing, no Account shall be an Eligible Account if:

(a) it is owed by an Affiliate of a Loan Party or any Subsidiary of a Loan Party;

(b) it remains unpaid more than the earlier of (i) 60 days after the original due date shown on the invoice or (ii) 90 days after the original invoice date shown on the invoice;

(c) the total unpaid Accounts of the Account Debtor and its Affiliates exceed 25% of the net amount of all Eligible Accounts, but only to the extent of such excess;

(d) any covenant, representation or warranty contained in this Agreement or any other Loan Document with respect to such Account has been breached;

(e) the Account Debtor is also a creditor or supplier of a Loan Party, or the Account Debtor has disputed liability with respect to such Account, or the Account Debtor has made any claim with respect to any other Account due from such Account Debtor to a Loan Party, or the Account otherwise has become subject to right of setoff by the Account Debtor; provided that any such Account shall be eligible to the extent such amount exceeds such contract, dispute, claim, setoff or similar right;

(f) the Account Debtor has commenced a voluntary case under any Debtor Relief Laws, or any other petition or other application for relief under Debtor Relief Laws has been filed against the Account Debtor, or if the Account Debtor has failed, suspended business, ceased to be Solvent, or consented to or suffered a receiver, trustee, assignee for the benefit of creditors, liquidator or custodian to be appointed for it or for all or a significant portion of its assets or affairs;

(g) it arises from a sale made or services rendered to an Account Debtor which either (i) does not maintain its chief executive office in the United States or Canada or (ii) is not organized under the laws of the United States or Canada or any state or province thereof unless (A) the Account is supported by an irrevocable letter of credit satisfactory to Administrative Agent (as to form, substance, and issuer or domestic confirming bank) that has been delivered to Administrative Agent and, if requested by Administrative Agent, is directly drawable by Administrative Agent, or (B) the Account is covered by credit

insurance in form, substance, and amount, and by an insurer, satisfactory to Administrative Agent;

(h) (i) it arises from a sale to an Account Debtor on a bill-and-hold, guaranteed sale, sale-or-return, sale-on-approval, consignment, or any other repurchase or return basis, or (ii) it is subject to a reserve established by a Loan Party for potential returns or refunds, to the extent of such reserve or (iii) it arises from a sale to an Account Debtor that is subject to cash-on-delivery terms;

(i) the Account Debtor is a Governmental Authority, exclusive, however of Accounts for which the enforceability or effectiveness against such Governmental Authority of an assignment of such Account is not subject to any precondition;

(j) (i) it is not subject to a first-priority perfected security interest in favor of the Administrative Agent (for the benefit of the Secured Parties) subject to Permitted Liens or (ii) is subject to any Lien other than a Permitted Lien;

(k) the goods giving rise to such Account have not been delivered to and accepted by the Account Debtor or the services giving rise to such Account have not been performed by the applicable Loan Party and accepted by the Account Debtor or the Account otherwise does not represent a final sale;

(l) the applicable Loan Party has not sent a bill or invoice for the goods or services giving rise to such Account to the applicable Account Debtor;

(m) it represents the right to receive progress payments or other advance billings that are due prior to the completion of performance by the applicable Loan Party of the subject contract for goods or services;

(n) [Reserved];

(o) it is evidenced by chattel paper or an instrument of any kind, or has been reduced to judgment;

(p) any Loan Party has made any agreement with the Account Debtor for any extension, compromise, settlement or modification of the Account or deduction therefrom, except for discounts or allowances which are made in the ordinary course of business for prompt payment and which discounts or allowances are reflected in the calculation of the face value of each invoice related to such Account;

(q) 50% or more of the Accounts owing from the Account Debtor are not Eligible Accounts pursuant to clause (b) of this definition;

(r) it represents service charges, late fees, or similar charges;

(s) it is not denominated in Dollars or U.S. Dollars;

(t) the Administrative Agent believes, in its Permitted Discretion, the collection of such Account to be doubtful, including by reason of the Account Debtor's financial condition;

(u) it is owed by an Account Debtor that is a Sanctioned Person or Sanctioned Country;

(v) it arises from the sale of goods that are or are alleged to have been manufactured or sold in a manner that violates the Intellectual Property rights of any Person;

(w) with respect to which the Account Debtor is located in a state, province or other jurisdiction that requires, as a condition to access to the courts of such jurisdiction, that a creditor qualify to transact business, file a business activities report or other report or form, or take one or more other actions, unless (i) the applicable Loan Party has so qualified, filed such reports or forms, or taken such actions and, in each case, paid any required fees or other charges, or (ii) such Borrower is permitted by the laws of such state, province or other jurisdiction to qualify subsequently as a foreign Person authorized to transact business therein and gain access to such courts without incurring any material cost or delay and such later qualification will cure any bar to access to such courts to enforce payment of such Account; or

(x) it is not otherwise acceptable to the Administrative Agent in its Permitted Discretion.

Notwithstanding the foregoing, no Accounts acquired through an Acquisition shall be Eligible Accounts until such time as the Administrative Agent shall have received and be satisfied with the results of a field examination with respect thereto, such field examination to be conducted at the Borrowers' expense.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 10.07(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 10.07(b)(iii)).

“Eligible Credit Card Receivable” means each Credit Card Receivable of a Loan Party resulting from the sale of goods or performance of services by such Borrower in the ordinary course of business which Administrative Agent deems to be an Eligible Credit Card Receivable in its Permitted Discretion. Without limiting the generality of the foregoing, no Credit Card Receivable shall be an Eligible Credit Card Receivable if:

(a) (i) it is not subject to a first-priority perfected security interest in favor of the Administrative Agent (for the benefit of the Secured Parties) subject to Permitted Liens or (ii) it is subject to any Lien other than a Permitted Lien;

(b) any covenant, representation or warranty contained in this Agreement or any other Loan Document with respect to such Credit Card Receivable has been breached;

- (c) it indicates any Person other than a Loan Party as payee or remittance party;
- (d) [Reserved];
- (e) it has been outstanding for more than five Business Days after the date of sale of goods giving rise to such Credit Card Receivable;
- (f) it is disputed, or a claim, counterclaim, offset or chargeback has been asserted with respect thereto, by the related Credit Card Issuer or Credit Card Processor (but only to the extent of such dispute, claim, counterclaim, offset or chargeback);
- (g) a default has occurred under any agreement with the applicable Credit Card Issuer or Credit Card Processor which gives such Credit Card Issuer or Credit Card Processor the right to cease or suspend payments to such Borrower;
- (h) the applicable Credit Card Issuer or Credit Card Processor has the right under certain circumstances to require a Loan Party to repurchase the entire portfolio of Credit Card Receivables from such Credit Card Issuer or Credit Card Processor;
- (i) the applicable Credit Card Issuer or Credit Card Processor has commenced a voluntary case under any Debtor Relief Laws, or any other petition or other application for relief under Debtor Relief Laws has been filed against the applicable Credit Card Issuer or Credit Card Processor, or the applicable Credit Card Issuer or Credit Card Processor has failed, suspended business, ceased to be Solvent, or consented to or suffered a receiver, trustee, assignee for the benefit of creditors, liquidator or custodian to be appointed for it or for all or a significant portion of its assets or affairs;
- (j) it arises from any private label credit card program or other similar credit arrangement of a Loan Party, except as otherwise approved by the Administrative Agent in its Permitted Discretion;
- (k) it is due from a Credit Card Issuer or Credit Card Processor that is not located in Canada or the United States;
- (l) it is not denominated in Dollars or U.S. Dollars;
- (m) a Credit Card Notification has not been delivered to the applicable Credit Card Issuer or Credit Card Processor;
- (n) it is owed by a Sanctioned Person or Sanctioned Country; or
- (o) it is not otherwise acceptable to the Administrative Agent in its Permitted Discretion.

“Eligible Inventory” means Inventory of a Loan Party which the Administrative Agent deems to be Eligible Inventory in its Permitted Discretion. Without limiting the generality of the foregoing, no Inventory shall be Eligible Inventory if:

- (a) it is raw materials or work in process, or does not otherwise constitute finished goods unless such raw materials or work in process is, in the Administrative Agent's sole discretion, readily marketable in its current form;
- (b) it is not in good, new, and saleable condition;
- (c) it is slow moving or discontinued (each as permitted by Administrative Agent in writing), obsolete, or unmerchantable;
- (d) it does not meet all standards imposed by any Governmental Authority;
- (e) it does not conform in all respects to the covenants, warranties, and representations set forth in this Agreement and each other Loan Document;
- (f) (i) it is not subject to a first-priority perfected security interest in favor of the Administrative Agent (for the benefit of the Secured Parties) subject only to Permitted Liens or (ii) is subject to any Lien other than a Permitted Lien;
- (g) it is not located in the continental United States or Canada;
- (h) it is not situated at a location in compliance with this Agreement, provided that Inventory situated at a location not owned by a Loan Party will be Eligible Inventory only if the Administrative Agent has received a Collateral Access Agreement with respect to such location or, in the Administrative Agent's discretion, if the Administrative Agent has established an applicable Reserve;
- (i) it is in transit (other than Inventory that is in transit between locations of the Borrower within the United States and Canada);
- (j) it consists of packaging materials, supplies, spare parts, tooling, samples, floor or display models, or promotional materials;
- (k) it is subject to any licensing, royalty or other Intellectual Property agreement with any third party (i) which would require any consent of any third party for the Disposition of such Inventory (which consent has not been obtained) or the payment of any monies to any third party upon such Disposition (to the extent of such monies), (ii) from whom any Loan Party has received written notice of a dispute in respect of such agreement, to the extent that the Administrative Agent determines, in its Permitted Discretion, that such dispute could be expected to prevent or impair the Disposition of such Inventory or (iii) the Administrative Agent otherwise determines, in its Permitted Discretion, that such Inventory cannot be freely Disposed of by the Administrative Agent during the continuance of an Event of Default;
- (l) it is on consignment (including any Inventory consigned to a Loan Party pursuant to the Consignment Agreement or which is consigned by a Loan Party to a Person that is not a Loan Party);

(m) it has been acquired from a Sanctioned Person or Sanctioned Country; or

(n) it is not otherwise acceptable to the Administrative Agent in its Permitted Discretion.

“Eligible Equipment” means Equipment of a Loan Party which the Administrative Agent deems to be Eligible Equipment in its Permitted Discretion. Without limiting the generality of the foregoing, no Equipment shall be Eligible Equipment if:

(a) it (i) is not subject to a first-priority perfected security interest in favor of the Administrative Agent (for the benefit of the Secured Parties) subject only to Permitted Liens or (ii) is subject to any Lien other than a Permitted Lien;

(b) it is not installed in a facility owned or leased by a Loan Party in the United States or Canada and, if installed at a leased location, either (i) a Collateral Access Agreement has been delivered to the Administrative Agent or (ii) Reserves satisfactory to the Administrative Agent have been established with respect thereto;

(c) it is not in good operating condition (ordinary wear and tear excepted);

(d) it is obsolete or surplus Equipment;

(e) it is not covered by casualty and liability insurance required by this Agreement and the other Loan Documents;

(f) it consists of automobiles or other Equipment subject to a certificate of title statute; or

(g) it is not otherwise acceptable to the Administrative Agent in its Permitted Discretion.

Notwithstanding the foregoing, no Equipment acquired after the Effective Date shall be Eligible Equipment until such time as the Administrative Agent shall have received and be satisfied with the results of a field examination and appraisal with respect thereto, such field examination and appraisal to be conducted at the Borrower’s expense.

“Environmental Laws” means any and all federal, state, provincial, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions, including all common law, relating to pollution or the protection of health, safety or the environment or the release of any materials into the environment, including those related to Hazardous Materials, air emissions, discharges to waste or public systems and health and safety matters.

“Environmental Liability” means any liability or obligation, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), directly or indirectly, resulting from or based upon (a) violation of any

Environmental Law, (b) the generation, use, handling, transportation, storage, treatment, disposal or permitting or arranging for the disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equipment Cap” means, initially, \$1,100,000.00; provided, that the Equipment Cap shall reduce to \$550,000.00 on the first anniversary of the Effective Date.

“Equity Interests” means (a) all shares of capital stock (whether denominated as common stock or preferred stock), equity interests, beneficial, partnership or membership interests, joint venture interests, participations or other ownership or profit interests in or equivalents (regardless of how designated) of or in a Person (other than an individual), whether voting or non-voting and (b) all securities convertible into or exchangeable for any of the foregoing and all warrants, options or other rights to purchase, subscribe for or otherwise acquire any of the foregoing, whether or not presently convertible, exchangeable or exercisable.

“Equity Issuance” means either (a) the sale or issuance by any Loan Party of any shares of its Equity Interests or (b) the receipt by the Borrower of any cash capital contributions.

“Equity Raise” means the equity financing transaction in the Equity Interest of Borrower to occur following the Effective Date.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with any Loan Party within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code or Section 302 of ERISA).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) the failure by any Loan Party or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules or the filing of an application for the waiver of the minimum funding standards under the Pension Funding Rules; (c) the incurrence by any Loan Party or any ERISA Affiliate of any liability pursuant to Section 4063 or 4064 of ERISA or a cessation of operations with respect to a Pension Plan within the meaning of Section 4062(e) of ERISA; (d) a complete or partial withdrawal by any Loan Party or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is insolvent (within the meaning of Title IV of ERISA); (e) the filing of a notice of intent to terminate a Pension Plan under, or the treatment of a Pension Plan amendment as a termination under, Section 4041 of ERISA; (f) the institution by the PBGC of proceedings to terminate a Pension Plan; (g) any event or condition that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (h) the determination that any Pension Plan is in at-risk status (within the meaning of Section 430 of the Code or Section 303 of ERISA) or that a Multiemployer Plan is in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (i) the imposition or incurrence of any liability under Title IV of ERISA, other than for PBGC premiums

due but not delinquent under Section 4007 of ERISA, upon any Loan Party or any ERISA Affiliate; (j) the engagement by any Loan Party or any ERISA Affiliate in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; (k) the imposition of a lien upon any Loan Party pursuant to Section 430(k) of the Code or Section 303(k) of ERISA; or (l) the making of an amendment to a Pension Plan that could result in the posting of bond or security under Section 436(f)(1) of the Code.

“Erroneous Payment” has the meaning specified in Section 8.11(a).

“Erroneous Payment Subrogation Rights” has the meaning specified in Section 8.11(d).

“Event of Default” has the meaning specified therefor in Section 7.01.

“Excess Availability” means, as of any date of determination, the amount equal to the result of (a) Availability minus (b) the aggregate amount, if any, of all trade payables of the Loan Parties aged in excess of historical levels with respect thereto and all book overdrafts of the Loan Parties in excess of historical practices with respect thereto, in each case, as determined by the Administrative Agent in its discretion.

“Excluded Account” means any deposit account specifically and exclusively used for payroll, payroll taxes, and other employee wage and benefit payments to or for the benefit of any Loan Party’s employees.

“Excluded Subsidiary” (a) any Subsidiary of the Borrower which, together with its Subsidiaries, represents less than 5% of the consolidated assets and consolidated gross revenues of the Borrower, and (b) 983329 USA Inc., Turtle Mountain Seed Co. and 2010541 Alberta Ltd.; and “Excluded Subsidiaries” means any two or more of them. As of the date hereof, the Excluded Subsidiaries are 983329 USA Inc., Turtle Mountain Seed Co. and 2010541 Alberta Ltd.

“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 not to constitute an “eligible contract participant” as defined in the Commodity Exchange Act at the time the guarantee of such Guarantor becomes effective with respect to such related 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 grant of security interest becomes illegal.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are

Other Connection Taxes, (b) in the case of a Lender, any Canadian federal withholding Taxes imposed on a payment by reason of such Lender being, (i) a person with which a Loan Party does not deal at arm's length (for the purposes of the ITA), or (ii) a "specified non-resident shareholder" (as defined in subsection 18(5) of the ITA) of a Loan Party or not dealing at arm's length (for the purposes of the ITA) with a "specified shareholder" of a Loan Party (other than where the non-arm's length relationship arises, or where such Lender is a "specified non-resident shareholder" of a Loan Party or does not deal at arm's length with a "specified shareholder" with a Loan Party, in connection with or as a result of a Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under or received or enforced any rights under, or engaged in any other transaction pursuant to or under a Loan Document, and provided further that the conditions herein shall apply mutatis mutandis to partnerships in accordance with any amendments or conditions stated in the ITA in the context of the rules above, and without any expansion to, or extension of, the scope of this definition), (c) any Canadian federal withholding tax that is imposed on amounts payable to the relevant Recipient pursuant to a law in effect at the time the relevant Recipient acquires an interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.14(b)) or changing its lending office, except in each case to the extent that, pursuant to Section 2.08, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office (d) Taxes attributable to such Recipient's failure to comply with Section 2.08(g), and (e) any U.S. federal withholding tax imposed under FATCA.

"Existing Agent" means Royal Bank of Canada, in its capacity as administrative agent for the Existing Lenders under the Existing Credit Facility.

"Existing Credit Facility" means the credit facility evidenced by that certain Credit Agreement dated as of December 18, 2020, by and among the Existing Agent, the Existing Lenders, Peavey Industries LP and the guarantors party thereto, as the same has been amended, restated, supplemented, or otherwise modified from time to time.

"Existing Lenders" means the lenders party to the Existing Credit Facility.

"Extraordinary Receipts" means any cash received by any Loan Party not in the ordinary course of business (and not consisting of proceeds described in Section 2.04(b)(i) or Section 2.04(b)(ii)), including (a) foreign, United States, Canadian, state, provincial or local tax refunds, (b) pension plan reversions, (c) proceeds of insurance (other than to the extent such insurance proceeds are (i) immediately payable to a Person that is not a Loan Party in accordance with Applicable Law or with Contractual Obligations entered into in the ordinary course of business, (ii) received by any Loan Party as reimbursement for any out-of-pocket costs incurred or made by such Person prior to the receipt thereof directly related to the event resulting from the payment of such proceeds), (iii) in the case of insurance relating to fixed assets, designated by the Borrower for replacement, renovation or repair of the related fixed assets in compliance with Section 2.04(b)(vi), (d) judgments, proceeds of settlements or other consideration of any kind in connection with any cause of action, (e) condemnation awards (and payments in lieu thereof), (f) indemnity payments (other than to the extent such indemnity payments are (i) immediately payable to a Person that is not an Affiliate of the Loan Party or (ii) received by any Loan Party as

reimbursement for any costs previously incurred or any payment previously made by such Person) and (g) any purchase price adjustment received in connection with any purchase agreement.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“Federal Funds Rate” means, for any day, the greater of (a) the rate calculated by the Federal Reserve Bank of New York based on such day’s Federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the Federal funds effective rate and (b) 0%.

“Fee Letter” means the fee letter dated as of the date hereof, among the Borrower and the Administrative Agent.

“Field Survey and Audit” means a field survey and audit of the Loan Parties and an appraisal of the Collateral performed by auditors, examiners and/or appraisers selected by the Administrative Agent, at the sole cost and expense of the Borrower.

“Final Maturity Date” means December 20, 2027.

“Financial Officer” means, as to any Person, the chief financial officer, principal accounting officer, treasurer, or controller of such Person.

“Financial Statements” means (a) the audited consolidated balance sheet of the Borrower and its Subsidiaries for the Fiscal Year ended December 30, 2023 and the related consolidated statement of operations, shareholders’ equity, and cash flows for the Fiscal Year then ended, and (b) the Internal Financial Statements of the Borrower and its Subsidiaries for the Fiscal Month ended October 31, 2024, including unaudited consolidated balance sheet and the related consolidated statement of operations, shareholder’s equity, and cash flows for such Fiscal Month.

“Fiscal Month” means each fiscal month of the Borrower.

“Fiscal Quarter” means each fiscal quarter of the Borrower.

“Fiscal Year” means the 52 or 53 week period of the Borrower or any other Loan Party, as applicable, ending on the Saturday closest to December 31 of such year.

“Flood Laws” means the National Flood Insurance Act of 1968, Flood Disaster Protection Act of 1973, and related laws, rules and regulations, including any amendments or successor provisions.

“Floor” means, on any date of determination, a rate of interest equal to the greater of (i) 2% and (ii) 1% lower than Term CORRA determined on the Effective Date.

“FY 2025 EBITDA Projection” means \$22,900,000.00

“GAAP” means generally accepted accounting principles in Canada, which shall be deemed to be a reference to the recommendations at the relevant time of the Chartered Professional Accountants of Canada (or any successor thereto) applicable on a consolidated basis (unless otherwise specifically provided or contemplated herein) as at the date on which any determination or calculation is made or required to be made in accordance with such principles, which, for the purposes of this Agreement, is determined to be Canadian accounting for private enterprises (ASPE) or IFRS, applied on a consistent basis and subject to Section 1.04.

“GB Party” has the meaning specified therefor in Section 10.07(f).

“GBRP” has the meaning specified therefor in Section 5.22.

“GBRS Agreements” has the meaning specified therefor in Section 5.24.

“Gordon Brothers” means 1903P Loan Agent, LLC.

“Governing Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization, and the operating agreement; (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture, declaration or other applicable agreement or documentation evidencing or otherwise relating to its formation or organization, governance and capitalization; and (d) with respect to any of the entities described above, any other agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization.

“Governmental Authority” means the government of Canada or of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” means (a) the guarantee of each Guarantor party hereto contained in Article VIII hereof and (b) each other guarantee of all or part of the Obligations, in form and substance satisfactory to the Administrative Agent, made by any other Guarantor in favor of the Administrative Agent for the benefit of the Secured Parties.

“Guaranteed Obligations” has the meaning specified therefor in Section 9.01.

“Guarantor” means (a) the Borrower and each Subsidiary (other than the Excluded Subsidiaries) of the Borrower listed as a “Guarantor” on the signature pages hereto, and (b) each

other Person which guarantees, pursuant to Section 5.02 or otherwise, all or any part of the Obligations.

“Hazardous Material” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes, and other substances or wastes of any nature regulated under or with respect to which liability or standards of conduct are imposed pursuant to any Environmental Law.

“Hedging Agreement” means any interest rate, foreign currency, commodity or equity swap, collar, cap, floor or forward rate agreement, or other agreement or arrangement designed to protect against fluctuations in interest rates or currency, commodity or equity values (including any option with respect to any of the foregoing and any combination of the foregoing agreements or arrangements), and any confirmation executed in connection with any such agreement or arrangement.

“Highest Lawful Rate” means, with respect to Administrative Agent or any Lender, the maximum non-usurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the Obligations under Applicable Law which are currently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum non-usurious interest rate than applicable laws now allow.

“Holdout Lender” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all or all affected Lenders in accordance with the terms of Section 10.02 and (b) has been approved by the Required Lenders.

“IFRS” means International Financial Reporting Standards including International Accounting Standards and Interpretations together with their accompanying documents which are set by the International Accounting Standards Board, the independent standard-setting body of the International Accounting Standards Committee Foundation (the “IASC Foundation”), and the International Financial Reporting Interpretations Committee, the interpretative body of the IASC Foundation.

“Indebtedness” means, with respect to any Person, without duplication, (a) all indebtedness of such Person for borrowed money; (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables or other accounts payable incurred in the ordinary course of such Person’s business and not outstanding for more than 90 days after the date such payable was created); (c) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments or upon which interest payments are customarily made; (d) all reimbursement, payment or other obligations and liabilities of such Person created or arising under any conditional sales or other title retention agreement with respect to property used and/or acquired by such Person, even though the rights and remedies of the lessor, seller and/or lender thereunder may be limited to repossession or sale of such property; (e) all Capitalized Lease Obligations of such Person; (f) all obligations and liabilities, contingent or otherwise, of such Person, in respect of surety bonds, performance bonds, letters of credit, acceptances, and similar facilities; (g) all obligations and liabilities, calculated on a basis

satisfactory to the Administrative Agent and in accordance with accepted practice, of such Person under Hedging Agreements; (h) all net amount of obligations under any receivables factoring, receivable sales or similar transactions and all monetary obligations under any synthetic lease, tax ownership/operating lease, off-balance sheet financing or similar financing; (i) all Contingent Obligations; (j) all Disqualified Equity Interests; and (k) all obligations referred to in clauses (a) through (j) of this definition of another Person secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) a Lien upon property owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness. The Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer.

“Indemnified Matters” has the meaning specified therefor in Section 10.15(a).

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnitees” has the meaning specified therefor in Section 10.15(a).

“Insolvency Proceeding” means any proceeding commenced by or against any Person under any provision of any Debtor Relief Law.

“Intellectual Property” means all intellectual property and similar proprietary rights, including all inventions, designs, patents, patent applications, copyrights, copyright applications, trademarks, trademark applications, internet domain names, service marks (together with all goodwill associated therewith), trade names, trade dress, business names, designs, logos, slogans (and all translations, adaptations, derivations and combinations of the foregoing), trade secrets, confidential or proprietary information, customer lists, know-how, rights in software, and rights in databases and other similar intangible rights, whether statutory or common law, whether registered or unregistered, and whether established or registered in the United States, Canada or any other country or any political subdivision thereof, together with (but not exclusive of) all (a) registrations and applications for the foregoing, (b) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements or other violations thereof, (c) rights to sue for past, present and future infringements and other violations thereof, and (d) rights corresponding thereto throughout the world.

“Intellectual Property Contracts” means all agreements concerning Intellectual Property, including license agreements, technology consulting agreements, confidentiality agreements, co-existence agreements, consent agreements and non-assertion agreements.

“Intercompany Subordination Agreement” means an Intercompany Subordination Agreement made by the Borrower and its applicable Subsidiaries in favor of the Administrative Agent for the benefit of the Secured Parties, in form and substance reasonably satisfactory to the Administrative Agent.

“Interest Expense” means, for any period, total interest expense accruing on Indebtedness of Borrower and Subsidiaries (other than Excluded Subsidiaries), on a consolidated

basis, during such period (including interest expense attributable to Capitalized Lease Obligations net of amounts attributable to interest incurred under interest rate or foreign exchange derivatives), determined in accordance with GAAP.

“Interest Period” means one (1) month.

“Internal Financial Statements” means balance sheets, statements of operations and retained earnings and statements of cash flows of the Borrower and its Subsidiaries, prepared consistent with past practice (which is largely in accordance with GAAP except for the equity method consolidation of certain Subsidiaries, and subject to the absence of footnotes and normal year-end adjustments), for any Fiscal Month, Fiscal Quarter, Fiscal Year or year-to-date period, as applicable.

“Inventory” has the meaning given to “inventory” in the PPSA, and shall also include, without limitation, all: (a) goods which (i) are leased by a Person as lessor, (ii) are held by a Person for sale or lease or to be furnished under a contract of service, (iii) are furnished by a Person under a contract of service, or (iv) consist of raw materials, work in process, or materials used or consumed in a business; (b) goods of said description in transit; (c) goods of said description which are returned, repossessed or rejected; and (d) packaging, advertising, and shipping materials related to any of the foregoing.

“Inventory Level” has the meaning set forth in the Budget.

“Inventory Receipts” has the meaning set forth in the Budget.

“Investment” means, with respect to any Person, (a) any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances or other extensions of credit (excluding Accounts arising in the ordinary course of business), capital contributions or acquisitions of Indebtedness (including, any bonds, notes, debentures or other debt securities), Equity Interests, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), (b) the purchase or ownership of any futures contract or liability for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract, or (c) any investment in any other items that are or would be classified as investments on a balance sheet of such Person prepared in accordance with GAAP.

“IRS” means the United States Internal Revenue Service.

“ITA” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder as amended and in effect.

“Joinder Agreement” means a Joinder Agreement duly executed by a Subsidiary (other than an Excluded Subsidiary) of a Loan Party made a party hereto pursuant to Section 5.02, which shall be substantially in the form of Exhibit D or such other form as Administrative Agent may approve in its discretion.

“Lender” has the meaning specified therefor in the preamble hereto. Unless the context otherwise requires, the term “Lender” shall include the Administrative Agent, in its capacity as a maker of Protective Advances.

“Lien” means any mortgage, deed of trust, deed to secure debt, pledge, lien (statutory or otherwise), security interest, charge or other encumbrance or security or preferential arrangement of any nature, including any conditional sale or title retention arrangement, any Capitalized Lease and any assignment, deposit arrangement or financing lease intended as, or having the effect of, security.

“Limited Recourse Guarantors” means MFT and Peavey Industries Limited and each a “Limited Recourse Guarantor”.

“Limited Recourse Guarantee and Pledge” means each Limited Recourse Guarantee and Pledge Agreement dated as of the Effective Date, made by Limited Recourse Guarantors in favor of the Administrative Agent for the benefit of the Secured Parties, which shall be in form and substance satisfactory to the Administrative Agent.

“Loan(s)” means a Revolving Loan, or Term Loan, made by a Lender to the Borrower pursuant to Article II hereof.

“Loan Account” means an account maintained hereunder by the Administrative Agent on its books of account at the Payment Office, and with respect to the Borrower, in which the Borrower will be charged with all Loans made to, and all other Obligations incurred by, the Borrower.

“Loan Document” means this Agreement, each Control Agreement (or blocked account agreement, as applicable), the Fee Letter, each Guarantee, each Intercompany Subordination Agreement, each Subordination Agreement, each Joinder Agreement, each Security Document, each UCC Filing Authorization Letter, each Collateral Access Agreement, each Perfection Certificate, the Consignment Documents, the Consulting Agreement, the GBRs Agreements and each other agreement, instrument, certificate, report, and other document executed and delivered pursuant hereto or thereto or otherwise evidencing or securing any Loan or any other Obligation.

“Loan Party” means the Borrower and each Guarantor.

“Margin Stock” means margin stock within the meaning of Regulation T, Regulation U and Regulation X.

“Material Adverse Effect” means a material adverse effect on any of (a) the business, operations, assets, liabilities, condition (financial or otherwise), or prospects of the Loan Parties and their Subsidiaries (taken as a whole), (b) the ability of any Loan Party to perform any of its obligations under any Loan Document, (c) the legality, validity or enforceability of this Agreement or any other Loan Document, (d) the rights and remedies of Administrative Agent or any Lender under any Loan Document, or (e) the validity, perfection or priority of a Lien in favor of the Administrative Agent for the benefit of the Secured Parties on Collateral.

“Material Contract” means, with respect to any Loan Party, each contract to which such Loan Party is a party, to which a breach, termination, cancellation, non-renewal or non-performance by any Person party thereto either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

“MFT” means Peavey Industries Mutual Fund Trust, a mutual fund trust formed under the laws of the Province of Alberta, and its successors and assigns.

“Moody’s” means Moody’s Investors Service, Inc., and its Affiliates and any successor thereto.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Loan Party or any ERISA Affiliate makes or is obligated to make contributions, during the preceding five plan years has made or been obligated to make contributions, or has any liability.

“Multiple Employer Plan” means a Plan with respect to which any Loan Party or any ERISA Affiliate is a contributing sponsor, and that has two or more contributing sponsors at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

“Net Cash Proceeds” means, with respect to any issuance or incurrence of any Indebtedness, any Equity Issuance, any Disposition or the receipt of any Extraordinary Receipts by any Loan Party, the aggregate amount of cash received (directly or indirectly) from time to time (whether as initial consideration or through the payment or disposition of deferred consideration) by or on behalf of any Loan Party, in connection therewith after deducting therefrom only (a) in the case of any Disposition or the receipt of any Extraordinary Receipts consisting of insurance proceeds or condemnation awards, the amount of any Indebtedness secured by any Permitted Lien on any asset (other than Indebtedness assumed by the purchaser of such asset) which is required to be, and is, repaid in connection therewith (other than Indebtedness under this Agreement), (b) reasonable and customary fees and expenses related thereto incurred by any Loan Party in connection therewith, (c) transfer taxes paid to any taxing authorities by any Loan Party in connection therewith, and (d) net income taxes to be paid in connection therewith (after taking into account any tax credits or deductions and any tax sharing arrangements), in each case, to the extent, but only to the extent, that the amounts so deducted are (i) actually paid to any Loan Party and (ii) properly attributable to such transaction or to the asset that is the subject thereof.

“NOLV” means, with respect to Inventory or Equipment of any Person, the orderly liquidation value thereof identified in the most recent Inventory or Equipment appraisal ordered by the Administrative Agent and as determined in a manner acceptable to the Administrative Agent by an appraiser acceptable to the Administrative Agent, net of all costs of liquidation thereof.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Notice of Borrowing” means (a) a request for Revolving Loans or (b) a request for the Term Loan (on the Effective Date), which, in each case, shall be substantially in the form of Exhibit E or in such other form as Administrative Agent may approve in its discretion.

“Obligations” means all present and future indebtedness, obligations, and liabilities of each Loan Party to the Administrative Agent and the Lenders arising under or in connection with this Agreement and each other Loan Document, whether or not the right of payment in respect of such claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured,

unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, and whether or not such claim is discharged, stayed or otherwise affected by any proceeding referred to in Section 7.01. Without limiting the generality of the foregoing, the Obligations of each Loan Party under the Loan Documents include (a) the obligation (irrespective of whether a claim therefor is allowed in an Insolvency Proceeding) to pay principal, interest, charges, expenses, fees, premiums, attorneys' fees and disbursements, indemnities and other amounts payable by such Person under the Loan Documents, including Erroneous Payment Subrogation Rights, (b) the obligation of such Person to reimburse any amount in respect of any of the foregoing that the Administrative Agent or any Lender (in its respective sole discretion) may elect to pay or advance on behalf of such Person, and (c) all obligations (i) under the Consignment Agreements, or any credit line for inventory purchases, (ii) under the Consulting Agreement, (iii) under the GBRs Agreements, or (iv) in respect of other services provided by or on behalf of any Affiliate of Administrative Agent to or for the benefit of any Loan Party. Notwithstanding any of the foregoing, Obligations shall not include any Excluded Swap Obligations.

“OFAC” means the Office of Foreign Assets Control of the U.S. Department of State.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, excise, property, goods and services, harmonized sales, filing or similar Taxes, charges or levies that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment by a Lender of an interest in a Loan after the date hereof (other than such an assignment made pursuant to Section 2.14(b)).

“Overadvance” means, at any time of determination, the fact that the aggregate outstanding principal amount of all Revolving Loans at such time exceeds the Revolving Borrowing Base at such time.

“Overadvance Loan” means a Loan made when an Overadvance exists or is caused by a funding of such Loan.

“Participant” has the meaning specified therefor in Section 10.07(d).

“Participant Register” has the meaning specified therefor in Section 10.07(d).

“Payment Office” means the Administrative Agent's office located at 101 Huntington Avenue, 11th Floor, Boston, Massachusetts 02199, or at such other office or offices of the Administrative Agent as may be designated in writing from time to time by the Administrative Agent to the Borrower.

“Payment Recipient” has the meaning specified in Section 8.11(a).

“PBGC” means the Pension Benefit Guaranty Corporation or any successor thereto.

“Pension Funding Rules” means the rules of the Code and ERISA regarding minimum funding standards and minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

“Pension Plan” means any employee pension benefit plan (including a Multiple Employer Plan, but excluding a Multiemployer Plan) that is maintained or is contributed to by any Loan Party or any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

“Perfection Certificate” means a certificate in form and substance satisfactory to the Administrative Agent providing information with respect to the property of each Loan Party.

“Discretion” means a determination made in good faith the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment for a comparable asset-based lending transaction.

“Permitted Disposition” means:

- (a) sale of Inventory in the ordinary course of business;
- (b) licensing, on a non-exclusive basis, Intellectual Property rights in the ordinary course of business and not interfering in any respect with the ordinary conduct of or materially detracting from the value of the business of any Loan Party;
- (c) (i) the lapse of Registered Intellectual Property of any Loan Party or (ii) the abandonment of Intellectual Property rights in the ordinary course of business so long as (in each case under clauses (i) and (ii)), such property is not economically desirable in the conduct of, or is material to, the business of the Loan Parties and their Subsidiaries or material and the lapse or abandonment of such property is not materially adverse to the interest of the Secured Parties;
- (d) any involuntary loss, damage or destruction of property giving rise to the receipt by any Loan Party of insurance proceeds;
- (e) any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property giving rise to the receipt by any Loan Party of condemnation awards or similar proceeds;
- (f) Disposition of used and no longer useful, obsolete, surplus or worn-out Equipment in the ordinary course of business;

(g) Dispositions of past due Accounts in the ordinary course of business (including any discount and/or forgiveness thereof) in connection with the collection or compromise thereof and, in any event, not involving any securitization or financing thereof;

(h) the unwinding or terminating of Hedging Agreements which are not prohibited by the terms of this Agreement or the other Loan Documents;

(i) the use or transfer of money, cash or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents;

(j) the making of Permitted Investments, the granting of Permitted Liens, and the making of Permitted Restricted Payments;

(k) Dispositions of Equity Interests in Excluded Subsidiaries;

(l) Dispositions to Loan Parties;

(m) bulk sales or other Dispositions of the Inventory of a Loan Party not in the ordinary course of business in connection with Store closings, at arm's length, provided, that:

(i) all sales of Inventory in connection with Store closings shall be in accordance with Section 5.22 and otherwise with liquidation agreements and with professional liquidators reasonably acceptable to the Administrative Agent;

(ii) all net proceeds received in connection therewith are applied to the Obligations required in accordance with Section 2.04 hereof;

(iii) no Loan Party shall enter into any agreement with respect to, or effect any, such Store closures and related dispositions of Inventory if such event would result in an Event of Default; and

(n) leases, subleases, space leases, licenses or sublicenses, in each case in the ordinary course of business and which do not materially interfere with the business of each Loan Party, including licenses for the conduct of licensed departments within the each Loan Party's Stores in the ordinary course of business; provided that, if requested by Administrative Agent, the Administrative Agent shall have entered into an intercreditor agreement with the Person operating such licensed department on terms and conditions reasonably satisfactory to Agent.

"Permitted Indebtedness" means:

(a) the Obligations;

(b) any other Indebtedness listed on Schedule 6.02, and any Permitted Refinancing Indebtedness in respect of such Indebtedness;

(c) Permitted Purchase Money Indebtedness and any Permitted Refinancing Indebtedness in respect of such Indebtedness;

(d) Permitted Intercompany Investments;

(e) Indebtedness incurred in the ordinary course of business under performance, surety, statutory, and appeal bonds;

(f) Indebtedness owed to any Person providing property, casualty, liability, or other insurance to the Loan Parties, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the period in which such Indebtedness is incurred and such Indebtedness is outstanding only during such period;

(g) the incurrence by any Loan Party of Indebtedness under Hedging Agreements that are incurred for the bona fide purpose of hedging the interest rate, commodity, or foreign currency risks associated with such Loan Party's operations and not for speculative purposes;

(h) Indebtedness incurred in respect of credit cards, credit card processing services, debit cards, stored value cards, purchase cards (including so-called "procurement cards" or "P-cards") or other similar cash management services, in each case, incurred in the ordinary course of business;

(i) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or other similar instrument drawn against insufficient funds in the ordinary course of business;

(j) other Indebtedness; provided that the total amount of such Indebtedness incurred pursuant to this clause (j) shall not exceed in the aggregate \$250,000 outstanding at any time;

(k) to the extent constituting Indebtedness, Indebtedness arising under the Consignment Agreement, the Consulting Agreement, GBRS Agreements, or any other agreements in respect of other services provided by or on behalf of any Affiliate of Administrative Agent to or for the benefit of any Loan Party; and

(l) Subordinated Indebtedness.

"Permitted Intercompany Investments" means Investments (including for certainty guarantees) made by (a) a Loan Party to, in or in favour of another Loan Party, (b) a Subsidiary that is not a Loan Party to, in or in favour of another Subsidiary that is not a Loan Party, (c) a Subsidiary that is not a Loan Party to, in or in favour of a Loan Party, so long as, in the case of a loan or advance, the parties thereto are party to the Intercompany Subordination Agreement, and (d) a Loan Party to, in or in favour of a Subsidiary that is not a Loan Party so long as the Loan Parties obtain Administrative Agent's prior written consent.

“Permitted Investments” means:

- (a) Investments in cash and Cash Equivalents;
- (b) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business;
- (c) advances made in connection with purchases of goods or services in the ordinary course of business;
- (d) extensions of credit from the grant of trade credit in the ordinary course of business, and Investments received in settlement of amounts due to any Loan Party or any of its Subsidiaries effected in the ordinary course of business or owing to any Loan Party or any of its Subsidiaries as a result of Insolvency Proceedings involving an Account Debtor or upon the foreclosure or enforcement of any Lien in favor of a Loan Party or its Subsidiaries;
- (e) Investments existing on the date hereof, as set forth on Schedule 6.04 hereto;
- (f) Permitted Intercompany Investments;
- (g) Investments in a Person solely in exchange for the issuance of Equity Securities of the Borrower, or warrants, options or other rights to acquire Equity Securities of the Borrower;
- (h) Investments made as a result of the receipt of non-cash consideration from a transaction that was made pursuant to and in compliance with Section 6.03(f); and
- (i) payroll, commission, travel and other similar cash advances made to directors (or comparable Persons), officers or employees in the ordinary course of business not to exceed \$25,000 at any time outstanding.

“Permitted Liens” means:

- (a) Liens securing the Obligations;
- (b) Liens for taxes, customs, assessments and governmental charges the payment of which is not required under Section 5.03(b);
- (c) Liens imposed by law, such as landlords’, carriers’, warehousemen’s, mechanics’, materialmen’s and other similar Liens arising in the ordinary course of business and securing obligations (other than Indebtedness for borrowed money) that are not overdue by more than 30 days or are being contested in good faith and by appropriate proceedings promptly initiated and diligently conducted, so long as adequate reserves have been set aside for the payment thereof in accordance with GAAP;

(d) Liens described on Schedule 6.01; provided that any such Lien shall only secure the Indebtedness that it secures on the Effective Date and any Permitted Refinancing Indebtedness in respect thereof;

(e) purchase money Liens on Equipment acquired or held by any Loan Party in the ordinary course of its business to secure Permitted Purchase Money Indebtedness so long as such Lien only (i) attaches to such property and (ii) secures the Indebtedness that was incurred to acquire such property or any Permitted Refinancing Indebtedness in respect thereof;

(f) deposits and pledges of cash securing (i) obligations incurred in respect of workers' compensation, unemployment insurance or other forms of governmental insurance or benefits, (ii) the performance of bids, tenders, leases (other than Capitalized Lease Obligations), contracts (other than for the payment of money), and statutory obligations or (iii) obligations on surety or appeal bonds, but only to the extent such deposits or pledges are made or otherwise arise in the ordinary course of business and secure obligations not past due;

(g) with respect to any Real Property, easements, zoning restrictions and similar encumbrances and minor irregularities in the title thereto that do not (i) secure obligations for the payment of money or (ii) materially impair the value of such property or its use by any Loan Party in the normal conduct of such Person's business;

(h) non-exclusive licenses of Intellectual Property rights in the ordinary course of business; provided that the same do not in any material respect interfere with the business of the Loan Parties or their Subsidiaries or materially detract from the value of the relevant assets of the Loan Parties or their Subsidiaries;

(i) judgment liens (other than for the payment of taxes, assessments or other governmental charges) securing judgments and other proceedings not constituting an Event of Default under Section 7.01(j);

(j) rights of set-off or bankers' liens upon deposits of cash in favor of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of such deposit accounts in the ordinary course of business;

(k) deposits in segregated specified and identified accounts with one or more financial institutions to collateralize credit card programs, in an aggregate amount not exceeding \$225,000 at any time;

(l) deposits or pledges of cash or cash equivalents pursuant to the defeasance, satisfaction or deemed satisfaction of any Indebtedness, to the extent that such Indebtedness is, on the date of such deposit or pledge, not prohibited from being repaid pursuant to this Agreement;

(m) pledges and other Liens granted in respect of the Equity Interests of Excluded Subsidiaries, provided that recourse of the pledgee is limited to such Equity Interests;

- (n) Liens granted by a Loan Party in favour of another Loan Party;
- (o) any interest or title of a lessor or sublessor under leases or subleases or secured by a lessor's or sublessor's interests under leases entered into by the Borrower in the ordinary course of business;
- (p) Liens in favor of GBRP on consigned merchandise and the proceeds thereof arising under the Consignment Agreement; and
- (q) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Lien referred to in the preceding subparagraphs of this definition, so long as any such extension, renewal or replacement of such Lien is limited to all or any part of the same property that secured the Lien extended, renewed or replaced and the indebtedness or obligation secured thereby is not increased.

“Permitted Purchase Money Indebtedness” means, as of any date of determination, Indebtedness (other than the Obligations, but including Capitalized Lease Obligations and express (excluding leases of real property)) incurred to finance the acquisition of any fixed assets secured by a Lien permitted under clause (e) of the definition of “Permitted Liens”; provided that (a) such Indebtedness is incurred within 90 days after such acquisition, (b) such Indebtedness when incurred shall not exceed the purchase price of the asset financed and (c) the aggregate principal amount of all such Indebtedness shall not exceed \$1,000,000.00 at any time outstanding.

“Permitted Refinancing Indebtedness” means the extension of maturity, refinancing or modification of the terms of Indebtedness so long as:

- (a) after giving effect to such extension, refinancing or modification, the amount of such Indebtedness is not greater than the amount of Indebtedness outstanding immediately prior to such extension, refinancing or modification;
- (b) such extension, refinancing or modification does not result in such Indebtedness having a final maturity earlier than the final maturity of the Indebtedness outstanding immediately prior to such extension, refinancing or modification;
- (c) such extension, refinancing or modification does not result in a shortening of the average weighted maturity (measured as of the extension, refinancing or modification) of the Indebtedness so extended, refinanced or modified;
- (d) such extension, refinancing or modification is pursuant to terms that are not less favorable to the Loan Parties and the Lenders than the terms of the Indebtedness (including terms relating to the collateral (if any) and subordination (if any)) being extended, refinanced or modified; and
- (e) the Indebtedness that is extended, refinanced or modified is not recourse to any Loan Party that is liable on account of the obligations other than those Persons which were obligated with respect to the Indebtedness that was refinanced, renewed, or extended.

“Permitted Restricted Payments” means any of the following Restricted Payments:

- (a) Restricted Payments made by any Subsidiary of the Borrower to any Loan Party;
- (b) Restricted Payments made by the Borrower in the form of Equity Interests (other than Disqualified Equity Interests);
- (c) Permitted Tax Distributions made by Borrower to its direct or indirect equityholders; and
- (d) Distributions to MFT in any Fiscal Year up to a maximum aggregate amount of \$100,000, provided that no Default or Event of Default exists at the time or any such distribution, or would resolute from such distribution.

“Permitted Tax Distributions” means with respect to each taxable year in which the Borrower is treated as a disregarded entity for U.S. or Canadian federal income tax purposes, cash distributions from the Borrower (the "Flow-Through Loan Party") to the direct or indirect equity owners of the Borrower to the extent that such cash distributions cover income Taxes that are attributable to the taxable income of the Flow-Through Loan Party which amount shall not exceed the amount of such income Taxes that would have been payable by the Flow-Through Loan Party with respect to such taxable period had they been taxed as a standalone corporate entity or a standalone consolidated, affiliated, unitary or similar group of corporations, net of any payments already made by the Flow-Through Loan Party for such Taxes; for the avoidance of doubt, any such amounts distributed shall take into account any Tax attributes including net operating losses to the full extent permissible by Applicable Law and after accounting for the amount of any income tax payments made directly by the Flow-Through Loan Party (or any regarded partnership entity that directly or indirectly owns the Flow-Through Loan Party) directly to a taxing authority on behalf of the direct or indirect owners of the Borrower during such taxable year to the extent not reimbursed to the Flow-Through Loan Party during such taxable year.

“Person” means an individual, corporation, limited liability company, partnership, association, joint-stock company, trust, unincorporated organization, joint venture or other enterprise or entity or Governmental Authority.

“Plan” means any employee benefit plan within the meaning of Section 3(3) of ERISA, maintained for employees of any Loan Party or any Subsidiary, or any such plan to which any Loan Party or any Subsidiary is required to contribute on behalf of any of its employees or with respect to which any Loan Party or any Subsidiary has any liability.

“Post-Default Rate” means a rate of interest *per annum* equal to the rate of interest otherwise in effect from time to time pursuant to the terms of this Agreement plus 2.00%, or, if a rate of interest is not otherwise in effect, interest at the highest rate specified herein for any Loan then outstanding prior to an Event of Default plus 2.00%.

“PPSA” means the *Personal Property Security Act* (Alberta) as in effect from time to time in the Province of Alberta; provided, however, that, if by reason of mandatory provisions of law, perfection, or the effect of perfection or non-perfection, of a security interest in any

Collateral or the availability of any remedy hereunder, under any other Loan Document or under applicable laws is governed by the personal property security laws of another jurisdiction in Canada other than the Province of Alberta “PPSA” shall mean the personal property security laws as in effect in such other jurisdiction including, in the case of the Province of Quebec, the *Civil Code of Québec*, for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be.

“Prepayment Fee” has the meaning assigned to such term in the Fee Letter.

“Prepayment Notice” means a notice of prepayment, in whole or in part of the Term Loan and/or the Revolving Loan, pursuant to Section 2.04, which, in each case, shall be substantially in the form of Exhibit G or in such other form as Administrative Agent may approve in its discretion.

“Prime Rate” means for any day, the rate of interest per annum equal to the greater of: (i) the rate per annum publicly declared by Royal Bank of Canada (or another Schedule I Canadian bank selected by the Administrative Agent in its sole discretion) from time to time as its prime reference rate of interest for Dollar commercial loans made in Canada, adjusted automatically with each quoted or established change in such rate, all without the necessity of any notice to the Borrower or any other Person; and (ii) the Floor.

“Prime Rate Loan” means a Loan made pursuant to Section 2.01 that bears interest at a rate based upon the Prime Rate; provided that Prime Rate Loans shall only be available hereunder pursuant to Section 2.10(c) and Section 2.12(e).

“Priority Payables” means claims for any unpaid wages, vacation pay, worker’s compensation, unemployment insurance, Canada Pension Plan contributions, employee source deductions, unremitted goods and services, harmonized sales, provincial sales or other excise taxes or similar statutory obligations in all cases secured by a deemed trust or Lien in favour of any Governmental Authority pursuant to applicable law.

“Pro Rata Share” means, with respect to:

(a) a Lender’s obligation to make Revolving Loans and the right to receive payments of interest, fees, and principal with respect thereto, the percentage obtained by dividing (I) such Lender’s Revolving Credit Commitment, by (II) the Total Revolving Credit Commitment, provided, that, if the Total Revolving Credit Commitment has been reduced to zero, the numerator shall be the aggregate unpaid principal amount of such Lender’s Revolving Loans and the denominator shall be the aggregate unpaid principal amount of all Revolving Loans,

(b) a Lender’s obligation to make the Term Loan and the right to receive payments of interest, fees, and principal with respect thereto, the percentage obtained by dividing (i) such Lender’s Term Loan Commitment, by (ii) the Total Term Loan Commitment, provided that if the Total Term Loan Commitment has been reduced to zero, the numerator shall be the aggregate unpaid principal amount of such Lender’s portion of the Term Loan and the denominator shall be the aggregate unpaid principal amount of the Term Loan, and

(c) all other matters (including the indemnification obligations arising under Section 8.12), the percentage obtained by dividing (i) the sum of such Lender's Revolving Credit Commitment and the unpaid principal amount of such Lender's portion of the Term Loan, by (ii) the sum of the Total Revolving Credit Commitment and the aggregate unpaid principal amount of the Term Loan, provided, that, if such Lender's Revolving Credit Commitment shall have been reduced to zero, such Lender's Revolving Credit Commitment shall be deemed to be the aggregate unpaid principal amount of such Lender's Revolving Loans and if the Total Revolving Credit Commitment shall have been reduced to zero, the Total Revolving Credit Commitment shall be deemed to be the aggregate unpaid principal amount of all Revolving Loans.

“Projections” means financial projections of the Loan Parties delivered pursuant to Section 3.01(c)(xi), as updated from time to time pursuant to Section 5.01.

“Protective Advance” has the meaning specified therefor in Section 2.02(d)(ii).

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Qualified Equity Interests” means, with respect to any Person, all Equity Interests of such Person that are not Disqualified Equity Interests.

“Real Property” means any estates or interests in real property now owned or hereafter acquired by any Loan Party and the improvements thereto.

“Recipient” means each of Administrative Agent and each Lender.

“Register” has the meaning specified therefor in Section 10.07(c).

“Registered Intellectual Property” means Intellectual Property that is issued, registered, renewed or the subject of a pending application.

“Regulation T”, “Regulation U” and “Regulation X” mean, respectively, Regulations T, U and X of the Board or any successor, as the same may be amended or supplemented from time to time.

“Related Fund” means, with respect to any Person, an Affiliate of such Person, or a fund or account managed by such Person or an Affiliate of such Person.

“Related Parties” means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, brokers, trustees, administrators, managers, advisors and representatives, including accountants, auditors, and legal counsel of such Person and of such Person's Affiliates.

“Relevant Governmental Body” means the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada or any successor thereto.

“Rent Reserve” means an amount equal to up to three (3) months’ rent payable at any premises owned or controlled by a Loan Party where Eligible Inventory is located and the Administrative Agent shall not have a Collateral Access Agreement with the owner or operator of such premises.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30-day notice period has been waived.

“Required Lenders” means Lenders whose Pro Rata Shares (calculated in accordance with clause (c) of the definition thereof) aggregate more than 50%. The Pro Rata Share of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“Reserves” means amounts, and with respect to such matters, as the Administrative Agent shall deem necessary or appropriate in its Permitted Discretion, to establish and maintain against the Borrowing Base or the Total Revolving Credit Commitment, including with respect to (a) price adjustments, damages, unearned discounts, returned products or other matters for which credit memoranda are issued in the ordinary course of any Loan Party’s business; (b) a Dilution Reserve; (c) shrinkage, spoilage and obsolescence of any Loan Party’s Inventory; (d) slow moving Inventory; (e) other sums that any Loan Party are required to pay under any provision of this Agreement; (f) amounts owing by any Loan Party to any Person to the extent secured by a Lien on, or trust over, any property of any Loan Party; (g) Administrative Agent’s reasonable estimate of amounts owing by any Loan Party in connection with Cash Management Services and/or Hedging Agreements; (h) rent for locations at which Inventory or Equipment is located and as to which the Administrative Agent has not received a satisfactory Collateral Access Agreement; (i) Availability Reserves; (k) the Term Loan Pushdown Reserve, if any, and (l) such other specific events, conditions or contingencies as to which the Administrative Agent, in its Permitted Discretion, determines reserves should be established from time to time hereunder.

“Responsible Officer” means, with respect to any Person, the chairman, the president, the chief executive officer, chief financial officer or the chief operating officer of such Person (or in the case of a Person that is a partnership, of a general partner of such Person); unless otherwise specified, all references herein to a Responsible Officer mean a Responsible Officer of the Borrower.

“Restricted Payment” means (a) the declaration or payment of any dividend or other distribution, direct or indirect, on account of any Equity Interests of any Loan Party, now or hereafter outstanding, (b) the making of any repurchase, redemption, retirement, defeasance, return of capital, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any Equity Interests of any Loan Party, now or hereafter outstanding, (c) the making of any payment to retire, or to obtain the surrender of, any outstanding warrants, options or other rights for the purchase or acquisition of shares of any class of Equity Interests of any Loan Party, now or hereafter outstanding, or (d) the making of any other distribution of property or assets in respect of Equity Interests.

“Revolving Borrowing Base” means, at any time of determination, an amount equal to the sum of:

- (a) 80% of the net amount of Eligible Accounts; plus
- (b) 80% of the NOLV of Eligible Inventory; plus
- (c) 80% of the value of Eligible Credit Card Receivables; minus
- (d) the Availability Block, minus
- (e) Reserves.

For purposes hereof, (A) the net amount of Eligible Accounts at any time shall be the face amount of such Eligible Accounts less any and all returns, rebates, chargebacks, discounts (which may, at Administrative Agent's option, be calculated on shortest terms), credits, allowances or sales, excise, or other taxes of any nature at any time issued, owing, claimed by Account Debtors, granted, outstanding or payable in connection with such Accounts at such time, (B) the value of Eligible Inventory shall be determined on a first-in, first-out, lower of cost or market basis in accordance with GAAP, and (C) the face amount of Eligible Credit Card Receivables shall be reduced by, without duplication, to the extent not reflected in such face amount, (1) the amount of all accrued and actual interchange charges, discounts, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges, or other allowances (including any amount that a Loan Party may be obligated to rebate to a customer, a Credit Card Issuer or Credit Card Processor pursuant to the terms of any agreement or understanding (written or oral)) and (2) the aggregate amount of all cash received in respect of such Credit Card Receivable but not yet applied by the applicable Loan Party to reduce the amount of such Credit Card Receivable.

“Revolving Credit Commitment” means, with respect to each Lender, the commitment of such Lender to make Revolving Loans to the Borrower, expressed as an amount representing the maximum principal amount of such Revolving Loan, as such commitment may be reduced or increased from time to time pursuant to this Agreement. The initial amount of each Lender's Revolving Credit Commitment is set forth on Schedule 1.01(A) hereto or in the Assignment and Assumption pursuant to which such Lender became a Lender under this Agreement.

“Revolving Loan” means a loan made by a Lender to the Borrower pursuant to Section 2.01(a), any Overadvance Loan, and any Protective Advance.

“Revolving Loan Lender” means a Lender with a Revolving Credit Commitment or a Revolving Loan.

“Revolving Loan Obligations” means any Obligations with respect to the Revolving Loans (including the principal thereof, the interest thereon, and the fees and expenses under the Loan Documents).

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and its Affiliates and any successor thereto.

“Sale and Leaseback Transaction” means, with respect to any Loan Party, any arrangement, directly or indirectly, with any Person whereby any Loan Party shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

“Sanctioned Country” means any country, territory or region which is itself the subject or target of any comprehensive Sanctions (which may include the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, the Crimea region of Ukraine, Cuba, Iran, North Korea, Darfur, South Sudan and Syria).

“Sanctioned Person” means (a) any Person or group listed in any Sanctions related list of designated Persons maintained by OFAC, including the List of Specially Designated Nationals and Blocked Persons, or the U.S. Department of State, the United Nations Security Council, the European Union or any EU member state, (b) any Person subject to any law that would prohibit all or substantially all financial or other transactions with that Person or would require that assets of that Person that come into the possession of a third-party be blocked (c) any legal entity organized or domiciled in a Sanctioned Country, (d) any agency, political subdivision or instrumentality of the government of a Sanctioned Country, (e) any natural person ordinarily resident in a Sanctioned Country, or (f) any Person 50% or more owned, directly or indirectly, individually or in the aggregate by any of the above.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council.

“SEC” means the Securities and Exchange Commission or any other similar or successor agency of the Federal government administering the Securities Act.

“Secured Party” means each of Administrative Agent and each Lender.

“Securities Act” means the U.S. *Securities Act of 1933*, as amended, or any similar Federal statute, and the rules and regulations of the SEC thereunder, all as the same shall be in effect from time to time.

“Securitization” has the meaning specified therefor in Section 10.07(e).

“Security Agreement” means that certain Pledge and Security Agreement dated as of the Effective Date, made by each Loan Party in favor of the Administrative Agent for the benefit of the Secured Parties, which shall be in form and substance satisfactory to the Administrative Agent.

“Security Documents” means each security agreement, deed of hypothec or other instrument or document executed and delivered to the Administrative Agent pursuant to this Agreement or any other Loan Document granting a Lien to secure any of the Obligations, including without limitation, the Security Agreement, Control Agreements, each Limited Recourse Guarantee and Pledge, the Credit Card Notifications.

“Solvent” means, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is not less than the total amount of the liabilities of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its existing debts as they become absolute and matured, (c) such Person is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature, and (e) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute unreasonably small capital.

“Store” means any retail store or distribution center (which may include any owned or leased real property, fixtures, Equipment, Inventory and other property related thereto) operated, or to be operated, by any Loan Party.

“Subordinated Indebtedness” means Indebtedness of any Loan Party the terms of which (including payment terms, interest rates, covenants, remedies, defaults and other material terms) are satisfactory to the Administrative Agent and which has been expressly subordinated in right of payment to all Indebtedness of such Loan Party under the Loan Documents (a) by the execution and delivery of a subordination agreement, in form and substance satisfactory to the Administrative Agent, or (b) in such amounts and upon the terms and conditions satisfactory to the Administrative Agent.

“Subsidiary” means, with respect to any Person at any date, any corporation, limited or general partnership, limited liability company, trust, estate, association, joint venture or other business entity (a) the accounts of which would be consolidated with those of such Person in such Person’s consolidated financial statements if such financial statements were prepared in accordance with GAAP or (b) of which more than 50% of (i) the outstanding Equity Interests having (in the absence of contingencies) ordinary voting power to elect a majority of the Board of Directors of such Person, (ii) in the case of a partnership or limited liability company, the interest in the capital or profits of such partnership or limited liability company or (iii) in the case of a trust, estate, association, joint venture or other entity, the beneficial interest in such trust, estate, association or other entity business is, at the time of determination, owned or controlled directly or indirectly through one or more intermediaries, by such Person. References to a Subsidiary shall mean a Subsidiary of the Borrower unless the context expressly provides otherwise.

“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.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties or similar liabilities applicable thereto.

“Term Borrowing Base” means, at any time of determination, an amount equal to the sum of:

- (a) Up to 15% (not to exceed 95% of gross) of the net amount of Eligible Accounts; plus
- (b) Up to 23% (not to exceed 103% of gross) of the NOLV of Eligible Inventory, with, commencing on the one (1) year anniversary of the Effective Date, the advance rate to reduce by 0.5% every 6 months; plus
- (c) Up to 20% (not to exceed 100% of gross) of the value of Eligible Credit Card Receivables; plus
- (d) the lesser of (i) the Equipment Cap and (ii) 50% of the NOLV of Eligible Equipment; minus
- (e) Reserves.

For purposes hereof, (A) the net amount of Eligible Accounts at any time shall be the face amount of such Eligible Accounts less any and all returns, rebates, chargebacks, discounts (which may, at Administrative Agent’s option, be calculated on shortest terms), credits, allowances or sales, excise, or other taxes of any nature at any time issued, owing, claimed by Account Debtors, granted, outstanding or payable in connection with such Accounts at such time, (B) the value of Eligible Inventory shall be determined on a first-in, first-out, lower of cost or market basis in accordance with GAAP, and (C) the face amount of Eligible Credit Card Receivables shall be reduced by, without duplication, to the extent not reflected in such face amount, (1) the amount of all accrued and actual interchange charges, discounts, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges, or other allowances (including any amount that a Loan Party may be obligated to rebate to a customer, a Credit Card Issuer or Credit Card Processor pursuant to the terms of any agreement or understanding (written or oral)) and (2) the aggregate amount of all cash received in respect of such Credit Card Receivable but not yet applied by the applicable Borrower to reduce the amount of such Credit Card Receivable.

“Term CORRA” means, for any calculation with respect to a CORRA Loan, the Term CORRA Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “Periodic Term CORRA Determination Day”) that is two (2) Business Days prior to the first day of such Interest Period, as such rate is published by the Term CORRA Administrator; provided, however, that if as of 1:00 p.m. (Toronto time) on any Periodic Term CORRA Determination Day the Term CORRA Reference Rate for the applicable tenor has not been published by the Term CORRA Administrator and a Benchmark Replacement Date with respect to the Term CORRA Reference Rate has not occurred, then Term CORRA will be the Term CORRA Reference Rate for such tenor as published by the Term CORRA Administrator on the first preceding Business Day for which such Term CORRA Reference Rate for such tenor was published by the Term CORRA Administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such Periodic Term CORRA Determination Day, and if such preceding Business Day is more than three (3) Business Days prior to such Periodic Term

CORRA Determination Date, Section 2.10 will apply; provided, further, that if Term CORRA as so determined shall ever be less than the Floor, then Term CORRA shall be deemed to be the Floor.

“Term CORRA Administrator” means CanDeal Benchmark Administration Services Inc., TSX Inc., or any successor administrator of the Term CORRA Reference Rate.

“Term CORRA Reference Rate” means the forward-looking term rate based on CORRA.

“Term Loan” means, collectively, the loans made by the Term Loan Lenders to the Borrower on the Effective Date pursuant to Section 2.01(c).

“Term Loan Commitment” means, with respect to each Lender, the commitment of such Lender to make the Term Loan to the Borrower in the amount set forth in Schedule 1.01(A) hereto or in the Assignment and Assumption pursuant to which such Lender became a Lender under this Agreement, as the same may be terminated or reduced from time to time in accordance with the terms of this Agreement.

“Term Loan Lender” means a Lender with a Term Loan Commitment or a Term Loan.

“Term Loan Obligations” means any Obligations with respect to the Term Loan (including the principal thereof, the interest thereon, and the fees and expenses specifically related thereto).

“Term Loan Pushdown Reserve” has the meaning specified therefor in Section 2.01(e).

“Termination Date” means the first date on which all of the Obligations are paid in full in cash and the Commitments of the Lenders are terminated.

“Total Revolving Credit Commitment” means the sum of the amounts of the Lenders’ Revolving Credit Commitments.

“Total Sales” has the meaning set forth in the Budget.

“Total Term Loan Commitment” means the sum of the amounts of the Lenders’ Term Loan Commitments.

“UCC” or “Uniform Commercial Code” means the Uniform Commercial Code as the same may from time to time be in effect in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, “UCC” or “Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

“UCC Filing Authorization Letter” means a letter duly executed by each Loan Party authorizing the Administrative Agent to file appropriate financing statements on Form UCC-1 without the signature of such Loan Party in such office or offices as may be necessary or, in the opinion of the Administrative Agent, desirable to perfect the security interests purported to be created by each Security Document.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the Benchmark Replacement Adjustment.

“Unused Line Fee” has the meaning specified therefor in Section 2.06(b).

“USA PATRIOT Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (PATRIOT) Act of 2001 (Title III of Pub. L. 107-56, Oct. 26, 2001) as amended by the USA Patriot Improvement and Reauthorization Act of 2005 (Pub. L. 109-177, March 9, 2006) and as the same may have been or may be further renewed, extended, amended, or replaced.

“WARN” has the meaning specified therefor in Section 4.16.

“Withholding Agent” means any Loan Party and the Administrative Agent.

“WRA” means the *Winding-Up and Restructuring Act* (Canada), and the regulations promulgated thereunder, as amended and in effect.

Section 1.02 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. The word “or” is not exclusive. Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any right or interest in or to assets and properties of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible. Any reference herein or in any other Loan Document to the satisfaction, repayment, or payment in full of the Obligations (or words of like import) shall mean (i) the payment or repayment in full in immediately available funds of all Obligations, and the payment in full in immediately available funds of all other Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (other than contingent indemnification and expense reimbursement obligations, in each case, for which no claims have been asserted or amounts

requested to be paid) and (ii) the termination in writing of all of the Commitments of the Lenders. Any reference herein or in any other Loan Document to the discretion of the Administrative Agent shall refer to the sole and absolute discretion of the Administrative Agent, unless otherwise expressly qualified herein or therein. Unless otherwise specified, any definition of or reference to any agreement, instrument, law, statute, or other document herein shall be construed as referring to such agreement, instrument, law, statute, or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein).

Section 1.03 Certain Matters of Construction. References in this Agreement to “determination” by Administrative Agent include good faith estimates by Administrative Agent (in the case of quantitative determinations) and good faith beliefs by Administrative Agent (in the case of qualitative determinations). A Default or Event of Default shall be deemed to exist at all times during the period commencing on the date that such Default or Event of Default occurs to the date on which such Default or Event of Default is waived in writing pursuant to this Agreement, is cured within any period of cure expressly provided for in this Agreement. Any Lien referred to in this Agreement or any other Loan Document as having been created in favor of Administrative Agent, any agreement entered into by Administrative Agent pursuant to this Agreement or any other Loan Document, any payment made by or to or funds received by Administrative Agent pursuant to or as contemplated by this Agreement or any other Loan Document, or any act taken or omitted to be taken by Administrative Agent, shall, unless otherwise expressly provided, be created, entered into, made or received, or taken or omitted, for the benefit or account of the Administrative Agent and the Lenders. Wherever the phrase “to the knowledge of any Loan Party” or words of similar import relating to the knowledge or the awareness of any Loan Party are used in this Agreement or any other Loan Document, such phrase shall mean and refer to (a) the actual knowledge of a Responsible Officer of any Loan Party or (b) the knowledge that a Responsible Officer would have obtained if such Responsible Officer had engaged in good faith and diligent performance of such Responsible Officer’s duties, including the making of such reasonably specific inquiries as may be necessary of the employees or agents of such Loan Party and a good faith attempt to ascertain the existence or accuracy of the matter to which such phrase relates. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or Event of Default if such action is taken or condition exists. In addition, all representations and warranties hereunder shall be given independent effect so that if a particular representation or warranty proves to be incorrect or is breached, the fact that another representation or warranty concerning the same or similar subject matter is correct or is not breached will not affect the incorrectness of a breach of a representation or warranty hereunder. Each reference to “the United States” shall include each State of the United States of America and the

District of Columbia, but shall expressly not include Puerto Rico or any other United States territory or possession unless otherwise expressly stated herein.

Section 1.04 Accounting and Other Terms.

(a) Unless otherwise expressly provided herein, each accounting term used herein and not otherwise defined herein shall have the meaning given it under GAAP.

(b) Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Loan Parties shall be deemed to be carried at 100% of the outstanding principal amount thereof.

(c) If the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then, until such notice shall have been withdrawn or such provision amended in accordance herewith, (i) such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations made before and after giving effect to such change in GAAP.

(d) In this Agreement, where the context so requires, (i) any term defined in this Agreement by reference to the “UCC” shall also have any extended, alternative or analogous meaning given to such term in the applicable PPSA, in all cases for the extension, preservation or betterment of the security and rights of the Collateral (including “general intangibles” shall include “intangibles”, “documents” shall include “documents of title”), (ii) all references in this Agreement to “Article 8” also to applicable Canadian securities transfer laws (including the *Securities Transfer Act* (Alberta)), (iii) all references in this Agreement to a financing statement, continuation statement, amendment or termination statement shall be deemed to refer also to the analogous documents used under applicable Canadian personal property security laws, including where applicable, financing change statements, and (iv) all references to federal or state securities law shall be deemed to refer also to analogous federal and provincial securities laws in Canada.

Section 1.05 Time References. Unless otherwise indicated herein, all references to time of day refer to Mountain Standard Time or Mountain daylight saving time, as in effect in Calgary on such day. For purposes of the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”;

provided, however, that with respect to a computation of fees or interest payable to any Secured Party, such period shall in any event consist of at least one full day.

Section 1.06 Rates. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to Term CORRA or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor rate thereto or replacement rate thereof (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as Term CORRA any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of Term CORRA, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain Term CORRA any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 1.07 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II

THE LOANS

Section 2.01 Commitments.

(a) Revolving Loans. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Revolving Loan Lender severally (not jointly or jointly and severally) agrees to make Revolving Loans to the Borrower at any time and from time to time during the term of this Agreement, at any time outstanding not to exceed the lesser of such Revolving Loan Lender's (i) Revolving Credit Commitment and (ii) Pro Rata Share of an amount equal to the lesser of (A) the Total Revolving Credit Commitment and (B) the Revolving

Borrowing Base. The Revolving Credit Commitment of each Lender shall automatically and permanently be reduced to zero on the Final Maturity Date. Within the foregoing limits, the Borrower may borrow, repay and reborrow the Revolving Loans on or after the Effective Date and prior to the Final Maturity Date, subject to the terms, provisions and limitations set forth herein.

(b) [Reserved.]

(c) Term Loans. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Term Loan Lender severally (not jointly or jointly and severally) agrees to make the Term Loan to the Borrower on the Effective Date, in an aggregate principal amount not to exceed the lesser of such Lender's (i) Term Loan Commitment and (ii) Pro Rata Share of an amount equal to the lesser of (A) the Total Term Loan Commitment and (B) the Term Borrowing Base. The aggregate principal amount of the Term Loan made on the Effective Date shall not exceed the Total Term Loan Commitment. Any principal amount of the Term Loan which is repaid or prepaid may not be reborrowed.

(d) Reserves. Anything to the contrary in this Section 2.01 notwithstanding, the Administrative Agent shall have the right (but not the obligation) at any time, in the exercise of its Permitted Discretion, to establish and increase or decrease Reserves against the Revolving Borrowing Base or the Term Borrowing Base.

(e) Term Loan Pushdown Reserve. If for any reason the Term Borrowing Base is less than the principal amount outstanding of the Term Loan, the Administrative Agent will maintain (promptly, and in any event within two (2) Business Days after the occurrence of thereof) a reserve in the amount equal to such deficit in the Revolving Borrowing Base (the "Term Loan Pushdown Reserve").

Section 2.02 Making the Loans.

(a) Notices of Borrowing. The Borrower shall deliver to the Administrative Agent a Notice of Borrowing not later than 11:00 a.m. (New York City time) on the date which is four (4) Business Days prior to the date of a proposed Revolving Loan. Such Notice of Borrowing shall be irrevocable (unless otherwise agreed to by the Administrative Agent) and shall specify (A) the principal amount of the proposed Loan, (B) in the case of a Loan to be made on the Effective Date, whether such Loan is requested to be a Revolving Loan or the Term Loan (C) the use of the proceeds of such proposed Loan, and (D) the proposed borrowing date, which must be a Business Day, and, with respect to the Term Loan, must be the Effective Date. Promptly following receipt of a Notice of Borrowing, the Administrative Agent shall advise each applicable Lender of the details thereof and such Lender's portion thereof.

(b) Minimum Amounts; Limitation on Number of Borrowings. Each Notice of Borrowing pursuant to this Section 2.02 shall be irrevocable and the Borrower shall be bound to make a borrowing in accordance therewith. Each Revolving Loan shall be made in a minimum amount of \$100,000 and shall be in an integral multiple of \$100,000.

(i) Each Lender shall make the amount of each Loan to be made by it hereunder available to the Administrative Agent in immediately available funds to the

Administrative Agent not later than 11:00 a.m. (New York City time) on the proposed date thereof. The Administrative Agent will make all such funds so received available to the Borrower in like funds, by wire transfer of such funds in accordance with the instructions provided in the applicable Notice of Borrowing.

(ii) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Loan that such Lender will not make available to the Administrative Agent such Lender's share of such Loan, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with this Section 2.02(c) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Loan available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, and (ii) in the case of a payment to be made by the Borrower, the interest rate applicable to Prime Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(c) [Reserved.]

(d) Overadvances; Protective Advances.

(i) Overadvances. Unless otherwise directed in writing by the Required Lenders, Administrative Agent may require Lenders to honor requests by the Borrower for Overadvance Loans (in which event, and notwithstanding anything to the contrary set forth in this Agreement, Lenders shall continue to make Revolving Loans up to their Pro Rata Share of the Total Revolving Credit Commitment) and to forbear from requiring the Borrower to cure an Overadvance immediately, if (A) the Overadvance does not continue for a period of more than thirty (30) days following which no new Overadvance exists for at least thirty (30) days before another Overadvance exists, (B) the Revolving Loan Obligations of all Lenders outstanding at any time does not exceed the Total Revolving Credit Commitment, (C) the Revolving Loan Obligations of any individual Lender at any time does not exceed such Lender's individual Revolving Credit Commitment, and (D) the Overadvance, when aggregated with all other Overadvances then outstanding, does not exceed the lesser of (x) \$5,000,000 and (y) 5.0% of the Revolving Borrowing Base. Neither the funding of any Overadvance Loan nor the continued existence of an Overadvance shall constitute any waiver by Administrative Agent or any Lender of any Default or Event of Default that may exist at the time any Overadvance Loan is made or that is caused thereby. Each Lender's obligations under this Section 2.02(e)(i) are absolute, unconditional, and irrevocable and are not subject to any claim, counterclaim, right of setoff, charge back,

discount, defense, qualification, or exception, and each Lender shall perform such obligations, as applicable, regardless of whether the Commitments have terminated, an Overadvance exists or any condition precedent to the making of Loans has not been satisfied. All Overadvance Loans shall be made as Prime Rate Loans. The provisions of this Section 2.02(e)(i) are solely for the benefit of Administrative Agent and Lenders, and in no event shall any Loan Party be deemed to be a third-party beneficiary of this Section or be authorized or permitted to, or have any standing to, rely on or enforce any of the provisions of this Section.

(ii) Protective Advances. From time to time, Administrative Agent may, in its discretion, make one or more Revolving Loans to preserve, protect, or defend any Collateral or to increase or improve the likelihood of collecting or obtaining repayment of any Obligations, in each case, if Administrative Agent determines in its discretion that doing so is necessary or desirable (a “Protective Advance”). Administrative Agent may make a Protective Advance without regard to Availability or the satisfaction of any condition precedent to the making of Loans, unless (A) the Required Lenders have, by written notice to Administrative Agent, revoked Administrative Agent’s authority to do so or (B) Administrative Agent has actual knowledge that, after giving effect thereto, the aggregate outstanding principal amount of all Loans made as Protective Advances (1) would exceed \$20,000,000 or (2) would cause either the amount of the Revolving Loan Obligations of all Lenders to exceed the Total Revolving Credit Commitment at such time or any individual Lender’s Revolving Loan Obligations to exceed such individual Lender’s Revolving Credit Commitment at such time. If the terms of the foregoing clauses (A) and (B) above are not applicable, Administrative Agent’s determination that funding of a Protective Advance is appropriate shall be conclusive. Each Lender shall participate on the basis of its Pro Rata Share in each Protective Advance so long as by doing so such Lender’s Revolving Loan Obligations would not exceed such Lender’s Revolving Credit Commitment at such time. The provisions of this Section 2.02(e)(ii) are solely for the benefit of Administrative Agent and Lenders, and in no event shall any Loan Party be deemed to be a third-party beneficiary of this Section or be authorized or permitted to, or have any standing to, rely on or enforce any of the provisions of this Section. All Protective Advances shall be made as Prime Rate Loans.

Section 2.03 Repayment of Loans; Evidence of Debt.

(a) Revolving Loans. The Borrower hereby unconditionally promises to pay to the Administrative Agent for the ratable account of each Revolving Loan Lender the outstanding principal of all Revolving Loans on the earlier of (i) the Final Maturity Date and (ii) the date of termination of the Revolving Credit Commitments in accordance with this Agreement.

(b) [Reserved.]

(c) Term Loans. The Borrower hereby unconditionally promises to pay to the Administrative Agent for the ratable account of each Term Loan Lender the outstanding principal amount of the Term Loan on the earlier to occur of (i) the Final Maturity Date and (ii) the date on which the Term Loan is accelerated pursuant to the terms of this Agreement.

(d) Each Lender shall maintain in accordance with its usual practice records evidencing the Indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender. The Administrative Agent shall maintain the Register in accordance with Section 10.07. The entries made in the records maintained pursuant to this paragraph (d) shall be *prima facie* evidence absent manifest error of the existence and amounts of the obligations recorded therein. Any failure of any Lender or the Administrative Agent to maintain such records or make any entry therein or any error therein shall not in any manner affect the obligations of the Loan Parties under this Agreement and the other Loan Documents. In the event of any conflict between the records maintained by any Lender and the records maintained by the Administrative Agent in such matters, the records of the Administrative Agent shall control in the absence of manifest error.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) in a form furnished by the Administrative Agent, which shall evidence such Lender's Loans in addition to such records.

Section 2.04 Prepayment of Loans.

(a) Optional Prepayment.

(i) Revolving Loans. The Borrower may prepay, at any time and from time to time, the principal of any Revolving Loan, in whole or in part, together with the applicable Prepayment Fee, provided, if the Borrower elects to make any prepayment in accordance with this Section 2.04(a)(i) and a Cash Dominion Trigger Period does not exist, the Borrower shall be required to deliver a Prepayment Notice no later than 11:00 a.m. (New York City time) on a date that is at least five (5) Business Days prior to the date of such proposed prepayment.

(ii) [Reserved.]

(iii) Term Loan. The Borrower may prepay, at any time and from time to time, upon the delivery of a Prepayment Notice no later than 11:00 a.m. (New York City time) on a date that is at least five (5) Business Days prior to the date of such proposed prepayment, the principal of the Term Loan, in whole or in part, together with the applicable Prepayment Fee, provided, that each such prepayment shall be in a minimum amount of \$1,000,000 or any greater integral multiple of \$100,000.

(iv) Application. Each prepayment pursuant to paragraph (i) above shall be applied to the Revolving Loans, until paid in full. Each prepayment pursuant to paragraph (iii) above shall be applied against the remaining installments of principal of the Term Loan in the inverse order of maturity.

(v) Interest. Any prepayment made pursuant to this Section 2.04(a) shall be accompanied by accrued and unpaid interest on the amount prepaid.

(b) Mandatory Prepayment.

(i) Dispositions. Forthwith and in any event within two (2) Business Days of receipt of the Net Cash Proceeds from any Disposition by any Loan Party contemplated by paragraphs (e), (f), (g), (h), (k), or (m) of the definition of “Permitted Dispositions”), the Borrower shall prepay the outstanding principal amount of the Loans in accordance with Section 2.04(b)(vi) in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection with such Disposition. For certainty, no notice of repayment shall be required.

(ii) Incurrence of Indebtedness Forthwith and in any event within two (2) Business Days of receipt of the Net Cash Proceeds from the issuance or incurrence by any Loan Party of any Indebtedness (other than Permitted Indebtedness), the Borrower shall prepay the outstanding amount of the Loans in accordance with Section 2.04(b)(vi) in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection therewith. For certainty, no notice of repayment shall be required.

(iii) Extraordinary Receipts. Forthwith and in any event within two (2) Business Days of receipt of the Net Cash Proceeds of any Extraordinary Receipts, the Borrower shall prepay the outstanding principal of the Loans in accordance with Section 2.04(b)(vi) in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection therewith (excluding, for certainty, any Net Cash Proceeds applied for such purpose pursuant to Section 2.04(b)(i)). For certainty, no notice of repayment shall be required.

(iv) [Reserved].

(v) Overadvances. Subject to Section 2.02(d)(i), the Borrower shall immediately prepay the Revolving Loans at any time when an Overadvance exists, to the full extent of such Overadvance.

(vi) Exceptions. Notwithstanding the foregoing, with respect to Net Cash Proceeds received by any Loan Party in connection with a Disposition or the receipt of Extraordinary Receipts consisting of insurance proceeds or condemnation awards that are required to be used to prepay the Obligations pursuant to Section 2.04(b)(i) or Section 2.04(b)(iii), as the case may be, up to \$250,000 in the aggregate in any Fiscal Year of the Net Cash Proceeds from all such Dispositions and Extraordinary Receipts shall not be required to be so used to prepay the Obligations to the extent that such Net Cash Proceeds are used to replace, repair or restore properties or assets used in such Person’s business; provided that, (A) no Default or Event of Default has occurred and is continuing on the date such Person receives such Net Cash Proceeds, (B) the Borrower delivers a certificate to the Administrative Agent within five (5) days after such Disposition or loss, destruction or taking, as the case may be, stating that such Net Cash Proceeds shall be used to replace, repair or restore properties or assets used in such Person’s business within a period specified in such certificate not to exceed 60 days after the date of receipt of such Net Cash Proceeds (which certificate shall set forth estimates of the Net Cash Proceeds to be so expended), (C) such Net Cash Proceeds are deposited in an account subject to a Control

Agreement or blocked account agreement, as applicable, and (D) upon the earlier of (1) the expiration of the period specified in the relevant certificate furnished to the Administrative Agent pursuant to clause (B) above or (2) the occurrence of a Default or an Event of Default, such Net Cash Proceeds, if not theretofore so used, shall be used to prepay the Obligations in accordance with Section 2.04(b)(i) or Section 2.04(b)(iii), as applicable.

(vii) Application of Payments. Each prepayment pursuant to paragraphs (i) through (iii) above shall be applied, first, to the Term Loan (together with accrued interest pursuant to Section 2.04(b)(viii), as applicable), until the Term Loan has been paid in full, and second, to the Revolving Loans (together with accrued interest pursuant to Section 2.04(b)(viii), as applicable), until paid in full. Each such prepayment of the Term Loan shall be applied against the remaining installments of principal of the Term Loan in the inverse order of maturity.

(viii) Interest. Any prepayment made pursuant to this Section 2.04(b) (other than prepayments made pursuant to Section 2.04(b)(iii)) shall be accompanied by accrued interest on the principal amount being prepaid to the date of prepayment.

With respect to any mandatory prepayment to be made by the Borrower pursuant to this Section 2.04(b), the Borrower shall deliver a Prepayment Notice no later than 11:00 a.m. (New York City time) on the date that is at least three (3) Business Days prior to the date of such mandatory prepayment.

Section 2.05 Interest.

(a) Revolving Loans. Each Revolving Loan 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 Revolving Loans and any Protective Advance shall bear interest on the outstanding principal amount thereof at a rate per annum equal to the Prime Rate plus the Applicable Margin.

(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.

(c) Default Interest. To the extent permitted by law and notwithstanding anything 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.

(d) Interest Payment. Interest on each Loan shall be payable (i) monthly, in arrears, on the first Business Day of each calendar month, commencing on the first Business Day of the calendar month following the month in which such Loan is made and (ii) at maturity (whether upon demand, by acceleration or otherwise). Interest at the Post-Default Rate shall be payable on demand. The Borrower hereby authorizes the Administrative Agent to, and the Administrative Agent may, from time to time, charge the Loan Account pursuant to Section 2.17(f) with the amount of any interest payment due hereunder.

(e) Interest Computation. All computations of fees and interest shall be made on the basis of a 365-day year and actual days elapsed. Interest shall accrue on the outstanding Loans and any Protective Advance beginning, and including, the day the Loans or Protective Advance is made and until (but not including) the day on which the Loans or Protective Advance (or such portion thereof) is paid. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error. In this Agreement and the other Loan Documents, whenever a rate of interest or other rate per annum hereunder is expressed or calculated on the basis of a year (the “deemed year”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or other rate shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest or other rate by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year. The Borrower confirms that it fully understands and is able to calculate the rate of interest applicable to the Loans and any Protective Advance based on the methodology for calculating *per annum* rates provided for in this Agreement. The Administrative Agent agrees that if requested in writing by the Borrower it shall calculate the nominal and effective per annum rate of interest on the Loans and any Protective Advance outstanding at any time and provide such information to the Borrower promptly following such request; provided that any error in any such calculation, or any failure to provide such information on request, shall not relieve any Loan Party of any of its obligations under this Agreement or any other Loan Documents, nor result in any liability of the Administrative Agent or any Lender. Each Loan Party hereby irrevocably agrees not to plead or assert, whether by way of defense or otherwise, in any proceeding relating to the Loan Documents, that the interest payable under the Loan Documents and the calculation thereof has not been adequately disclosed to such Loan Party, whether pursuant to Section 4 of the *Interest Act* (Canada) or any other applicable law or legal principle.

(f) [Reserved].

Section 2.06 Fees.

(a) Fee Letter. As and when due and payable under the terms of the Fee Letter, the Borrower shall pay the fees set forth in the Fee Letter.

(b) Unused Line Fee. From and after the Effective Date and until the Termination Date, the Borrower shall pay to the Administrative Agent for the account of the Revolving Loan Lenders, in accordance with their Pro Rata Shares, monthly in arrears on the first Business Day of each calendar month, with the initial payment to be made on January 2, 2025, an unused line fee (the “Unused Line Fee”), which shall accrue at the rate *per annum* of 0.50% on the excess, if any, of the Total Revolving Credit Commitment over the sum of the average principal amount of all Revolving Loans outstanding from time to time during the preceding month.

(c) [Reserved].

Section 2.07 Termination of Commitments and Agreement.

(a) Termination of Commitments.

(i) Term Loan. The Total Term Loan Commitment shall terminate at 5:00 p.m. (New York City time) on the Effective Date.

(ii) Termination of Agreement. The Borrower may, upon at least 30 days prior written notice to the Administrative Agent (or such shorter period as may be agreed to by the Administrative Agent), terminate this Agreement by paying to the Administrative Agent, in cash, the Obligations, in full. If the Borrower has sent a notice of termination pursuant to this Section 2.07(a)(ii), then the Lenders’ obligations to extend credit hereunder shall terminate and the Borrower shall be obligated to repay the Obligations in full, on the date set forth as the date of termination of this Agreement in such notice.

(b) [Reserved].

Section 2.08 Taxes.

(a) Defined Terms. For purposes of this Section, the term “Applicable Law” includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party hereunder or under any Loan Document shall be made free and clear of and without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by such Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable

to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by Borrower. Without limiting the provisions of subsection (b) above, each Loan Party shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by Loan Parties. Each Loan Party shall, and does hereby, severally indemnify each Recipient, and shall make payment in respect thereof within ten days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto (including reasonable attorneys' and tax advisors' fees and expenses), whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, and shall make payment in respect thereof within ten days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Loan Parties have not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.07(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto (including reasonable attorneys' and tax advisors' fees and expenses), whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver

to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender or its Affiliates.

(ii) [Reserved]

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments, and the repayment, satisfaction or discharge of all obligations under any Loan Document.

Section 2.09 Increased Costs, Reserves on CORRA Loans.

(a) Increased Costs Generally. If any (i) Change in Law or (ii) compliance by any Lender with any direction, request or requirement (irrespective of whether having the force of law) of any government authority or monetary authority shall:

(i) impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the Board for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D)), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the Canadian interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or participation in any such Loan;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender’s holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender’s capital or on the capital of such Lender’s holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender, to a level below that which such Lender or such Lender’s holding company could have achieved but for such Change in Law (taking into consideration such Lender’s policies and the policies of such Lender’s holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender’s holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower, shall be

conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 2.10 Inability to Determine Rates. Subject to Section 2.12, if:

(a) Subject to Section 2.12, if, on or prior to the Periodic Term CORRA Determination Day for any CORRA Loan:

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that "Term CORRA" cannot be determined pursuant to the definition thereof, for reasons other than a Benchmark Transition Event, or

(ii) a CORRA Loan does not adequately and fairly reflect the cost to one or more Lenders of making and maintaining such Loan, and the Required Lenders have provided notice of such determination to the Administrative Agent, the Administrative Agent will promptly so notify the Borrower and each Lender.

(b) Upon delivery of such notice by the Administrative Agent to the Borrower under Section 2.10(a), CORRA Loans (including any obligation of the Lenders to make or maintain CORRA Loans) shall be suspended (to the extent of the affected CORRA Loans) until the Administrative Agent revokes such notice.

(c) Upon receipt of such notice by the Administrative Agent to the Borrower under Section 2.10(a), any outstanding affected CORRA Loans will be deemed to have been converted as of such date into Prime Rate Loans. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to Section 2.13.

Section 2.11 Illegality. If any Lender determines that any change in market conditions or any Change in Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain or fund CORRA Loans, or to determine or charge interest rates based upon Term CORRA or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the Canadian market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender to make or continue CORRA Loans shall be suspended until such Lender

notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay all CORRA Loans immediately. Upon any such prepayment, the Borrower shall also pay accrued interest on the amount so prepaid.

Section 2.12 Benchmark Replacement Setting.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement or (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.12(d) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.12 including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.12(b).

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any pending request for a Revolving Loan or Term Loan of, conversion to or continuation of Loans, which are of the type that have a rate of interest determined by reference to the then-current Benchmark, to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Revolving or Term Loan of or conversion to Prime Rate Loans.

Section 2.13 Compensation for Losses. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of any failure by the Borrower (for a reason other than the failure of such Lender to make a Revolving or Term Loan) to prepay, borrow, continue or convert any Revolving or Term Loan on the date or in the amount notified by the Borrower, including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 2.13, each Lender shall be deemed to have funded each CORRA Loan made by it based on Term CORRA for such Loan by a matching deposit or other borrowing in the Canadian interbank market for a comparable amount and for a comparable period, whether or not such CORRA Loan was in fact so funded. Anything to the contrary contained herein notwithstanding, neither the Administrative Agent, nor any Lender, nor any of their Participants, is required to acquire Dollar deposits to fund or otherwise match fund any Obligation as to which interest accrues based on Term CORRA.

A certificate of the Administrative Agent or a Lender delivered to the Borrower setting forth the amount that the Administrative Agent or such Lender is entitled to receive

pursuant to this Section 2.13 shall be conclusive absent manifest error. The Borrower shall pay such amount to the Administrative Agent or such Lender, as the case may be, within 10 days after receipt thereof.

Section 2.14 Mitigation Obligations; Replacement of Lenders

(a) Designation of Difference Lending or Issuing Office. If any Lender requests compensation under Section 2.09, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.08, then such Lender shall (at the request of the Borrower) use reasonable efforts to, as applicable, designate a different lending or issuing office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.08 or Section 2.09, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 2.09, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.08 and, in each case, such Lender has declined or is unable to designate a different lending or issuing office in accordance with paragraph (a) of this Section, or if any Lender is a Defaulting Lender or a Holdout Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.02), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.08 and Section 2.09) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 10.02;

(ii) such Lender shall have received, as applicable, payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.09 or payments required to be made pursuant to Section 2.08, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with Applicable Law; and

(v) in the case of any assignment resulting from a Lender becoming a Holdout Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Each party hereto agrees that (x) an assignment required pursuant to this Section 2.14 may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent, the assignee and (y) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender; provided, further that any such documents shall be without recourse to or warranty by the parties thereto.

Notwithstanding anything in this Section to the contrary, the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 8.06.

Section 2.15 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and Section 10.02.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.05 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; third, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released *pro rata* in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations

under this Agreement; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 3.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of all applicable Non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the applicable Lenders *pro rata* in accordance with the applicable Commitments without giving effect to clause (iv) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each irrevocably consents hereto.

(iii) Unused Line Fees. No Defaulting Lender shall be entitled to receive any Unused Line Fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) Defaulting Lender Cure. If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to cash collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held *pro rata* by the Lenders in accordance with the Commitments, whereupon, such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

Section 2.16 [Reserved]

Section 2.17 Payments Generally; Several Obligations of Lenders.

(a) Payments by Borrower. All payments to be made by the Borrower hereunder and the other Loan Documents shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all such payments shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, to the Administrative Agent in immediately available funds not later than 2:00 p.m. (New York City time) on the date specified herein. All amounts received by

the Administrative Agent after such time on any date shall be deemed to have been received on the next succeeding Business Day and any applicable interest or fees shall continue to accrue. The Administrative Agent will promptly distribute to each Lender its ratable share (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender or such Lender's applicable lending office (or otherwise distribute such payment in like funds as received to the Person or Persons entitled thereto as provided herein). If any payment to be made by the Borrower shall fall due on a day that is not a Business Day, payment shall be made on the next succeeding Business Day and such extension of time shall be reflected in computing interest or fees, as the case may be; provided that, if such next succeeding Business Day would fall after the Final Maturity Date, payment shall be made on the immediately preceding Business Day. Except as otherwise expressly provided herein, all payments hereunder or under any other Loan Document shall be made in Dollars.

(b) Application of Insufficient Payments. Subject to Section 2.19, if at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest, fees and other amounts then due hereunder, such funds shall be applied (i) first, to pay interest, fees and other amounts then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest, fees and other amounts then due to such parties, and (ii) second, to pay principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal, as applicable, then due to such parties.

(c) Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(d) Deductions by Administrative Agent. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.02(c), Section 2.02(d), or Section 2.18, then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent to satisfy such Lender's obligations to the Administrative Agent, until all such unsatisfied obligations are fully paid or (ii) hold any such amounts in a segregated account as cash collateral for, and for application to, any future funding obligations of such Lender under any such Section, in the case of clause (i) above, in any order as determined by the Administrative Agent in its discretion.

(e) Several Obligations of Lenders. The obligations of the Lenders hereunder to make Loans, and to make payments pursuant to Section 8.12 are several and not joint. The failure of any Lender to make any Loan or, as applicable, to fund any such participation or to make any such payment on any date required hereunder shall not relieve any other Lender of its

corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its applicable Loan, to purchase its participations, as applicable, or to make its payment under Section 8.12.

(f) Loan Account. The Lenders and the Borrower hereby authorize the Administrative Agent to, and the Administrative Agent may, from time to time, charge the Loan Account of the Borrower with any amount due and payable by the Borrower under any Loan Document. Each of the Lenders and the Borrower agrees that the Administrative Agent shall have the right to make such charges whether or not any Default or Event of Default shall have occurred and be continuing or whether any of the conditions precedent in Section 3.02 have been satisfied. Any amount charged to the Loan Account of the Borrower shall be deemed a Revolving Loan hereunder made by the Revolving Loan Lenders to the Borrower, funded by the Administrative Agent on behalf of the Revolving Loan Lenders and subject to Section 2.02 of this Agreement. The Lenders and the Borrower confirm that any charges which the Administrative Agent may so make to the Loan Account of the Borrower as herein provided will be made as an accommodation to the Borrower and solely at the Administrative Agent's discretion. The Administrative Agent shall provide the Borrower, promptly after the end of each calendar month, a summary statement (in the form from time to time used by the Administrative Agent) of the opening and closing daily balances in the Loan Account of the Borrower during such month, the amounts and dates of all Loans made to the Borrower during such month, the amounts and dates of all payments on account of the Loans to the Borrower during such month and the Loans to which such payments were applied, the amount of interest accrued on the Loans to the Borrower during such month, and the amount and nature of any charges to the Loan Account made during such month on account of fees, commissions, expenses and other Obligations. All entries on any such statement shall be presumed to be correct and, 30 days after the same is sent, shall be final and conclusive absent manifest error.

Section 2.18 Sharing of Payments. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Revolving Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Revolving Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders, ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided that: (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and (ii) the provisions of this paragraph shall not be construed to apply to (A) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (B) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to a Loan

Party or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

Section 2.19 Apportionment of Payments.

(a) Unless otherwise expressly addressed in this Agreement, all payments of principal and interest in respect of outstanding Loans, all payments of fees (other than the fees set forth in Section 2.06 hereof) and all other payments in respect of any other Obligations, shall be allocated by the Administrative Agent among such of the Lenders as are entitled thereto, in proportion to their respective Pro Rata Shares or otherwise as provided herein or, in respect of payments not made on account of Loans, as designated by the Person making payment when the payment is made.

(b) After the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and upon the direction of the Required Lenders shall, apply all payments in respect of any Obligations, including all proceeds of the Collateral, subject to the provisions of this Agreement, (i) first, ratably to pay the Obligations in respect of any fees, expense reimbursements, indemnities and other amounts then due and payable to the Administrative Agent until paid in full; (ii) second, to pay interest then due and payable in respect of the Protective Advances until paid in full; (iii) third, to pay principal of the Protective Advances until paid in full; (iv) fourth, ratably to pay the Revolving Loan Obligations in respect of any fees, expense reimbursements, indemnities and other amounts then due and payable to the Revolving Loan Lenders until paid in full; (v) fifth, ratably to pay interest then due and payable in respect of the Revolving Loans until paid in full; (vi) sixth, ratably to pay principal of the Revolving Loans until paid in full; (vii) seventh, ratably to pay the Term Loan Obligations in respect of any fees, expense reimbursements, indemnities and other amounts then due and payable to the Term Loan Lenders until paid in full; (viii) eighth, ratably to pay interest then due and payable in respect of the Term Loan until paid in full; (ix) ninth, ratably to pay principal of the Term Loan until paid in full; and (x) tenth, to the ratable payment of all other Obligations then due and payable. The Administrative Agent and the Lenders shall have the continuing and exclusive right to apply and reverse and reapply any and all such proceeds and payments. The foregoing shall not be construed to apply to payments to GBRP, or any other Affiliates of Administrative Agent in connection with the Consignment Agreements, the Consulting Agreement, GBRS Agreements or any other services provided by or on behalf of any Affiliate of the Administrative Agent to or for the benefit of any Loan Party, that have been paid by or on behalf of such Loan Party in accordance with the terms of the applicable agreements.

(c) In the event of a direct conflict between the priority provisions of this Section 2.19 and other provisions contained in any other Loan Document, it is the intention of the parties hereto that both such priority provisions in such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual,

irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of Section 2.19 shall control and govern.

ARTICLE III

CONDITIONS TO LOANS

Section 3.01 Conditions Precedent to Effectiveness. This Agreement shall become effective as of the Business Day (the “Effective Date”) when each of the following conditions precedent shall have been satisfied in a manner satisfactory to the Administrative Agent:

(a) Payment of Fees, Etc. The Borrower shall have paid on or before the Effective Date all fees, costs, expenses and taxes then payable pursuant to Section 2.06 and Section 10.04.

(b) Representations and Warranties; No Event of Default. The following statements shall be true and correct: (i) the representations and warranties contained in Article IV and in each other Loan Document, certificate or other writing delivered to any Secured Party pursuant hereto or thereto on or prior to the Effective Date are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to materiality or “Material Adverse Effect” in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of the Effective Date as though made on and as of such date, except to the extent that any such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall be true and correct on and as of such earlier date) and (ii) no Default or Event of Default shall have occurred and be continuing on the Effective Date or would result from this Agreement or the other Loan Documents becoming effective in accordance with its or their respective terms.

(c) Delivery of Documents. The Administrative Agent shall have received on or before the Effective Date the following, each in form and substance satisfactory to the Administrative Agent and, unless indicated otherwise, dated the Effective Date and, if applicable, duly executed by the Persons party thereto:

(i) all Loan Documents (including the Security Documents other than each Limited Recourse Guarantee and Pledge, which are to be delivered in accordance with Section 5.27), together with the original stock certificates representing all of the Equity Interests required to be pledged thereunder, accompanied by undated stock powers executed in blank and other proper instruments of transfer;

(ii) PPSA financing statements in such office or offices as may be necessary or, in the opinion of the Administrative Agent, desirable to perfect the security interests purported to be created by the Security Documents;

(iii) the results of searches indicating the absence of Liens on the assets of the Loan Parties, except for Permitted Liens and Liens for which termination statements and releases, satisfactions and discharges of any mortgages, and releases or subordination

agreements satisfactory to the Administrative Agent are being tendered concurrently with such extension of credit or other arrangements satisfactory to the Administrative Agent for the delivery of such termination statements and releases, satisfactions and discharges have been made effective;

- (iv) a Perfection Certificate;
- (v) [Reserved];
- (vi) [Reserved];
- (vii) the Fee Letter;
- (viii) the Intercompany Subordination Agreement;
- (ix) [Reserved];

(x) a certificate of an Authorized Officer of each Loan Party, certifying (A) as to copies of the Governing Documents of such Loan Party, together with all amendments thereto (including a true and complete copy of the charter, certificate of formation, certificate of limited partnership or other publicly filed organizational document of each Loan Party certified as of a recent date not more than 30 days prior to the Effective Date by an appropriate official of the jurisdiction of organization of such Loan Party which shall set forth the same complete name of such Loan Party as is set forth herein and the organizational number of such Loan Party, if an organizational number is issued in such jurisdiction), (B) as to a copy of the resolutions or written consents of such Loan Party authorizing (1) the borrowings hereunder and the transactions contemplated by the Loan Documents to which such Loan Party is or will be a party, and (2) the execution, delivery and performance by such Loan Party of each Loan Document to which such Loan Party is or will be a party and the execution and delivery of the other documents to be delivered by such Person in connection herewith and therewith, (C) the names and true signatures of the Authorized Officers of such Loan Party authorized to sign each Loan Document (in the case of the Borrower, including Notices of Borrowing, and all other notices under this Agreement and the other Loan Documents) to which such Loan Party is or will be a party and the other documents to be executed and delivered by such Loan Party in connection herewith and therewith, together with evidence of the incumbency of such Authorized Officers and (D) as to the matters set forth in Section 3.01(b);

(xi) a certificate of a Financial Officer of the Borrower (A) setting forth in reasonable detail the calculations required to establish compliance, on a pro forma basis after giving effect to the Loans, with each of the financial covenants contained in Section 6.12 (as if the covenants applicable to the month ending November 30, 2024, applied on the Effective Date), (B) certifying that all tax returns or other Tax documents, forms and reports required to be filed by the Loan Parties have been filed and all Taxes upon the Loan Parties or their properties, assets, and income (including real property taxes and payroll taxes) have been paid, (C) attaching a copy of the Financial Statements and the Projections described in Section 4.07(b) hereof and (D) certifying that after giving effect to all Loans

to be made on the Effective Date, (1) the Availability is not be less than \$2,500,000 and (2) all liabilities of the Loan Parties are current;

(xii) [Reserved];

(xiii) [Reserved];

(xiv) a certificate of the appropriate official(s) of the jurisdiction of organization and, except to the extent such failure to be so qualified could not reasonably be expected to have a Material Adverse Effect, each jurisdiction of foreign qualification of each Loan Party certifying as of a recent date not more than 30 days prior to the Effective Date as to the subsistence in good standing of such Loan Party in such jurisdictions;

(xv) an opinion of Norton Rose Fulbright Canada LLP, counsel to the Loan Parties, as to such matters as the Administrative Agent may reasonably request;

(xvi) evidence of the insurance coverage required by Section 5.08 and the terms of the Security Documents such other insurance coverage with respect to the business and operations of the Loan Parties as the Administrative Agent may reasonably request, in each case, where requested by the Administrative Agent, with such additional insured and lender loss payee endorsements thereunder as the Administrative Agent may request and providing that such policy may be terminated or canceled (by the insurer or the insured thereunder) only upon 30 days' prior written notice to the Administrative Agent (or 10 days' prior written notice to the Administrative Agent in the case of termination or cancelation for non-payment of premium);

(xvii) a Collateral Access Agreement, executed by each Person who possesses Inventory or Equipment of any Loan Party, that are required by the Administrative Agent on the Effective Date in its reasonable discretion;

(xviii) evidence of the payment in full of all Indebtedness under the Existing Credit Facility, together with (A) a termination and release agreement with respect to the Existing Credit Facility and all related documents, duly executed by the Loan Parties, the Existing Agent, and the Existing Lenders, (B) termination of security interest in Intellectual Property for each assignment for security recorded by the Existing Agent at the Canadian Intellectual Property Office and covering any intellectual property of the Loan Parties, and (D) PPSA financing change statements for all PPSA financing statements filed by the Existing Agent and covering any portion of the Collateral;

(xix) all Control Agreements or blocked account agreements, as applicable, that are required by the Loan Documents as of the Effective Date;

(xx) a Borrowing Base Certificate dated as of the Effective Date and signed by a Financial Officer of the Borrower, prepared as of such date as the Administrative Agent may elect, evidencing that, immediately after the making of the initial Loans and after giving effect to the transactions contemplated to occur on the Effective Date, Availability shall be at least \$2,500,000;

(xxi) at least five (5) Business Days prior to the Effective Date, each Lender shall have received (A) any and all documentation and other information requested by such Lender in connection with applicable “know your customer” and anti-money-laundering rules and regulations, including the USA PATRIOT Act, and (B) to the extent any Loan Party constitutes a “legal entity customer” under the Beneficial Ownership Regulation, a completed Beneficial Ownership Certification in relation to the Loan Parties; and

(xxii) such other agreements, instruments, approvals, opinions and other documents as Administrative Agent may request, in form and substance satisfactory to the Administrative Agent.

(d) Material Adverse Effect. The Administrative Agent shall have determined, in its sole judgment, that no event or development shall have occurred since December 30, 2023, which could reasonably be expected to have a Material Adverse Effect.

(e) [Reserved.]

(f) Approvals. All consents, authorizations and approvals of, and filings and registrations with, and all other actions in respect of, any Governmental Authority or other Person required in connection with the making of the Loans, or the conduct of the Loan Parties’ business, or the consummation of any of the underlying transactions, shall have been obtained and shall be in full force and effect.

(g) Proceedings; Receipt of Documents. All proceedings in connection with the making of the initial Loans and the other transactions contemplated by this Agreement and the other Loan Documents, and all documents incidental hereto and thereto, shall be satisfactory to the Administrative Agent and its counsel, and the Administrative Agent and such counsel shall have received all such information and such counterpart originals or certified or other copies of such documents as the Administrative Agent or such counsel may reasonably request.

(h) Management Reference Checks. The Administrative Agent shall have received satisfactory reference checks for, and shall have had an opportunity to meet with, key management of each Loan Party.

(i) Due Diligence. The Administrative Agent shall have completed their business, legal and collateral due diligence with respect to each Loan Party and the results thereof shall be acceptable to the Administrative Agent, in its discretion. Without limiting the foregoing, the Administrative Agent shall have received a Field Survey and Audit, dated not earlier than 30 days prior to the Effective Date, and such Field Survey and Audit and the results thereof shall be acceptable to the Administrative Agent, in its sole and absolute discretion.

(j) Security Interests. The Loan Documents shall create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable first priority security interest in the Collateral secured thereby (subject only to Permitted Liens).

(k) Litigation. There shall exist no claim, action, suit, investigation, litigation or proceeding (including shareholder or derivative litigation) pending or threatened in any court

or before any arbitrator or Governmental Authority which relates to the Loans or which, in the opinion of the Administrative Agent, is reasonably likely to be adversely determined, and that, if adversely determined, could reasonably be expected to have a Material Adverse Effect.

(l) Notice of Borrowing. The Administrative Agent shall have received a Notice of Borrowing pursuant to Section 2.02 hereof.

Section 3.02 Conditions Precedent to All Loans. The obligation of Administrative Agent and each Lender to make any Loan after the Effective Date is subject to the fulfillment, in a manner satisfactory to the Administrative Agent, of each of the following conditions precedent:

(a) Representations and Warranties; No Event of Default. The following statements shall be true and correct: (i) the representations and warranties contained in Article IV and in each other Loan Document, certificate or other writing delivered to any Secured Party pursuant hereto or thereto on or prior to the date of such Loan are true and correct on and as of such date as though made on and as of such date, except to the extent that any such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall be true and correct on and as of such earlier date), (ii) at the time of and after giving effect to the making of such Loan and the application of the proceeds thereof, no Default or Event of Default has occurred and is continuing or would result from the making of the Loan to be made, on such date and (iii) the conditions set forth in this Section 3.02 have been satisfied as of the date of such Notice of Borrowing and acceptance of the proceeds of such Loan.

(b) Notices. The Administrative Agent shall have received a Notice of Borrowing pursuant to Section 2.02 hereof.

(c) Availability. After giving effect to such proposed Loan or other extension of credit (other than any Overadvance or Protective Advance, to the extent permitted hereunder), Excess Availability shall be greater than \$500,000.00.

Each submission by the Borrower to the Administrative Agent of a Notice of Borrowing with respect to each such Loan, and the Borrower's acceptance of the proceeds of such Loan, shall each be deemed to be a representation and warranty by each Loan Party on the date of such Notice of Borrowing and the date of acceptance of the proceeds of such Loan that the conditions set forth in this Section 3.02 have been satisfied as of each such date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Each Loan Party hereby represents and warrants to the Secured Parties as follows (and for these purposes, references to "Subsidiaries" shall exclude the Excluded Subsidiaries unless otherwise indicated):

Section 4.01 Organization, Good Standing, Etc. Each Loan Party (i) is a corporation, limited liability company, unlimited liability company or limited partnership duly organized, validly existing and in good standing under the laws of

the jurisdiction of its organization, (ii) has all requisite power and authority to own or lease its properties, to conduct its business as now conducted, to execute and deliver each Loan Document to which it is a party, to consummate the transactions contemplated thereby, and, in the case of the Borrower, to make the borrowings hereunder, and (iii) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary, except (solely for the purposes of this subclause (iii)) where the failure to be so qualified and in good standing could not reasonably be expected to have a Material Adverse Effect.

Section 4.02 Authorization, Etc. The execution, delivery and performance by each Loan Party of each Loan Document to which it is or will be a party, (i) have been duly authorized by all necessary action, (ii) do not and will not contravene (A) any of its Governing Documents, (B) any Applicable Law or (C) any Contractual Obligation binding on or otherwise affecting it or any of its properties, (iii) do not and will not result in or require the creation of any Lien (other than Permitted Liens) upon or with respect to any of its properties, and (iv) do not and will not result in any default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal of any permit, license, authorization or approval applicable to its operations or any of its properties, except, in the case of clauses (ii)(B), (ii)(C) and (iv), to the extent where such contravention, default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal could not reasonably be expected to have a Material Adverse Effect.

Section 4.03 Governmental Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required in connection with the due execution, delivery and performance by any Loan Party of any Loan Document to which it is or will be a party other than filings and recordings with respect to Collateral and the Security Documents to be made, or otherwise delivered to the Administrative Agent for filing or recordation.

Section 4.04 Enforceability of Loan Documents. This Agreement is, and each other Loan Document to which any Loan Party is or will be a party, when delivered hereunder, will be, a legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

Section 4.05 Capitalization. On the Effective Date, the authorized Equity Interests of the Borrower and each of its Subsidiaries and the issued and outstanding Equity Interests of the Borrower and each of its Subsidiaries are as set forth on Schedule 4.05. All of the issued and outstanding shares of Equity Interests of the Borrower and each of its Subsidiaries which are corporations have been validly issued and are fully paid and nonassessable. All Equity Interests of such Subsidiaries of the Borrower are owned by the Borrower free and clear of all Liens (other than Permitted Liens). Except as described on Schedule 4.05, as of the Effective Date,

there are no outstanding debt or equity securities of the Borrower or any of its Subsidiaries and no outstanding obligations of the Borrower or any of its Subsidiaries convertible into or exchangeable for, or warrants, options or other rights for the purchase or acquisition from the Borrower or any of its Subsidiaries, or other obligations of the Borrower or any of its Subsidiaries to issue, directly or indirectly, any shares of Equity Interests of the Borrower or any of its Subsidiaries.

Section 4.06 Litigation. Except as set forth in Schedule 4.06, there is no pending or, to the best knowledge of any Loan Party, threatened action, suit or proceeding affecting any Loan Party or any of its properties before any court or other Governmental Authority or any arbitrator that (i) would reasonably be expected to have a Material Adverse Effect or (ii) relates to this Agreement or any other Loan Document or any transaction contemplated hereby or thereby. Since the Effective Date, there has been no change in the status of the matters set forth on Schedule 4.06 that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

Section 4.07 Financial Statements.

(a) The Financial Statements, copies of which have been delivered to the Administrative Agent and each Lender, fairly present the financial condition of the Loan Parties as at the respective dates thereof and the results of operations of the Loan Parties for the fiscal periods ended on such respective dates, all in accordance with GAAP, subject, in the case of unaudited Financial Statements, to normal year-end audit adjustments and the absence of footnotes. All material Indebtedness and other liabilities (including liabilities for taxes, long-term leases and other unusual forward or long-term commitments), direct or contingent, of the Loan Parties are set forth in the Financial Statements. Since the date of the most recent financial statements provided to the Administrative Agent and each Lender pursuant to Section 5.01(c), no event or development has occurred that has had or could reasonably be expected to have a Material Adverse Effect.

(b) The Borrower has heretofore furnished to Administrative Agent and each Lender (i) projected monthly balance sheets, income statements and statements of cash flows of the Borrower and its Subsidiaries for the period from November 2024, through December 2025, and (ii) projected annual balance sheets, income statements and statements of cash flows of the Loan Parties for the Fiscal Years ending December 2025, through December 2026, which projected financial statements shall be updated from time to time pursuant to Section 5.01.

Section 4.08 Compliance with Law, Etc. No Loan Party is in violation of (i) any of its Governing Documents, (ii) any Applicable Law, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect, or (iii) any term of any Contractual Obligation (including any Material Contract) binding on or otherwise affecting it or any of its properties, except where

the failure to so comply could not reasonably be expected to have a Material Adverse Effect, and no default or event of default has occurred and is continuing thereunder.

Section 4.09 ERISA Compliance; Canadian Pension Compliance.

(a) Except as could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect, (i) each Plan is in compliance with, and has been operated in accordance with, the applicable provisions of ERISA, the Code and other Applicable Laws and (ii) each Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the IRS, and, to the knowledge of the Loan Parties, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the knowledge of the Loan Parties, threatened or contemplated claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that, either individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

(c) No ERISA Event has occurred, and neither any Loan Party nor any ERISA Affiliate is aware of any fact, event or circumstance that, either individually or in the aggregate, could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan that, either individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

(d) The present value of all accrued benefits under each Pension Plan (based on those assumptions used to fund such Pension Plan) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Pension Plan allocable to such accrued benefits by a material amount. As of the most recent valuation date for each Multiemployer Plan, the potential liability of any Loan Party or any ERISA Affiliate for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 or Section 4205 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, is zero.

(e) (i) Borrower and each Loan Party, and each Canadian Benefit Plan is in compliance in all material respects with the applicable provisions of Canadian Pension Laws; (ii) the Loan Parties have made all required contributions to each Canadian Benefit Plan, and no application for a funding waiver or an extension of any amortization period has been made with respect to any Plan; and (iii) no Lien imposed under Canadian Pension Laws exists or is likely to arise on account of any Canadian Benefit Plan. All of the Loan Parties' Canadian Benefit Plans as of the Effective Date are described on Schedule 4.09.

(f) There are no pending or, to the best knowledge of each Loan Party, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to

any Canadian Benefit Plan that would reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Canadian Benefit Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(g) No Loan Party sponsors, maintains, administers or contributes to, or has sponsored, maintained, administered or contributed to (in the last seven (7) years) or has any liability under, a Canadian Defined Benefit Plan.

Section 4.10 Taxes, Etc. (i) All Tax returns and other reports required by Applicable Law to be filed by any Loan Party have been timely filed and (ii) all Taxes imposed upon any Loan Party or any property of any Loan Party which have become due and payable on or prior to the date hereof have been paid, except Taxes contested in good faith by proper proceedings which stay the imposition of any Lien resulting from the non-payment thereof and with respect to which adequate reserves have been set aside for the payment thereof on the financial statements in accordance with GAAP.

Section 4.11 Regulations T, U, and X; Use of Proceeds; Etc. No Loan Party is or will be engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any Loan will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, Regulation U, and Regulation X. Following the application of the proceeds of each Loan, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) will be Margin Stock. No part of the proceeds of any Loan will be used, directly or indirectly, for any purpose that would violate any Anti-Corruption Laws, Anti-Money Laundering Laws, or applicable Sanctions.

Section 4.12 Nature of Business. No Loan Party is engaged in any business other than as set forth on Schedule 4.12.

Section 4.13 Adverse Agreements. No Loan Party is a party to any Contractual Obligation or subject to any restriction or limitation in any Governing Document or any judgment, order, regulation, ruling or other requirement of a court or other Governmental Authority, which (either individually or in the aggregate) has, or in the future would reasonably be expected (either individually or in the aggregate) to have, a Material Adverse Effect.

Section 4.14 Permits, Etc. Each Loan Party has, and is in compliance with, all permits, licenses, authorizations, approvals, entitlements and accreditations required for such Person lawfully to own, lease, manage or operate, or to acquire, each business and Facility currently owned, leased, managed or operated, or to be acquired, by such Person, except to the extent the failure to have or be in compliance therewith would not reasonably be expected to have a Material Adverse

Effect. No condition exists or event has occurred which, in itself or with the giving of notice or lapse of time or both, would result in the suspension, revocation, impairment, forfeiture or non-renewal of any such permit, license, authorization, approval, entitlement or accreditation, and there is no claim that any of the foregoing is not in full force and effect.

Section 4.15 Properties. Each Loan Party has good and marketable title to, valid leasehold interests in, or valid licenses to use, all property and assets material to its business, free and clear of all Liens, except Permitted Liens. All such properties and assets are in good working order and condition, ordinary wear and tear excepted, except to the extent that the failure to do so would not constitute a Material Adverse Effect.

Section 4.16 Employee and Labor Matters. Except as set forth on Schedule 4.16, (i) each Loan Party is in compliance with all Applicable Law in all material respects pertaining to employment and employment practices, terms and conditions of employment, wages and hours, and occupational safety and health, (ii) no Loan Party is party to any collective bargaining agreement, nor has any labor union been recognized as the representative of the employees of any Loan Party, (iii) there is no unfair labor practice complaint pending or, to the best knowledge of any Loan Party, threatened against any Loan Party before any Governmental Authority and no grievance or arbitration proceeding pending or threatened against any Loan Party which arises out of or under any collective bargaining agreement, (iv) there has been no strike, work stoppage, slowdown, lockout, or other labor dispute pending or threatened against any Loan Party, and (v) to the best knowledge of each Loan Party, no labor organization or group of employees has made a pending demand for recognition or certification, and there are no representation or certification proceedings or petitions seeking a representation proceeding presently pending or threatened to be brought or filed, with the National Labor Relations Board or any other labor relations tribunal or authority. All material payments due from any Loan Party on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of such Loan Party to the extent required under GAAP, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 4.17 Environmental Matters. Except with respect to any matters that, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, neither any Loan Party nor any Subsidiary (a) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (b) knows of any basis for any permit, license or other approval required under any Environmental Law to be revoked, canceled, limited, terminated, modified, appealed or otherwise challenged, (c) has or could reasonably be expected to become subject to any Environmental Liability, (d) has received notice of any claim, complaint, proceeding, investigation or inquiry with respect to any Environmental Liability (and no such claim, complaint, proceeding, investigation or inquiry is pending or, to the knowledge of any Loan Party, is threatened or contemplated except to the extent

disclosed in writing to the Administrative Agent) or (e) knows of any facts, events or circumstances that could give rise to any basis for any Environmental Liability of any Loan Party or any Subsidiary except to the extent disclosed in writing to the Administrative Agent.

Section 4.18 Insurance. Each Loan Party maintains all insurance required by Section 5.08. Schedule 4.18 sets forth a list of all such insurance (including names of carriers, policy numbers, expiration dates, insurance types and coverage amounts) maintained by or for the benefit of each Loan Party on the Effective Date. As of the Effective Date, all premiums in respect of such insurance that are due and payable have been paid.

Section 4.19 [Reserved.]

Section 4.20 Intellectual Property. Except as set forth on Schedule 4.20, each Loan Party owns or licenses or otherwise has the right to use all Intellectual Property rights that are necessary for the operation of its business, without infringement upon or conflict with the rights of any other Person with respect thereto, except for such infringements and conflicts which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Set forth on Schedule 4.20 is a complete and accurate list as of the Effective Date of each item of Registered Intellectual Property owned by each Loan Party. No trademark or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by any Loan Party infringes upon or conflicts with any rights owned by any other Person, and no claim or litigation regarding any of the foregoing is pending or threatened, except for such infringements and conflicts which could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. To the knowledge of each Loan Party, no patent, invention, device, application, principle or any statute, law, rule, regulation, standard or code pertaining to Intellectual Property is pending or proposed, which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 4.21 Material Contracts. Set forth on Schedule 4.21 is a complete and accurate list as of the Effective Date of all Material Contracts of each Loan Party, showing the parties and subject matter thereof and amendments and modifications thereto. Each such Material Contract (i) is in full force and effect and is binding upon and enforceable against each Loan Party that is a party thereto and, to the best knowledge of such Loan Party, all other parties thereto in accordance with its terms, (ii) has not been otherwise amended or modified, and (iii) is not in default due to the action of any Loan Party or, to the best knowledge of any Loan Party, any other party thereto, in each case except to the extent that the same would have a Material Adverse Effect.

Section 4.22 Investment Company Act. None of the Loan Parties nor any of their Subsidiaries is (i) an “investment company” as such term is defined in the *Investment Company Act of 1940*, as amended, or subject to regulation under the *Investment Company Act of 1940*, as amended, or (ii) subject to regulation under

any Applicable Law that limits in any respect its ability to incur Indebtedness or which may otherwise render all or a portion of the Obligations unenforceable.

Section 4.23 Customers and Suppliers. There exists no actual or threatened termination, cancellation or limitation of, or modification to or change in, the business relationship between (a) any Loan Party, on the one hand, and any customer or any group thereof, on the other hand, whose agreements with any Loan Party are individually or in the aggregate material to the business or operations of such Loan Party, or (b) any Loan Party, on the one hand, and any supplier or any group thereof, on the other hand, whose agreements with any Loan Party are individually or in the aggregate material to the business or operations of such Loan Party; and there exists no present state of facts or circumstances that could give rise to or result in any such termination, cancellation, limitation, modification or change.

Section 4.24 Sanctions; Anti-Corruption Laws; Anti-Money Laundering Laws; and Anti-Terrorism Laws.

(a) Each Loan Party, its Subsidiaries and, to the actual knowledge of each Responsible Officer, their respective officers, employees, directors and agents, are in compliance with Anti-Corruption Laws, Anti-Money Laundering Laws, and applicable Sanctions. None of the Loan Parties, any of their Subsidiaries or, to the actual knowledge of each Responsible Officer, any director, officer, employee, agent, or affiliate of any Loan Party or any of its Subsidiaries is an individual or entity that is, or is owned or controlled by, a Sanctioned Person or is located, organized or resident in a country or territory that is a Sanctioned Country. Each Loan Party and each of its Subsidiaries has implemented and maintains in effect policies and procedures reasonably designed to ensure compliance by such Loan Party, its Subsidiaries and their respective directors, officers, employees and agents with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws, and Sanctions. The Borrower will not, directly or indirectly, use the proceeds of any Loan or other transaction contemplated hereby or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person, (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of funding, is the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any Person. Neither the making of the Loans or other transactions contemplated hereby nor the use of the proceeds thereof will violate Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions. No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the Anti-Corruption Laws.

(c) Loan Parties have taken, and shall continue to take until the Loans are fully repaid, such measures as are required by law to assure that the funds used to repay the Loan are derived: (i) from transactions that do not violate United States or Canadian law nor, to the extent such funds originate outside the United States or Canada, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States or Canadian law and to the extent such funds originate outside the United States or Canada, under the laws of the jurisdiction in which they originated.

(d) To the knowledge of each Responsible Officer after making due inquiry, no Loan Party: (i) is under investigation by any Governmental Authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related activities, any crimes which in the United States or Canada would be predicate crimes to money laundering, or any violation of any Anti-Money Laundering Laws; (ii) has been assessed civil or criminal penalties under any Anti-Money Laundering Laws; or (iii) has had any of its funds seized or forfeited in any action under any Anti-Money Laundering Laws.

(e) Neither the making of the Loans hereunder nor the use of the proceeds thereof will violate the any regulations passed under the USA PATRIOT Act or will violate the Trading with the Enemy Act, the International Emergency Economic Powers Act, or any regulations passed thereunder, including the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *Criminal Code* (Canada), the *United Nations Act* (Canada) or any enabling legislation or executive order relating thereto or successor statute thereto (together with Sanctions, “Anti-Terrorism Laws”). Each Loan Party and each of its Subsidiaries are in compliance with applicable Anti-Terrorism Laws.

Section 4.25 Accounts. With respect to each Loan Parties’ Eligible Accounts, unless otherwise disclosed to the Administrative Agent in writing:

(a) It is genuine and in all respects what it purports to be, and it is not evidenced by a judgment;

(b) It arises out of a completed, bona fide sale and delivery of goods or rendition of services by a Loan Party, in the ordinary course of its business and in accordance with the terms and conditions of all purchase orders, contracts or other documents relating thereto and forming a part of the contract between a Loan Party and the Account Debtor;

(c) It is for a liquidated amount maturing as stated in the invoice covering such sale or rendition of services, a copy of which has been furnished or is available to the Administrative Agent;

(d) To the best of each Responsible Officer’s knowledge, there are no facts, events or occurrences which in any way impair the validity or enforceability of any Accounts or tend to reduce the amount payable thereunder from the face amount of the invoice and statements delivered or made available to the Administrative Agent with respect thereto;

(e) To the best of each Responsible Officer’s knowledge, the Account Debtor thereunder (i) had the capacity to contract at the time any contract or other document giving rise to the Account was executed and (ii) such Account Debtor is Solvent; and

(f) To the best of each Responsible Officer’s knowledge, the Loan Parties’ knowledge, there are no proceedings or actions which are threatened or pending against the Account Debtor thereunder which might result in any material adverse change in such Account Debtor’s financial condition or the collectability of such Account.

Section 4.26 Full Disclosure.

(a) Each Loan Party has disclosed to the Administrative Agent all agreements, instruments and corporate or other restrictions to which it is subject, and all other matters known to it, that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information furnished by or on behalf of any Loan Party to the Administrative Agent (other than forward-looking information and projections and information of a general economic nature and general information about Loan Parties' industry) in connection with the negotiation of this Agreement or delivered hereunder (taken as a whole, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which it was made, not misleading.

(b) Projections have been prepared on a reasonable basis and in good faith based on assumptions, estimates, methods and tests that are believed by the Loan Parties to be reasonable at the time such Projections were prepared and information believed by the Loan Parties to have been accurate based upon the information available to the Loan Parties at the time such Projections were furnished to the Lenders, and the Responsible Officers are not aware of any facts or information that would lead it to believe that such Projections have been prepared in a manner that is misleading in any material respect; it being understood that (i) Projections are by their nature subject to significant uncertainties and contingencies, many of which are beyond the Loan Parties' control, (ii) actual results may differ materially from the Projections and such variations may be material and (iii) the Projections are not a guarantee of performance.

Section 4.27 Rent Payments. All rent and any other fee obligations arising under each lease agreement between a landlord and any Loan Party with respect to Real Property where any Collateral is located, have been fully paid and satisfied in accordance with the terms and conditions of such lease agreements, unless as otherwise agreed to by the Administrative Agent.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the Termination Date, each Loan Party will (and for these purposes, references to "Subsidiaries" shall exclude the Excluded Subsidiaries unless otherwise indicated):

Section 5.01 Reporting Requirements. Furnish to Administrative Agent and each Lender:

(a) as soon as available, and in any event within 30 days after the end of each Fiscal Month of the Borrower and its Subsidiaries commencing with the first Fiscal Month of the Borrower and its Subsidiaries ending after the Effective Date, Internal Financial Statements as at the end of such Fiscal Month, and for the period commencing at the end of the immediately

preceding Fiscal Year and ending with the end of such Fiscal Month, setting forth in each case in comparative form the figures for the corresponding date or period set forth in (i) the Internal Financial Statements for the immediately preceding Fiscal Year, and (ii) the Projections, all in reasonable detail and certified by an Authorized Officer of the Borrower as being fairly presented, in all material respects for such Fiscal Month and for such year-to-date period;

(b) as soon as available and in any event within 45 days after the end of each Fiscal Quarter of the Borrower and its Subsidiaries commencing with the first Fiscal Quarter of the Borrower and its Subsidiaries ending after the Effective Date, Internal Financial Statements as at the end of such quarter, and for the period commencing at the end of the immediately preceding Fiscal Year and ending with the end of such Fiscal Quarter, setting forth in each case in comparative form the figures for the corresponding date or period set forth in (i) the Internal Financial Statements for the immediately preceding Fiscal Year and (ii) the Projections, all in reasonable detail and certified by an Authorized Officer of the Borrower as being fairly presented, in all material respects for such Fiscal Quarter and for such year-to-date period;

(c) as soon as available, and in any event within 90 days after the end of each Fiscal Year of the Borrower and its Subsidiaries, audited consolidated and consolidating balance sheets, statements of operations and retained earnings and statements of cash flows of the Borrower and its Subsidiaries as at the end of such Fiscal Year, setting forth in each case in comparative form the figures for the corresponding date or period set forth in (i) the financial statements for the immediately preceding Fiscal Year, and (ii) the Projections, all in reasonable detail and prepared in accordance with GAAP, and accompanied by a report and an opinion, prepared in accordance with GAAP, of independent certified public accountants of recognized standing selected by the Borrower and satisfactory to the Administrative Agent (which report and opinion (other than the report and opinion delivered for the 2024 Fiscal Year) shall not include any “going concern” or like qualification or exception or any qualification or exception as to the scope of such audit), together with a written statement of such accountants (A) to the effect that, in making the examination necessary for their certification of such financial statements, they have not obtained any knowledge of the existence of an Event of Default or a Default under Section 6.12 or (B) if such accountants shall have obtained any knowledge of the existence of an Event of Default or such Default, describing the nature thereof;

(d) as soon as available and in any event not later than 30 days prior to the end of each Fiscal Year, a certificate of an Authorized Officer of the Borrower attaching Projections for the Borrower and its Subsidiaries, prepared on a monthly basis and otherwise in form and substance satisfactory to the Administrative Agent, for the immediately succeeding Fiscal Year for the Borrower and its Subsidiaries;

(e) simultaneously with the delivery of the financial statements required by clauses (a), (b) and (c) of this Section 5.01, a Compliance Certificate:

(i) stating that such Authorized Officer has reviewed the provisions of this Agreement and the other Loan Documents and has made or caused to be made under his or her supervision a review of the condition and operations of the Borrower and its Subsidiaries during the period covered by such financial statements with a view to determining whether the Loan Parties were in compliance with all of the provisions of this

Agreement and such Loan Documents at the times such compliance is required hereby and thereby, and that such review has not disclosed, and such Authorized Officer has no knowledge of, the occurrence and continuance during such period of an Event of Default or Default or, if an Event of Default or Default had occurred and continued or is continuing, describing the nature and period of existence thereof and the action which the Borrower and its Subsidiaries propose to take or have taken with respect thereto,

(ii) in the case of the delivery of the financial statements of the Borrower and its Subsidiaries required by clauses (a), (b) and (c) of this Section 5.01, (A) attaching a schedule showing the reasonably detailed calculation of the financial covenants specified in Section 6.12 and (B) including a discussion and analysis of the financial condition and results of operations of the Borrower and its Subsidiaries for the portion of the Fiscal Year then elapsed and discussing the reasons for any significant variations from the Projections for such period and the figures for the corresponding period in the previous Fiscal Year, and

(iii) in the case of the delivery of the financial statements of the Borrower and its Subsidiaries required by clause (c) of this Section 5.01 attaching (1) a summary of all insurance coverage maintained as of the date thereof by any Loan Party or any of its Subsidiaries and evidence that such insurance coverage meets the requirements set forth in Section 5.08 (in each case, if there have been any changes thereto), the Security Documents, together with such other related documents and information as the Administrative Agent may reasonably require, and confirmation that there have been no material changes to the information contained in each of the Perfection Certificates delivered on the Effective Date or the date of the most recently updated Perfection Certificate delivered pursuant to this clause (iii) and/or attaching an updated Perfection Certificate identifying any such changes to the information contained therein;

(f) as soon as available and in any event no later than Wednesday, or, to the extent such Wednesday is not a Business Day, the next Business Day thereafter, after the end of each week ending on Saturday, commencing with the first week ending after the Effective Date, a Borrowing Base Certificate, current as of the close of business on the last day of the immediately preceding week, supported by schedules showing the derivation thereof and containing such detail and other information as Administrative Agent may request from time to time, provided that (i) the Revolving Borrowing Base and Term Borrowing Base set forth in the Borrowing Base Certificate shall be effective from and including the date such Borrowing Base Certificate is duly received by the Administrative Agent but not including the date on which a subsequent Borrowing Base Certificate is received by the Administrative Agent, unless Administrative Agent disputes the eligibility of any property included in the calculation of the Revolving Borrowing Base and/or the Term Borrowing Base or the valuation thereof by notice of such dispute to the Borrower; and (ii) in the event of any dispute about the eligibility of any property included in the calculation of the Revolving Borrowing Base and/or Term Borrowing Base or the valuation thereof, Administrative Agent's good faith judgment shall control;

(g) the Loan Parties shall deliver to the Administrative Agent, (i) on or prior to the Effective Date, an initial Budget and (ii) thereafter, no later than Wednesday of every other week or, to the extent Wednesday is not a Business Day, the next Business Day thereafter (each

an “Approved Budget Reporting Date”) an updated Budget for the 13-week period commencing as of the Sunday immediately preceding such Approved Budget Reporting Date. Each such Budget shall be prepared by the Loan Parties for the 13-week period covered thereby and shall be prepared in good faith based upon assumptions believed by the Responsible Officers to be reasonable at the time the Budget was prepared and information believed by the Loan Parties to have been accurate based upon the information available to the Loan Parties at the time the Budget was prepared, and without awareness of any facts or information that would lead it to believe that the Budget would be incorrect or misleading in any material respect; it being understood that (A) the Budget represents a reasonable range of possible results in light of the history of the business, present and foreseeable conditions and the intentions of the Loan Parties’ management, and (B) actual results may significantly vary from the Budget and such variations may be adverse and material;

(h) the Loan Parties shall deliver to the Administrative Agent, on a weekly basis, on Wednesday of each week (or to the extent Wednesday is not a Business Day, the next Business Day thereafter) a Budget Variance Report, and such Budget Variance Report shall be in form and substance satisfactory to the Administrative Agent.

(i) together with the delivery of each Borrowing Base Certificate pursuant to Section 5.01(f), reports in form and substance satisfactory to the Administrative Agent and certified by an Authorized Officer of the Borrower as being accurate and complete, providing (i) a reasonably detailed aged trial balance of the Accounts, specifying the names, addresses, face values, dates of invoices and due dates for each Account Debtor obligated on an Account so listed in a form consistent with reports currently prepared by the Loan Parties with respect to such information, (ii) a reasonably detailed accounts payable aging, (iii) a worksheet of calculations prepared by the Loan Parties to determine Eligible Accounts, NOLV of Eligible Inventory and NOLV of Eligible Equipment, such worksheets detailing the Accounts and Inventory excluded from Eligible Accounts and Eligible Inventory and the reason for such exclusion; (iv) reconciliations of the Accounts as shown on the weekly Borrowing Base Certificate for the immediately preceding week to the Loan Parties’ accounts receivable agings, to the Loan Parties’ general ledger and to the Loan Parties’ most recent financial statements, (v) reconciliations of the Loan Parties’ Inventory as shown on the Loan Parties’ perpetual inventory, to the Loan Parties’ general ledger and to the Loan Parties’ financial statements, and (vi) Inventory reports in such format and detail as the Administrative Agent shall request and which shall include a current list of all locations of the Loan Parties’ Inventory, all with supporting materials as the Administrative Agent shall reasonably request;

(j) the financial and collateral reports described on Schedule 5.01(j) hereto, at the times set forth in such Schedule;

(k) promptly after submission to any Governmental Authority, all documents and information furnished to such Governmental Authority in connection with any investigation of any Loan Party other than routine inquiries by such Governmental Authority;

(l) as soon as possible, and in any event within five (5) days after the occurrence of an Event of Default or Default or the occurrence of any event or development that could reasonably be expected to have a Material Adverse Effect, the written statement of an

Authorized Officer of the Borrower setting forth the details of such Event of Default or Default or other event or development having a Material Adverse Effect and the action which the affected Loan Party proposes to take with respect thereto;

(m) the occurrence of any ERISA Event or Canadian Pension Event that, either individually or together with any other ERISA Events, could reasonably be expected to have a Material Adverse Effect;

(n) notice of any action arising under any Environmental Law or of any noncompliance by any Loan Party or any Subsidiary with any Environmental Law or any permit, approval, license or other authorization required thereunder that, if adversely determined, would reasonably be expected to have a Material Adverse Effect;

(o) promptly after the commencement thereof but in any event not later than five (5) days after service of process with respect thereto on, or the obtaining of knowledge thereof by, any Loan Party, notice of each action, suit, investigation or proceeding before any court or other Governmental Authority or other regulatory body or any arbitrator which, if adversely determined, could reasonably be expected to have a Material Adverse Effect;

(p) as soon as possible and in any event within five (5) days after execution, receipt or delivery thereof, copies of any material notices that any Loan Party executes or receives in connection with any Material Contract;

(q) as soon as possible and in any event within five (5) days after execution, receipt or delivery thereof, copies of any material notices that any Loan Party executes or receives in connection with the sale or other Disposition of the Equity Interests of, or all or substantially all of the assets of, any Loan Party;

(r) promptly after the receipt thereof, a copy of any material notice received from any holder of its Indebtedness;

(s) promptly upon receipt thereof, copies of all financial reports (including management letters), if any, submitted to any Loan Party by its auditors in connection with any annual or interim audit of the books thereof;

(t) as soon as possible, but in any event not later than five (5) Business Days after receipt by any Loan Party, the monthly statements received by any Loan Party from any Credit Card Issuers or Credit Card Processors, together with such additional information with respect thereto as shall be reasonably requested by the Administrative Agent;

(u) as soon as possible, but in any event not later than three (3) Business Days after the end of each Fiscal Month for the immediately preceding Fiscal Month, the monthly bank statements of Guys Freightways Ltd.;

(v) promptly following any request therefor, (i) such other information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable “know your customer” requirements under the USA PATRIOT Act, the Beneficial Ownership Regulation or other applicable Anti-Corruption Laws and Anti-Money

Laundering Laws, and (ii) such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may reasonably request.

Section 5.02 Additional Guarantors and Collateral Security.

Cause:

(a) each Subsidiary of any Loan Party not in existence on the Effective Date, to execute and deliver to the Administrative Agent promptly and in any event within thirty (30) days (or such later date as may be approved by Administrative Agent in writing in its discretion) after the formation or acquisition thereof, (i) a Joinder Agreement, pursuant to which such Subsidiary shall be made a party to this Agreement as a Guarantor, (ii) a supplement to the Security Agreement, together with (A) certificates evidencing all of the Equity Interests of any Person owned by such Subsidiary required to be pledged under the terms of the Security Agreement, (B) undated stock powers or other appropriate instruments of assignment for such Equity Interests executed in blank, and (C) such opinions of counsel as the Administrative Agent may reasonably request, (iii) [Reserved], (iv) Credit Card Notifications required pursuant to the terms of this Agreement or the other Loan Documents and (E) such other agreements, instruments, approvals or other documents reasonably requested by the Administrative Agent in order to create and perfect the first priority (subject to Permitted Liens) of or otherwise protect any Lien purported to be covered by the Security Agreement or otherwise to effect the intent that such Subsidiary shall become bound by all of the terms, covenants and agreements contained in the Loan Documents and that all property and assets of such Subsidiary shall become Collateral for the Obligations; and

(b) each Loan Party that owns the Equity Interests of any such Subsidiary to execute and deliver promptly and in any event within thirty (30) days after the formation or acquisition of such Subsidiary a Pledge Amendment (as defined in the Security Agreement), together with (i) certificates evidencing all of the Equity Interests of such Subsidiary required to be pledged under the terms of the Security Agreement, (ii) undated stock powers or other appropriate instruments of assignment for such Equity Interests executed in blank, (iii) such opinions of counsel as the Administrative Agent may reasonably request in its Permitted Discretion and (iv) such other agreements, instruments, approvals or other documents reasonably requested by the Administrative Agent in its Permitted Discretion.

Notwithstanding the foregoing, no Excluded Subsidiary shall be required to become a Guarantor hereunder (and, as such, shall not be required to deliver the documents required by Section 5.02(a) above); provided, however, that if the Equity Interests of a Subsidiary that is an Excluded Subsidiary are owned by a Loan Party, such Loan Party shall pledge 100% of the Equity Interests owned by such Loan Party and deliver the certificates described in Section 5.02(b) above to the Administrative Agent, and take all other actions reasonably requested by the Administrative Agent in its Permitted Discretion to grant and to perfect a first-priority Lien (subject to Permitted Liens) in such Equity Interests.

Section 5.03 Compliance with Laws; Payment of Taxes.

(a) Comply with all Applicable Law, judgments and awards (including any settlement of any claim that, if breached, could give rise to any of the foregoing), except to the

extent the failure to so comply would not reasonably be expected to have a Material Adverse Effect. In addition, and without limiting the foregoing, each Loan Party will, and will cause each of its Subsidiaries to, comply with all Anti-Corruption Laws, Anti-Money Laundering Laws, applicable Sanctions and the USA PATRIOT Act and the regulations promulgated thereunder in all respects.

(b) Pay in full before delinquency or before the expiration of any extension period, all (i) Priority Payables and Taxes imposed upon any Loan Party or any of its Subsidiaries or any property of any Loan Party or any of its Subsidiaries, except (x) Taxes contested in good faith by proper proceedings and with respect to which adequate reserves have been set aside for the payment thereof in accordance with GAAP (y) Priority Payables to which adequate Availability Reserves have been established from the Revolving Borrowing Base or Term Borrowing Base, as applicable, and (ii) claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any property of any Loan Party or any Subsidiary.

Section 5.04 Preservation of Existence, Etc. (i) Maintain and preserve its existence (ii) maintain and preserve its rights and privileges, and (ii) become or remain duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary, other than, in the case of clause (ii) and (iii), to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

Section 5.05 Keeping of Records and Books of Account. Keep adequate records and books of account, with true and complete entries with respect to all dealings and transactions in relation to its business and activities, which shall be made to permit the preparation of financial statements in accordance with GAAP.

Section 5.06 Inspection Rights. Permit the Administrative Agent and its Related Parties at any time and from time to time during normal business hours, at the expense of the Borrower, to (a) examine and make copies of and abstracts from its books and records, (b) visit and inspect its properties, (c) conduct at the premises of any Loan Party or any Subsidiary or otherwise field examinations, appraisals, verifications, audits, physical counts, and valuations, (d) verify materials, leases, notes, Accounts, deposit accounts and other property of any Loan Party or Subsidiary, and (e) discuss its affairs, finances and Accounts with any of its directors, officers, managerial employees, independent accountants or any of its other representatives. In furtherance of the foregoing, each Loan Party hereby authorizes its independent accountants, and the independent accountants of each of its Subsidiaries, to discuss the affairs, finances and accounts of such Person (independently or together with representatives of such Person) with the agents and representatives of Administrative Agent in accordance with this Section. The Borrower agrees to pay (i) the Administrative Agent's daily fee per examiner plus the examiner's out-of-pocket costs and reasonable expenses incurred in connection with all such visits, inspections, audits, physical counts, valuations, appraisals, environmental site assessments and/or examinations and (ii) the cost of all visits, inspections, audits, physical counts,

valuations, appraisals, environmental site assessments and/or examinations conducted by a third party on behalf of the Administrative Agent; provided, that so long as no Default or Event of Default shall have occurred and be continuing, the Borrower shall not be obligated to reimburse the Administrative Agent for more than (A) two (2) Inventory appraisals during any calendar year, (B), two (2) field examinations during any calendar year, or (C) one (1) Equipment appraisal during any calendar year.

Section 5.07 Maintenance of Properties. Maintain and preserve all of its properties which are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and comply at all times with the provisions of all leases to which it is a party as lessee or under which it occupies property, so as to prevent any loss or forfeiture thereof or thereunder, except in each case to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect .

Section 5.08 Maintenance of Insurance.

(a) Maintain insurance with responsible and reputable insurance companies or associations (including comprehensive casualty, general liability, hazard, flood, rent, worker's compensation and business interruption insurance) with respect to the Collateral and its other properties (including all real property leased or owned by it) and business, in such amounts and covering such risks as is (i) carried generally in accordance with sound business practice by companies in similar businesses similarly situated, (ii) required by any Applicable Law, (iii) required by any Material Contract and (iv) in any event in amount, adequacy and scope reasonably satisfactory to the Administrative Agent; provided, that the Loan Parties shall maintain flood insurance on all Real Property located in an area identified by the Federal Emergency Management Agency or any successor thereto as a special flood hazard area, from such providers, in amounts and on terms in accordance with the Flood Laws or as otherwise satisfactory to all Lenders.

(b) Cause (i) each such policy to be endorsed or otherwise amended to include an additional insured endorsement or a lender's loss payable endorsement, as appropriate, each in form and substance satisfactory to the Administrative Agent, (ii) each such policy to provide that it shall not be canceled or not renewed for any other reason, including as a result of failure to pay the premium of any such policy, upon not less than 30 days' prior written notice thereof by the insurer to the Administrative Agent,

(c) Promptly upon request of the Administrative Agent or any other Lender, deliver to the Administrative Agent (for distribution to all Lenders), evidence of compliance by all Loan Parties with the requirements contained in this Section 5.08 (including copies of insurance certificates, policies, and endorsements), in form and substance satisfactory to the Administrative Agent, including, evidence of annual renewals of such insurance. If any Loan Party fails to maintain such insurance, the Administrative Agent may arrange for such insurance, but at the Borrower's expense and without any responsibility on the Administrative Agent's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims.

(d) Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent shall have the sole right, in the name of the Secured Parties, any Loan Party to file claims under any insurance policies, to receive and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies.

Section 5.09 Obtaining of Permits, Etc. Obtain, maintain and preserve, and take all necessary action to timely renew, all permits, licenses, authorizations, approvals, entitlements and accreditations that are necessary or useful in the proper conduct of its business, in each case, except to the extent the failure to obtain, maintain, preserve or take such action would not reasonably be expected to have a Material Adverse Effect.

Section 5.10 Environmental Matters. Except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect, (a) comply with all Environmental Laws, (b) obtain, maintain in full force and effect and comply with any permits, licenses or approvals required for the facilities or operations of any Loan Party, and (c) conduct and complete any investigation, study, sampling or testing, and undertake any corrective, cleanup, removal, response, remedial or other action necessary to identify, report, remove and clean up all Hazardous Materials present or released at, on, in, under or from any of the facilities or real properties of any Loan Party.

Section 5.11 Collateral Access Agreements. At any time any Collateral is located on Real Property of a Loan Party (whether such real property is now existing or acquired after the Effective Date) which is not owned by a Loan Party, or is stored on the premises of a bailee, warehouseman, or similar party, such Loan Party shall obtain Collateral Access Agreements with respect to such locations to which the Administrative Agent requires, in its sole Permitted Discretion.

Section 5.12 [Reserved.]

Section 5.13 Anti-Corruption Laws; Anti-Money Laundering Laws; Sanctions.

(a) Maintain policies and procedures designed to promote compliance by each Loan Party, its Subsidiaries and their respective directors, officers, employees and agents with all Anti-Corruption Laws and Anti-Money Laundering Laws.

(b) Comply with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

(c) Promptly notify the Administrative Agent of any action, suit or investigations by any court or Governmental Authority in relation to an alleged breach of the Anti-Corruption Law.

(d) Each Loan Party and Affiliate, officer, employee or director, acting on behalf of the Loan Party is (and will take no action which would result in any such Person not being) in compliance with (i) all applicable OFAC rules and regulations, (ii) all applicable United States of America and Canadian autonomous sanctions, embargos and trade restrictions and (iii) all applicable provisions of the USA PATRIOT Act.

(e) In order to comply with the “know your customer/borrower” requirements of the Anti-Money Laundering Laws, promptly provide to the Administrative Agent upon its reasonable request from time to time (i) information relating to individuals and entities affiliated with any Loan Party that maintain a business relationship with the Administrative Agent, and (ii) such identifying information and documentation as may be available for such Loan Party in order to enable the Administrative Agent or any Lender to comply with Anti-Money Laundering Laws.

Section 5.14 Lender Meetings. Upon the request of Administrative Agent or the Required Lenders (which request, so long as no Event of Default shall have occurred and be continuing, shall not be made more than once during each Fiscal Year), participate in a meeting with the Administrative Agent and the Lenders at the Borrower’s corporate offices (or at such other location as may be agreed to by the Borrower and Administrative Agent or the Required Lenders) at such time as may be agreed to by the Borrower and Administrative Agent or the Required Lenders.

Section 5.15 Cash Management Arrangements.

(a) (i) Establish and maintain Cash Management Accounts and cash management services of a type and on terms satisfactory to the Administrative Agent at one or more of the banks set forth on Schedule 5.15 (each a “Cash Management Bank”) and (ii) deposit or cause to be deposited promptly, and in any event no later than the next Business Day after the date of receipt thereof, all proceeds in respect of any Collateral, all Collections, and all other amounts received by any Loan Party (including payments made by Account Debtors directly to any Loan Party and remittances in respect of Credit Card Receivables) into a Cash Management Account.

(b) On or prior to the Effective Date, with respect to each Cash Management Account (other than Excluded Accounts), deliver to the Administrative Agent a Control Agreement or blocked account agreement, as applicable, with respect to such Cash Management Account. From and after the Effective Date, the Loan Parties shall not maintain cash, Cash Equivalents or other amounts in any deposit account or securities account, unless the Administrative Agent shall have received a Control Agreement or blocked account agreement, as applicable, in respect of each such deposit account and securities account (other than Excluded Accounts).

(c) Upon the terms and subject to the conditions set forth in a Control Agreement or blocked account agreement, as applicable, with respect to a Cash Management Account, all amounts received in such Cash Management Account shall at the Administrative Agent’s direction be wired each Business Day into the Administrative Agent’s Accounts, except

that, so long as no Cash Dominion Trigger Period exists, the Administrative Agent will not direct the Cash Management Bank to transfer funds in such Cash Management Account to the Administrative Agent's Accounts. The Administrative Agent agrees that it shall not provide any notice of exclusive control under any Control Agreement or blocked account agreement with respect to any Cash Management Account held in the name of Guys Freightways Ltd. with ATB Financial unless an Event of Default has occurred and is continuing.

(d) So long as no Cash Dominion Trigger Period exists, the Borrower may amend Schedule 5.15 to add or replace a Cash Management Bank or Cash Management Account; provided, however, that (i) such prospective Cash Management Bank shall be reasonably satisfactory to the Administrative Agent and the Administrative Agent shall have consented in writing in advance to the opening of such Cash Management Account with the prospective Cash Management Bank, and (ii) prior to the time of the opening of such Cash Management Account, each Loan Party and such prospective Cash Management Bank shall have executed and delivered to the Administrative Agent a Control Agreement or blocked account agreement, as applicable. Each Loan Party shall close any of its Cash Management Accounts (and establish replacement cash management accounts in accordance with the foregoing sentence) promptly and in any event within thirty (30) days of notice from the Administrative Agent that the creditworthiness of the applicable Cash Management Bank is no longer reasonably acceptable to the Administrative Agent, or that the operating performance, funds transfer, or availability procedures or performance of such Cash Management Bank with respect to Cash Management Accounts or the Administrative Agent's liability under any Control Agreement or blocked account agreement, as applicable, with such Cash Management Bank is no longer reasonably acceptable to the Administrative Agent's.

(e) Deliver to the Administrative Agent copies of notifications in form and substance reasonably satisfactory to the Administrative Agent (each, a "Credit Card Notification") which have been executed by the applicable Loan Parties and delivered to such Loan Parties' Credit Card Issuers and Credit Card Processors. Upon entering into any agreements with any new Credit Card Issuer or Credit Card Processor, the Loan Parties shall deliver to Administrative Agent a copy of a Credit Card Notification which has been executed by the applicable Loan Parties and delivered to such Credit Card Issuer or Credit Card Processor. The Administrative Agent agrees that (i) it shall not direct any Credit Card Issuer or Credit Card Processor to transfer any proceeds pursuant to any Credit Card Notification unless a Cash Dominion Trigger Period exists and (ii) if any Loan Party shall so request, unless a Cash Dominion Trigger Period exists, the Administrative Agent shall countersign any notification, request, order or direction from such Loan Party to any Credit Card Issuer or Credit Card Processor directing payments from such Credit Card Issuer or Credit Card Processor to be made to a new or different deposit account which is subject to a Control Agreement or blocked account agreement, as applicable.

Section 5.16 Account Verification. The Administrative Agent's officers, employees or agents shall have the right, at any time or times if an Event of Default has occurred and is continuing, in the name of the Administrative Agent, any designee of the Administrative Agent or any Loan Party, to verify the validity, amount or any other matter relating to any Accounts by mail, telephone, electronic communication or otherwise. The Loan Parties shall cooperate fully with the

Administrative Agent in an effort to facilitate and promptly conclude any such verification process.

Section 5.17 Administration of Accounts. Keep records of their Accounts and all payments and collections thereon, which records shall be complete and accurate in all material respects. The Loan Parties shall submit to the Administrative Agent (a) on such periodic basis as the Administrative Agent shall reasonably request, a sales and collections report for the preceding period, in form acceptable to the Administrative Agent, in its Permitted Discretion, and consistent with the reports currently prepared by the Loan Parties with respect to such information and (b) upon the Administrative Agent's request therefor, copies of proof of delivery and the original copy of all documents, including, repayment histories and present status reports, relating to the Accounts and such other matters and information relating to the status of then existing Accounts as the Administrative Agent shall reasonably request. Upon request by the Administrative Agent following the occurrence and during the continuation of an Event of Default, the Loan Parties shall execute and deliver to the Administrative Agent formal written assignments of all of their Accounts on such periodic basis as the Administrative Agent shall request, which shall include all Accounts that have been created since the date of the last assignment, together with copies of invoices or invoice registers related thereto.

Section 5.18 Administration of Inventory. Keep records of their Inventory, which records shall be complete and accurate in all material respects. The Loan Parties (or their accountants) shall conduct a physical inventory no less frequently than annually and shall provide to Administrative Agent a report based on each such physical inventory promptly thereafter, together with such supporting information as Administrative Agent shall reasonably request.

Section 5.19 Administration of Equipment. Keep records of their Equipment, which records shall be complete and accurate in all material respects itemizing and describing the kind, type, quality, quantity and book value of its Equipment. The Loan Parties shall furnish the Administrative Agent with a current schedule containing the foregoing information on at least an annual basis and more often if reasonably requested by the Administrative Agent. Promptly after the request therefor by the Administrative Agent after the occurrence and during the continuance of an Event of Default, the Loan Parties shall deliver to the Administrative Agent any and all evidence of ownership, if any, of any of their Equipment.

Section 5.20 Sale or Liquidation Agent. Consult with Administrative Agent before making any sales or liquidations of any Collateral, and if Administrative Agent or its Affiliate is not the sales or liquidation agent with respect to such sale or liquidation, then the terms of such sale or liquidation (including the sales or liquidation agent with respect thereto) shall be reasonably acceptable to Administrative Agent in its Permitted Discretion. Without limiting the foregoing, the Administrative Agent may determine, in its sole discretion after consultation with the

Borrower, whether Administrative Agent must be the sales or liquidation agent with respect to, or otherwise involved in, any particular sale or liquidation of Collateral.

Section 5.21 Further Assurances. Take such action and execute, acknowledge and deliver, at its sole cost and expense, such agreements, instruments or other documents as Administrative Agent may require from time to time in order (a) to carry out more effectively the purposes of this Agreement and the other Loan Documents, (b) to subject to valid and perfected first priority Liens any of the Collateral or any other property of any Loan Party (subject to Permitted Liens), (c) to establish and maintain the validity and effectiveness of any of the Loan Documents and the validity, perfection and priority of the Liens intended to be created thereby, and (d) to better assure, convey, grant, assign, transfer and confirm unto each Secured Party the rights now or hereafter intended to be granted to it under this Agreement or any other Loan Document (including upon the occurrence of an Event of Default, causing each Credit Card Issuer and Credit Card Processor to direct all Credit Card Receivables to the Cash Management Accounts). In furtherance of the foregoing, to the maximum extent permitted by Applicable Law, each Loan Party (i) authorizes Administrative Agent to execute any such agreements, instruments or other documents in such Loan Party's name and to file such agreements, instruments or other documents in any appropriate filing office, (ii) authorizes Administrative Agent to file any financing statement required hereunder or under any other Loan Document, and any continuation statement or amendment with respect thereto, in any appropriate filing office without the signature of such Loan Party, and (iii) ratifies the filing of any financing statement, and any continuation statement or amendment with respect thereto, filed without the signature of such Loan Party prior to the date hereof.

Section 5.22 Bulk Sales, Liquidations or Other Dispositions of the Inventory.

(a) Each Loan Party shall consult with the Administrative Agent before making any bulk sales, liquidations or other Dispositions of the Inventory of a Loan Party not in the ordinary course of business and shall provide Gordon Brothers Retail Partners, LLC or its Affiliate (collectively, "GBRP") a right of first refusal to be the liquidation agent with respect to such sale, liquidation or other Disposition in accordance with the Consulting Agreement.

(b) If, after complying with the right of first refusal in Section 5.22(a) GBRP is not the liquidation agent with respect to such sale, liquidation or other Disposition, then:

(i) Each Loan Party shall ensure that the terms of such sale, liquidation or other Disposition (including the liquidation agent with respect thereto) are reasonably acceptable to the Administrative Agent.

(ii) Each Loan Party shall provide GBRP, in its sole discretion, the right to supervise and advise the Loan Party and the selected liquidation agent in all such bulk sales, liquidations or other Dispositions.

(c) If an Event of Default has occurred and is continuing, the Borrower shall retain GBRP (or another liquidation agent acceptable to the Administrative Agent and on terms reasonably acceptable to the Administrative Agent) in connection with any sales, liquidation or other Disposition of Collateral.

(d) Without limiting the foregoing, each Loan Party shall provide the Administrative Agent with the right to determine, in its sole discretion after consultation with the Borrower, whether GBRP must be involved in any particular sale, liquidation or other Disposition.

(e) The Borrower hereby acknowledges that certain Affiliates of and/or direct and indirect equity holders in or advisors to the Administrative Agent (including GBRP) (collectively, "Lender Service Parties") may from time to time be retained to provide services to the Administrative Agent concerning the Borrower or other business entities (including consulting or analytic services, appraisals, purchases, sales and other dispositions of Inventory, real property, financial instruments and other assets of public and private companies), and such Lender Service Parties may provide such services to Lender or its borrowers on ordinary and customary market terms. Nothing herein shall preclude the Lender Service Parties from engaging in the above-referenced ordinary course business transactions conducted without use of or reference to the confidential information provided to the Administrative Agent hereunder. Nothing contained herein shall limit or preclude the Lender Service Parties or any of their respective Affiliates from providing services to or doing business with the Borrower or any other party, including any competitor, supplier or customer of the Borrower. None of the Lender Service Parties has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Borrower with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document, and none of the Lender Service Parties has any obligation or duty to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby. The Borrower hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against each of the Lender Service Parties with respect to any breach or alleged breach of agency or fiduciary duty, other than any claims resulting from the gross negligence or willful misconduct of such Lender Service Parties.

(f) Each Loan Party shall, as requested in writing (which may be by email) by the Administrative Agent, make all information related to any sale, liquidation or other Disposition referred to in Section 5.22(a) available to the Administrative Agent. Such information shall be provided to the Administrative Agent within five (5) Business Days of such written request; provided that the Administrative Agent may request ongoing disclosure of certain information, and such information shall be provided to the Administrative Agent within five (5) Business Days of receipt by such Loan Party. Additionally, each Loan Party shall, regarding any such sale, liquidation or other Disposition, make available to the Administrative Agent on a weekly basis, report net sales, gross sales, cost of goods sold and units sold, in each case, broken down by product category to the Administrative Agent, within seven (7) days following the conclusion of the applicable reporting week.

Section 5.23 Equity Raise. The Borrower shall have received cash proceeds of at least \$10,000,000 pursuant to an equity investment on terms and

pursuant to documentation in form and substance acceptable to Administrative Agent in its Permitted Discretion on or before April 1, 2025.

Section 5.24 Real Estate Services. Upon the Effective Date, or promptly thereafter, the Loan Parties will engage Gordon Brothers Realty Services, LLC, or its affiliate, pursuant to a mutually agreeable services agreement or similar agreements, pursuant to which Gordon Brothers Realty Services, LLC will provide services in connection with the Loan Parties' locations, as more particularly set forth therein (collectively, the "GBRS Agreements").

Section 5.25 Rent Payments. The Loan Parties shall ensure that all rent any other fee obligations arising under each lease agreement between a landlord and any Loan Party with respect to Real Property where any Collateral is located are fully paid and satisfied in accordance with the terms and conditions of such lease agreements, unless as otherwise agreed to by the Administrative Agent.

Section 5.26 Capitalization. The Borrower shall ensure that, at all times after the Effective Date, (i) the authorized Equity Interests of the Borrower and each of its Subsidiaries and the issued and outstanding Equity Interests of the Borrower and each of its Subsidiaries are maintained in compliance with the disclosures set forth on Schedule 4.05, (ii) that neither the Borrower nor any of its Subsidiaries shall issue, directly or indirectly, any additional shares of Equity Interests, convertible or exchangeable securities, warrants, options, or other rights for the purchase or acquisition of Equity Interests (unless such Equity Interests are pledged to the Administrative Agent for the benefit of the Secured Parties), except as expressly disclosed on Schedule 4.05 or as otherwise permitted under this Agreement and (iii) shall promptly update Schedule 4.05 to reflect any changes in the foregoing and shall provide written notice of such changes to the Administrative Agent.

Section 5.27 Financial Advisor. The Borrower shall retain FTI Capital Advisors, or such other financial advisor acceptable to Administrative Agent, for the duration of the term of this Agreement or such other period acceptable to Administrative Agent.

Section 5.28 Certain Post-Closing Obligations. As promptly as practicable, and in any event within the time periods after the Effective Date specified

below, or such later date as the Administrative Agent reasonably agrees to in writing, deliver the documents or take the actions specified below:

(a) on or before January 13, 2025, the Borrower shall provide a comprehensive real estate plan in form and substance satisfactory to Administrative Agent in connection with the GBRS Agreements;

(b) on or before January 13, 2025, the Borrower shall provide an initial statement of work and additional action plans, each in form and substance satisfactory to the Administrative Agent in connection with the Consulting Agreement;

(c) within forty-five (45) days following the Effective Date, the Borrower shall provide all required insurance endorsements in form and substance acceptable to the Administrative Agent;

(d) within ten (10) Business Days following the Effective Date, Peavey Industries General Partner Limited and the Borrower shall deliver a control agreement pursuant to Section 3.4(d)(v) of the Security Agreement, regarding the uncertificated general partner unit(s) of the Borrower being pledged by Peavey Industries Limited, in a form satisfactory to the Administrative Agent;

(e) within ten (10) Business Days following the Effective Date, Peavey Industries Limited shall deliver to the Administrative Agent, an executed copy of Peavey Industries Limited's Limited Recourse Guarantee and Pledge, together with the original limited partner units and the wet-ink executed stock transfer powers corresponding to the pledged units; and

(f) within ten (10) Business Days following the Effective Date, MFT shall deliver to the Administrative Agent, an executed copy of MFT's Limited Recourse Guarantee and Pledge, together with the original limited partner units and the wet-ink executed stock transfer powers corresponding to the pledged units.

ARTICLE VI

NEGATIVE COVENANTS

Until the Termination Date, no Loan Party shall (and for these purposes, references to "Subsidiaries" shall exclude the Excluded Subsidiaries unless otherwise indicated):

Section 6.01 Liens. Create, incur, assume or suffer to exist, any Lien upon or with respect to any of its properties, whether now owned or hereafter acquired; sign or suffer to exist any security agreement authorizing any secured party

thereunder to file such financing statement (or the equivalent thereof) other than, as to all of the above, Permitted Liens.

Section 6.02 Indebtedness. Create, incur, assume, guarantee or suffer to exist, or otherwise become or remain liable with respect to, any Indebtedness other than Permitted Indebtedness.

Section 6.03 Fundamental Changes; Dispositions.

(a) Wind-up, liquidate or dissolve, or merge, consolidate or amalgamate with any Person, including by means of a “plan of division” under the Delaware Limited Liability Company Act or any comparable transaction under any similar law, in each case, in one transaction or a series of transactions; provided, however, that, so long as no Default or Event of Default shall have occurred or be continuing:

(i) any Loan Party may merge into or consolidate or amalgamate with any Loan Party or other Subsidiary; provided that (i) in the case of a merger, consolidation or amalgamation involving the Borrower, the Borrower shall be a continuing or surviving entity of such merger or, consolidation or amalgamation, and (ii) in the case of a merger, consolidation or amalgamation involving any Loan Party (other than the Borrower), such Loan Party shall be a continuing or surviving entity of such merger, consolidation or amalgamation;

(ii) any Loan Party may Dispose of all or substantially all of its assets to any other Loan Party; and

(iii) any Guarantor may wind-up, liquidate or dissolve so long as any remaining assets of such Guarantor are transferred to another Loan Party; provided that, in each case, the Borrower determines in good faith that such winding-up, liquidation or dissolution is in the best interests of the Loan Parties and their Subsidiaries and is not disadvantageous to the Administrative Agent or any Secured Party in any material respect.

(b) Make any change in the nature of its business as described in Section 4.12.

(c) [Reserved]

(d) Modify or change, or permit any of its Subsidiaries to modify or change, its method of accounting or accounting principles from those utilized in the preparation of the financial statements provided in accordance with Section 5.01 (other than as may be required to conform to GAAP or as contemplated by Section 1.04).

(e) Change the Fiscal Year of the Loan Parties to end on a date other than the last Saturday in December of each calendar year unless the Administrative Agent consents to a change in such Fiscal Year (and appropriate related changes to this Agreement).

(f) Make any Disposition, whether in one transaction or a series of related transactions, of all or any part of its business, property or assets, whether now owned or hereafter

acquired (or agree to do any of the foregoing); provided, however, that any Loan Party may make Permitted Dispositions.

Section 6.04 Investments. Make or commit or agree to make any Investment except for Permitted Investments.

Section 6.05 Sale and Leaseback Transactions. Enter into any Sale and Leaseback Transaction.

Section 6.06 Restricted Payments. Make any Restricted Payment other than Permitted Restricted Payments.

Section 6.07 Transactions with Affiliates. Enter into, renew, extend or be a party to any transaction or series of related transactions (including the purchase, sale, lease, transfer or exchange of property or assets of any kind or the rendering of services of any kind) with any Affiliate, except (a) transactions consummated in the ordinary course of business in a manner and to an extent consistent with past practice and necessary or desirable for the prudent operation of its business, for fair consideration and on terms no less favorable to it than would be obtainable in a comparable arm's length transaction with a Person that is not an Affiliate thereof, (b) transactions with another Loan Party, (c) sales of Qualified Equity Interests of the Borrower to Affiliates of the Borrower not otherwise prohibited by the Loan Documents and the granting of registration and other customary rights in connection therewith, (d) reasonable and customary director and officer compensation (including bonuses and stock option programs), benefits, reimbursement and indemnification arrangements in each case approved by the Board of Directors (or a committee thereof) of such Loan Party and reflected in cash flows.

Section 6.08 Restrictive Agreements. Create or otherwise cause, incur, assume, suffer or permit to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Loan Party (a) to pay dividends or to make any other distribution on any shares of Equity Interests of any Loan Party, (b) to pay or prepay or to subordinate any Indebtedness owed to any Loan Party, (c) to make loans or advances to any Loan Party, (d) to transfer any of its property or assets to any Loan Party, or (e) to create, incur or permit to exist any Lien under the Security Documents; provided, however, that nothing in any of clauses (a) through (d) of this Section 6.08 shall prohibit or restrict compliance with (i) this Agreement and the other Loan Documents; (ii) any agreement in effect on the date of this Agreement and described on Schedule 6.08, or any extension, replacement or continuation of any such agreement; provided, that, any such encumbrance or restriction contained in such extended, replaced or continued agreement is no less favorable to the Administrative Agent and the Secured Parties than the encumbrance or restriction under or pursuant to the agreement so extended, replaced or continued; (iii) any Applicable Law; (iv) in the case of clause (d), customary restrictions (A) on the subletting, assignment or transfer of any specified property or asset set forth in a lease, license, asset sale agreement or similar contract for the conveyance of such property or asset and (B) imposed by agreements relating to a Permitted Lien (or the

Indebtedness secured thereby) restricting on customary terms the transfer of any property or assets subject thereto; (v) customary restrictions on dispositions of real property interests in reciprocal easement agreements; and (vi) customary restrictions in agreements for the sale of assets on the transfer or encumbrance of such assets during an interim period prior to the closing of the sale of such assets.

Section 6.09 Amendments of Material Documents. Amend, supplement, modify or waive any of its rights under any of its Governing Documents, any Material Contract, in each case, other than immaterial amendments, modifications or waivers that would not reasonably be expected to have a Material Adverse Effect, provided that the Borrower shall deliver or cause to be delivered to the Administrative Agent and each Lender a copy of all amendments, modifications or waivers thereto promptly after the execution and delivery thereof.

Section 6.10 Use of Proceeds.

(a) The proceeds of the Loans shall not be used for any purpose other than for (i) on the Effective Date, to indefeasibly payout in full the Existing Credit Facility and to pay transaction fees and expenses in connection therewith and this Agreement and (b) at all other times, for ongoing working capital and other general corporate purposes not inconsistent with the terms hereof or in contravention of any Applicable Law or any other Loan Document.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, (i) to purchase, acquire or carry any Margin Stock or (ii) for any purpose that entails a violation of any of the regulations of the Board, including Regulation T, Regulation U, and Regulation X. The Borrower will not request any Loan, and the Borrower shall not use, and shall ensure that each Loan Party, their respective Subsidiaries and their respective directors, officers, employees and agents shall not use, the proceeds of any Loan (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or (B) in any manner that would result in the violation of any Anti-Money Laundering Laws, applicable Sanctions or any Anti-Terrorism Laws by any Person, including any Secured Party.

Section 6.11 Payments on Certain Debt. Except for the Obligations and the transactions contemplated by Section 3.01, (a) make any voluntary or optional payment (including any payment of interest in cash that, at the option of the issuer, may be paid in cash or in kind), prepayment, redemption, defeasance, sinking fund payment or other acquisition for value of any of its Indebtedness (including by way of depositing money or securities with the trustee therefor before the date required for the purpose of paying any portion of such Indebtedness when due), (b) refinance, replace or exchange any other Indebtedness for any such Indebtedness (other than with respect to Permitted Refinancing Indebtedness), (c) make any payment, prepayment, redemption, defeasance, sinking fund payment or repurchase of any Subordinated Indebtedness in violation of the subordination provisions thereof or any subordination agreement with respect thereto, or (d) make any payment, prepayment, redemption, defeasance, sinking fund payment

or repurchase of any Indebtedness as a result of any asset sale, change of control, issuance and sale of debt or equity securities or similar event, or give any notice with respect to any of the foregoing, in each case other than with the proceeds of Equity Interests.

Section 6.12 Financial Covenants.

(a) Minimum Sales. The Borrower's actual sales, calculated on a trailing 3-week basis, shall not be less than 85% of the amount set forth in the Budget.

(b) Minimum Collections. The Borrower's actual cash collected from accounts receivables, calculated on a trailing 3-week basis, shall not be less than 85% of the amount set forth in the Budget.

(c) Minimum Inventory Receipts. Borrower's actual inventory received from vendors, calculated on a trailing 3-week basis, shall not be less than 85% of the amount set forth in the Budget.

(d) Minimum Inventory Levels. Borrower's actual Inventory level on site, as at the end of each fiscal week, shall not be less than 85% of the amount set forth in the Budget.

(e) Maximum Disbursements. The maximum amount of the Borrower's total disbursements, calculated on a trailing 3-week basis, shall not exceed 115% of the disbursement set forth in the Budget.

(f) Certain Inventory Levels. Borrower fails to maintain at all times, feed inventory levels acceptable to Administrative Agent in its Permitted Discretion and necessary to maintain service to the Borrower's customer base in order to maintain the Borrower's enterprise as a going concern, and as set forth in the Budget.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.01 Events of Default. Each of the following events shall constitute an event of default (each, an "Event of Default"):

(a) any Loan Party shall fail to pay any (i) principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise, or (ii) interest on any Loan or any other Obligation when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise, and, in the case of this subclause (ii), such failure shall continue unremedied for a period of three days;

(b) any representation or warranty made or deemed made by or on behalf of any Loan Party or by any officer of the foregoing under or in connection with any Loan Document

or under or in connection with any certificate or other writing delivered to any Secured Party pursuant to any Loan Document shall have been incorrect in any material respect (or in any respect if such representation or warranty is qualified or modified as to materiality or “Material Adverse Effect” in the text thereof) when made or deemed made;

(c) any Loan Party shall fail to perform or comply with any covenant or agreement contained in Section 5.01(a), Section 5.01(b), Section 5.01(c), Section 5.01(d), Section 5.01(e), Section 5.01(f), Section 5.01(g), Section 5.01(i), Section 5.01(q), Section 5.01(r), Section 5.02, Section 5.03, Section 5.04, Section 5.05, Section 5.06, Section 5.08, Section 5.09, Section 5.13, Section 5.15, Section 5.16, Section 5.20, Section 5.21, Section 5.22, Section 5.23, [Section 5.24] or Article VI, or any Loan Party shall fail to perform or comply with any covenant or agreement contained in the Security Documents to which it is a party;

(d) any Loan Party shall fail to perform or comply with any other term, covenant or agreement contained in any Loan Document to be performed or observed by it and, except as set forth in subsections (a), (b) and (c) of this Section 7.01, such failure, if capable of being remedied, shall remain unremedied for fifteen (15) days;

(e) any Loan Party shall fail to pay when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) any principal, interest or other amount payable in respect of Indebtedness (excluding Indebtedness evidenced by this Agreement) having an aggregate amount outstanding in excess of \$2,000,000, and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness, or any other default under any agreement or instrument relating to any such Indebtedness, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Indebtedness; or any such Indebtedness shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), redeemed, purchased or defeased, in each case, prior to the stated maturity thereof;

(f) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Loan Party or its debts, or of a substantial part of its assets, under any Debtor Relief Law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) or an order or decree approving or ordering any of the foregoing shall be entered;

(g) any Loan Party shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Debtor Relief Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in subsection (f) of this Section 7.01, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, conservator or similar official for any Loan Party or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) take any action for the purpose of effecting any of the foregoing, or

(vii) become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(h) any material provision of any Loan Document shall at any time for any reason (other than pursuant to the express terms thereof) cease to be valid and binding on or enforceable against any Loan Party intended to be a party thereto, or the validity or enforceability thereof shall be contested by any party thereto, or a proceeding shall be commenced by any Loan Party or any Governmental Authority having jurisdiction over any of them, seeking to establish the invalidity or unenforceability thereof, or any Loan Party shall deny in writing that it has any liability or obligation purported to be created under any Loan Document;

(i) the Security Documents or any other security document, after delivery thereof pursuant hereto, shall for any reason fail or cease to create a valid and perfected and, except to the extent permitted by the terms hereof or thereof, first priority Lien in favor of the Administrative Agent for the benefit of the Secured Parties on any Collateral purported to be covered thereby;

(j) one or more judgments, orders or awards (or any settlement of any litigation or other proceeding that, if breached, could result in a judgment, order or award) for the payment of money exceeding \$2,000,000 in the aggregate (except to the extent fully covered (other than to the extent of customary deductibles) by insurance pursuant to which the insurer has been notified and has not denied coverage) shall be rendered against any Loan Party and remain unsatisfied and (i) enforcement proceedings shall have been commenced by any creditor upon any such judgment, order, award or settlement or (ii) there shall be a period of forty-five (45) consecutive days after entry thereof during which (A) a stay of enforcement thereof is not be in effect or (B) the same is not vacated, discharged, stayed or bonded pending appeal;

(k) any Loan Party is enjoined, restrained or in any way prevented by the order of any court or any Governmental Authority from conducting, or otherwise ceases to conduct for any reason whatsoever, all or substantially all of its business for more than 30 days, except if such cessation is fully covered by business interruption insurance which claim has been approved by insurer;

(l) the indictment, or the threatened indictment of any Loan Party or Subsidiary, or any Responsible Officer thereof under any criminal statute, or commencement or threatened commencement of criminal or civil proceedings against any Loan Party or Subsidiary, or any Responsible Officer thereof, pursuant to which statute or proceedings the penalties or remedies sought or available include forfeiture to any Governmental Authority of any material portion of the property of such Person;

(m) (i) an ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of any Loan Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in excess of \$100,000 or any fine, penalty, Tax, or damage is imposed on any Loan Party in excess of \$100,000 with respect to, or arising from the operation of, a Plan or (ii) a Canadian Pension Event occurs with respect to a Canadian Pension Plan which has resulted or could reasonably be expected to result in liability of any Loan Party in the aggregate amount in excess of \$100,000;

(n) a Change of Control shall have occurred;

(o) an event or development occurs which could reasonably be expected to have a Material Adverse Effect;

(p) the subordination provisions of any agreement or instrument governing any Subordinated Indebtedness shall for any reason be revoked or invalidated, or otherwise cease to be in full force and effect, or any Loan Party shall contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations for any reason shall not have the priority contemplated by this Agreement or such subordination provisions; or

(q) [Reserved].

then, and in any such event, the Administrative Agent may, and shall at the request of the Required Lenders, by notice to the Borrower, (i) terminate or reduce all Commitments, whereupon all Commitments shall immediately be so terminated or reduced, (ii) declare all or any portion of the Loans then outstanding to be accelerated and due and payable, whereupon all or such portion of the aggregate principal of all Loans, all accrued and unpaid interest thereon, all fees, Obligations, and all other amounts payable under this Agreement and the other Loan Documents shall become due and payable immediately, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Loan Party and (iii) exercise any and all of its other rights and remedies under Applicable Law, the UCC, the PPSA, this Agreement, and under the other Loan Documents; provided, however, that upon the occurrence of any Event of Default described in subsection (f) or (g) of this Section 7.01, without any notice to any Loan Party or any other Person or any act by Administrative Agent or any Secured Party, all Commitments shall automatically terminate and all Loans then outstanding, together with all accrued and unpaid interest thereon, all fees, Obligations, and all other amounts due under this Agreement and the other Loan Documents, shall be accelerated and become due and payable automatically and immediately, without presentment, demand, protest or notice of any kind, all of which are expressly waived by each Loan Party.

All rights and remedies of Administrative Agent or any other Secured Party contained in the Loan Documents, the UCC, the PPSA, and under Applicable Law attendant upon the occurrence of any Default or Event of Default are cumulative and not in derogation or substitution of each other. In particular, the foregoing rights and remedies of Administrative Agent and the other Secured Parties may be exercised at any time and from time to time, concurrently or in any order, and shall not be exclusive of any other rights or remedies that Administrative Agent or the other Secured Parties may have, whether under any Loan Document, the UCC, the PPSA, or Applicable Law and shall include the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by any Loan Party of this Agreement or any of the other Loan Documents. Administrative Agent and the other Secured Parties may at any time or times, proceed directly against any Loan Party to collect the Obligations without prior recourse to any other Loan Party or the Collateral. All rights and remedies of Administrative Agent and the other Secured Parties shall continue in full force and effect until the Termination Date.

Section 7.02 [Reserved].

ARTICLE VIII

AGENCY

Section 8.01 Appointment and Authority. Each of the Lenders hereby irrevocably appoints Gordon Brothers to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Except as otherwise provided in Section 8.06(b), the provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders, and no Loan Party shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

Section 8.02 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its branches and Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, any Loan Party or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 8.03 Exculpatory Provisions.

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to

exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its branches or Affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 7.01 and Section 10.02), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to the Administrative Agent in writing by the Borrower or a Lender.

(c) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 8.04 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such

Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 8.05 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of this Agreement as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 8.06 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor.. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “Resignation Effective Date”), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the “Removal Effective Date”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (ii) except for any

indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 and Section 10.15 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

Section 8.07 Non-Reliance on Administrative Agent and Other Lenders. Each Lender expressly acknowledges that the Administrative Agent has not made any representation or warranty to it, and that no act by Administrative Agent hereafter taken, including any consent to, and acceptance of any assignment or review of the affairs of any Loan Party or any Affiliate thereof, shall be deemed to constitute any representation or any warranty by Administrative Agent to any Lender as to any matter, including whether Administrative Agent has disclosed material information in its (or its Related Parties') possession. Each Lender represents to Administrative Agent that it has, independently and without reliance upon Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis of, appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of each Loan Party, and all Applicable Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each Lender also acknowledges that it will, independently and without reliance upon Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties. Each Lender represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility and certain other facilities set forth herein and (ii) it is engaged in making, acquiring or holding commercial loans, issuing or participating in letters of credit or providing other similar facilities in the ordinary course and is entering into this Agreement as a Lender for the purpose of making, acquiring or holding commercial loans, issuing or participating in letters of credit and providing other facilities set forth herein as may be applicable to such Lender, and not for the

purpose of purchasing, acquiring or holding any other type of financial instrument, and each Lender agrees not to assert a claim in contravention of the foregoing. Each Lender represents and warrants that it is sophisticated with respect to decisions to make, acquire or hold commercial loans, issue or participate in letters of credit and to provide other facilities set forth herein, as may be applicable to such Lender, and either it, or the Person exercising discretion in making its decision to make, acquire or hold such commercial loans, issue or participate in letters of credit or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans, issue or participate in letters of credit or providing such other facilities. Each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on the Administrative Agent to carry out such Lender's, Affiliate's, participant's or assignee's customer identification program, or other requirements imposed by the USA PATRIOT Act or the regulations issued thereunder, including the regulations set forth in 31 C.F.R. §§ 1010.100(yy), (iii), 1020.100, and 1020.220 (formerly 31 C.F.R. § 103.121), as hereafter amended or replaced ("CIP Regulations"), or any other Anti-Money Laundering Laws, including any programs involving any of the following items relating to or in connection with any of the Loan Parties, their Affiliates or their agents, the Loan Documents or the transactions hereunder or contemplated hereby: (1) any identity verification procedures, (2) any recordkeeping, (3) comparisons with government lists, (4) customer notices or (5) other procedures required under the CIP Regulations or other regulations issued under the USA PATRIOT Act. Each Lender, Affiliate, participant or assignee subject to Section 326 of the USA PATRIOT Act will perform the measures necessary to satisfy its own responsibilities under the CIP Regulations.

Section 8.08 No Other Duties. Anything herein to the contrary notwithstanding, no agent listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

Section 8.09 Bankruptcy Matters.

(a) Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Section 10.04 and Section 10.15) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, interim receiver, receiver and manager, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 10.04 and Section 10.15.

(b) Credit Bids. The holders of the Obligations hereby irrevocably authorize Administrative Agent, acting at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of all or some of the Obligations pursuant to a deed in lieu of foreclosure, strict foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including Sections 363, 1123 or 1129 thereof, or any similar Applicable Law in any other jurisdictions to which a Loan Party is subject, or (b) at any sale or foreclosure or acceptance of collateral in lieu of Indebtedness conducted by (or with the consent of, or at the direction of) Administrative Agent (whether by judicial action or otherwise) in accordance with any Applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the holders thereof shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or Indebtedness instruments of the acquisition vehicle(s) used to consummate such purchase). In connection with any such credit bid (i) Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle(s) (provided that any actions by Administrative Agent with respect to such acquisition vehicle(s), including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement) and (iii) to the extent that any Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (whether as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of Indebtedness that is credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the holders of the Obligations pro rata and the Equity Interests or Indebtedness instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled without the need for any Lender or any acquisition vehicle to take any further action.

Section 8.10 Certain ERISA Matters.

(a) Each Lender (i) represents and warrants, as of the date such Person became a Lender party hereto, to, and (ii) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the

Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement;

(ii) the prohibited transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable so as to exempt from the prohibitions of Section 406 of ERISA and Section 4975 of the Code such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement;

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

Section 8.11 Erroneous Payments.

(a) If the Administrative Agent (i) notifies a Lender or any Person who has received funds on behalf of a Lender (any such Lender or other recipient (and each of their respective successors and assigns), a “Payment Recipient”) that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds (as set forth in such notice from the Administrative Agent) received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an “Erroneous Payment”) and (ii) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated below in this Section 8.11 and held in trust for the benefit of the Administrative Agent, and such Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender or any Person who has received funds on behalf of a Lender (and each of their respective successors and assigns), agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (i) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (ii) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (iii) that such Lender or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately preceding clauses (i) or (ii), an error and mistake shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (iii)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender shall (and shall use commercially reasonable efforts to cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (i), (ii) and (iii)) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 8.11(b).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this Section 8.11(b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 8.11(a) or on whether or not an Erroneous Payment has been made.

(c) Each Lender hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender under any Loan Document with respect to any payment of principal, interest, fees or other amounts, against any amount that the Administrative Agent has demanded to be returned under immediately preceding clause (a).

(d) The parties hereto agree that (i) irrespective of whether the Administrative Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Lender, to the rights and interests of such Lender, as the case may be) under the Loan Documents with respect to such amount (the "Erroneous Payment Subrogation Rights") and (ii) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by any Loan Party; provided that this Section 8.11 shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations of the Loan Parties relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by the Administrative Agent; provided, further, that for the avoidance of doubt, immediately preceding clauses (i) and (ii) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from, or on behalf of (including through the exercise of remedies under any Loan Document), the Loan Parties for the purpose of a payment on the Obligations.

(e) To the extent permitted by Applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including any defense based on "discharge for value" or any similar doctrine.

(f) Each party's obligations, agreements and waivers under this Section 8.11 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the

repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

Section 8.12 Indemnification. To the extent that Administrative Agent or any of its Related Parties is not reimbursed and indemnified by any Loan Party, and whether or not Administrative Agent has made demand on any Loan Party for the same, the Lenders will, within five days of written demand by Administrative Agent, reimburse Administrative Agent and such Related Parties for and indemnify Administrative Agent and such Related Parties from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including client charges and expenses of counsel or any other advisor to Administrative Agent and such Related Parties), advances or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against Administrative Agent and the Related Parties in any way relating to or arising out of this Agreement or any of the other Loan Documents or any action taken or omitted by Administrative Agent and such Related Parties under this Agreement or any of the other Loan Documents, in proportion to each Lender's Pro Rata Share; provided, however, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, advances or disbursements for which there has been a final non-appealable judicial determination that such liability resulted from Administrative Agent's or such Related Party's gross negligence or willful misconduct. The obligations of the Lenders under this Section 8.12 shall survive the Termination Date.

Section 8.13 Collateral Matters.

(a) The Lenders hereby irrevocably authorize the Administrative Agent, at its option and in its discretion, to:

(i) release any Lien granted to or held by the Administrative Agent upon any Collateral (i) upon the occurrence of the Termination Date; (ii) constituting property being sold or disposed of in the ordinary course of any Loan Party's business or otherwise in compliance with the terms of this Agreement and the other Loan Documents; (iii) constituting property in which the Loan Parties owned no interest at the time the Lien was granted or at any time thereafter; or (iv) if approved, authorized or ratified in writing by the Lenders in accordance with Section 10.02;

(ii) subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the Lien of another holder on such property to the extent such Lien is a Permitted Lien referred to in clause (e) of the definition thereof; and

(iii) release any Guarantor from its obligations under the Loan Documents if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

(b) Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Administrative Agent's authority to release particular types or items of Collateral, subordinate the Administrative Agent's Liens in the Collateral, and release any Guarantor hereunder, in each case, pursuant to Section 8.13(a). Upon receipt by the Administrative Agent of confirmation from the Lenders of such authority, and upon prior written request by any Loan Party, the Administrative Agent may (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be necessary to evidence any such release or subordination; provided, however, that (i) the Administrative Agent shall not be required to execute any such document on terms which, in the Administrative Agent's opinion, would expose the Administrative Agent to liability or create any obligations or entail any consequence other than any such release or subordination without recourse or warranty, and (ii) such release or subordination shall not in any manner discharge, affect or impair the Obligations or any Lien upon (or obligations of any Loan Party in respect of, except to the extent of a release of a Guarantor permitted hereunder) all interests in the Collateral retained by any Loan Party.

(c) Anything contained in any of the Loan Documents to the contrary notwithstanding, the Loan Parties, Administrative Agent and each Lender hereby agree that (i) no Lender shall have any right individually to realize upon any of the Collateral under any Loan Document or to enforce any Guarantee, it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Administrative Agent for the benefit of the Secured Parties in accordance with the terms thereof, and (ii) in the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale, the Administrative Agent, the Administrative Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale.

(d) The Administrative Agent shall have no obligation whatsoever to any Lender to assure that the Collateral exists or is owned by the Loan Parties or is cared for, protected or insured or has been encumbered or that the Lien granted to the Administrative Agent pursuant to this Agreement or any other Loan Document has been properly or sufficiently or lawfully created, perfected, protected or enforced or is entitled to any particular priority, or to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to the Administrative Agent in this Agreement or in any other Loan Document, it being understood and agreed that in respect of the Collateral, or any act, omission or event related thereto, the Administrative Agent may act in any manner it may deem appropriate, in its sole discretion, given the Administrative Agent's own interest in the Collateral as one of the Lenders and that the Administrative Agent shall have no duty or liability whatsoever to any other Lender, except as otherwise provided herein.

(e) Administrative Agent and each Lender hereby appoints Administrative Agent and each other Lender as agent and bailee for the purpose of perfecting the security interests in and liens upon the Collateral in assets which, in accordance with Article 9 of the Uniform Commercial Code, can be perfected only by possession or control (or where the security interest of a secured party with possession or control has priority over the security interest of another secured party) and Administrative Agent and each Lender hereby acknowledges that it holds possession of or otherwise controls any such Collateral for the benefit of the Secured Parties as secured party. Should the Administrative Agent or any Lender obtain possession or control of any such Collateral, the Administrative Agent or such Lender shall notify the Administrative Agent

thereof, and, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or in accordance with the Administrative Agent's instructions. In addition, the Administrative Agent shall also have the power and authority hereunder to appoint such other sub-agents as may be necessary or required under applicable state law or otherwise to perform its duties and enforce its rights with respect to the Collateral and under the Loan Documents. Each Loan Party by its execution and delivery of this Agreement hereby consents to the foregoing.

ARTICLE IX

GUARANTEE

Section 9.01 Guarantee. Each Guarantor hereby jointly and severally and unconditionally and irrevocably guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all Obligations now or hereafter existing under any Loan Document, whether for principal, interest (including all interest that accrues after the commencement of any Insolvency Proceeding, whether or not a claim for post-filing interest is allowed in such Insolvency Proceeding), fees, commissions, expense reimbursements, indemnifications or otherwise (the "Guaranteed Obligations"), and agrees to pay any and all expenses (including reasonable counsel fees and expenses) incurred by the Secured Parties in enforcing any rights under the guarantee set forth in this Article IX. Without limiting the generality of the foregoing, each Guarantor's liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by the Loan Parties to the Secured Parties under any Loan Document but for the fact that they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any Loan Party. Notwithstanding any of the foregoing, Guaranteed Obligations shall not include any Excluded Swap Obligations. In no event shall the obligation of any Guarantor hereunder exceed the maximum amount such Guarantor could guarantee under any Debtor Relief Law.

Section 9.02 Guarantee Absolute. Each Guarantor jointly and severally guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Loan Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Secured Parties with respect thereto. Each Guarantor agrees that this Article IX constitutes a guarantee of payment when due and not of collection and waives any right to require that any resort be made by the Administrative Agent or any Lender to any Collateral. The obligations of each Guarantor under this Article IX are independent of the Guaranteed Obligations, and a separate action or actions may be brought and prosecuted against each Guarantor to enforce such obligations, irrespective of whether any action is brought against any Loan Party or whether any Loan Party is joined in any such action or actions. The liability of each Guarantor under this Article IX shall be irrevocable, absolute and unconditional irrespective of,

and each Guarantor hereby irrevocably waives any defenses it may now or hereafter have in any way relating to, any or all of the following:

- (a) any lack of validity or enforceability of any Loan Document or any agreement or instrument relating thereto;
- (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any Loan Document, including any increase in the Guaranteed Obligations resulting from the extension of additional credit to any Loan Party or otherwise;
- (c) any taking, exchange, release or non-perfection of any Collateral, or any taking, release or amendment or waiver of or consent to departure from any other guarantee, for all or any of the Guaranteed Obligations;
- (d) the existence of any claim, set-off, defense or other right that any Guarantor may have at any time against any Person, including any Secured Party;
- (e) any change, restructuring or termination of the corporate, limited liability company, unlimited liability company or partnership structure or existence of any Loan Party; or
- (f) any impossibility, impracticability, frustration of purpose, force majeure or illegality of any of the Loan Documents or the Borrower's or each Guarantor's performance in respect thereof, or the occurrence of any change in the law of any jurisdiction or by any present or future action of any Governmental Authority that amends, varies, reduces or otherwise affects, or purports to amend, vary, reduce or otherwise affect, any of the Guaranteed Obligations or the obligations of the Guarantor hereunder, or the obtaining of any court order that amends, varies, reduces or otherwise affects any of the Guaranteed Obligations or the obligations of any Guarantor hereunder; or
- (g) any other circumstance (including any statute of limitations) or any existence of or reliance on any representation by the Secured Parties that might otherwise constitute a defense available to, or a discharge of, any Loan Party or any other guarantor or surety.

This Article IX shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by Secured Parties or any other Person upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

Section 9.03 Waivers. Each Guarantor hereby waives (a) promptness and diligence, (b) notice of acceptance and any other notice with respect to any of the Guaranteed Obligations and this Article IX and any requirement that the Secured Parties exhaust any right or take any action against any Loan Party or any other Person or any Collateral, (c) any right to compel or direct any Secured Party to seek payment or recovery of any amounts owed under this Article IX from any one particular fund or source or to exhaust any right or take any action against any other Loan Party, any other Person or any Collateral, (d) any requirement that any Secured Party protect, secure, perfect or insure any security interest or Lien on any property

subject thereto or exhaust any right to take any action against any Loan Party, any other Person or any Collateral, and (e) any other defense available to any Guarantor. Each Guarantor agrees that the Secured Parties shall have no obligation to marshal any assets in favor of any Guarantor or against, or in payment of, any or all of the Obligations. Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated herein and that the waiver set forth in this Section 9.03 is knowingly made in contemplation of such benefits. Each Guarantor hereby waives any right to revoke this Article IX, and acknowledges that this Article IX is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future.

Section 9.04 Continuing Guarantee; Assignments. This Article IX is a continuing guarantee and shall (a) remain in full force and effect until the later of the cash payment in full of the Guaranteed Obligations (other than \Obligations) and all other amounts payable under this Article IX and the Termination Date, (b) be binding upon each Guarantor, its successors and assigns and (c) inure to the benefit of and be enforceable by the Secured Parties and their successors, pledgees, transferees and assigns. Without limiting the generality of the foregoing clause (c), any Lender may pledge, assign or otherwise transfer all or any portion of its rights and obligations under this Agreement (including all or any portion of its Commitments, its Loans owing to it) to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted such Lender herein or otherwise, in each case as provided in this Agreement.

Section 9.05 Subrogation. No Guarantor will exercise any rights that it may now or hereafter acquire against any Loan Party or any other guarantor that arise from the existence, payment, performance or enforcement of such Guarantor's obligations under this Article IX, including any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Secured Parties against any Loan Party or any other guarantor or any Collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including the right to take or receive from any Loan Party or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until all of the Guaranteed Obligations (other than Contingent Indemnity Obligations) and all other amounts payable under this Article IX shall have been paid in full in cash and the Termination Date shall have occurred. If any amount shall be paid to any Guarantor in violation of the immediately preceding sentence at any time prior to the later of the payment in full in cash of the Guaranteed Obligations (other than Contingent Indemnity Obligations) and all other amounts payable under this Article IX and the Termination Date, such amount shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Secured Parties to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Article IX, whether matured or unmatured, in accordance with the terms of this Agreement, or to be held as Collateral for any Guaranteed Obligations or other amounts payable under this Article IX thereafter arising. If all of the Guaranteed Obligations and all other amounts payable under this Article X shall be paid in full in

cash and the Termination Date shall have occurred, the Secured Parties will, at such Guarantor's request and expense, execute and deliver to such Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to such Guarantor of an interest in the Guaranteed Obligations resulting from such payment by such Guarantor.

Section 9.06 Contribution. All Guarantors desire to allocate among themselves, in a fair and equitable manner, their obligations arising under this Guarantee. Accordingly, in the event any payment or distribution is made on any date by a Guarantor under this Guarantee such that its Aggregate Payments exceeds its Fair Share as of such date, such Guarantor shall be entitled to a contribution from each of the other Guarantors in an amount sufficient to cause each Guarantor's Aggregate Payments to equal its Fair Share as of such date. "Fair Share" means, with respect to any Guarantor as of any date of determination, an amount equal to (a) the ratio of (i) the Fair Share Contribution Amount with respect to such Guarantor, to (ii) the aggregate of the Fair Share Contribution Amounts with respect to all Guarantors multiplied by, (b) the aggregate amount paid or distributed on or before such date by all Guarantors under this Guarantee in respect of the obligations guaranteed. "Fair Share Contribution Amount" means, with respect to any Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such Guarantor under this Guarantee that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of the Bankruptcy Code or any comparable applicable provisions of any other Debtor Relief Laws; provided, solely for purposes of calculating the "Fair Share Contribution Amount" with respect to any Guarantor for purposes of this Section 9.06, any assets or liabilities of such Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such Guarantor. "Aggregate Payments" means, with respect to any Guarantor as of any date of determination, an amount equal to (A) the aggregate amount of all payments and distributions made on or before such date by such Guarantor in respect of this Guarantee (including in respect of this Section 9.06), minus (B) the aggregate amount of all payments received on or before such date by such Guarantor from the other Guarantors as contributions under this Section 9.06. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Guarantor. The allocation among Guarantors of their obligations as set forth in this Section 9.06 shall not be construed in any way to limit the liability of any Guarantor

hereunder. Each Guarantor is a third-party beneficiary to the contribution agreement set forth in this Section 9.06.

ARTICLE X

MISCELLANEOUS

Section 10.01 Notices, Etc.

(a) Notices Generally. All notices and other communications provided for hereunder shall be in writing and shall be delivered by hand, sent by registered or certified mail (postage prepaid, return receipt requested), overnight courier, or electronic mail, sent to the respective address set forth below (or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties complying as to delivery with the terms of this Section):

if to any Loan Party, to it at the following address:

Peavey Industries LP
 c/o Peavey Industries General Partner Limited
 7740 40 Ave.
 Red Deer, AB T4P 2H9
 Attention: Doug Anderson

E-mail: Doug.Anderson@Peaveyindustries.com

if to the Administrative Agent, to it at the following address:

1903P Loan AGENT, LLC
 Attention: Kyle C. Shonak, Senior Managing Director
 E-mail: kshonak@gordonbrothers.com

with a copy to (which shall not constitute notice):

MILLER THOMSON LLP
 Attention: Ken Rosenstein
 E-mail: krosenstein@millerthomson.com

if to any Lender, to it at the address set forth in its Administrative Questionnaire

All notices or other communications sent in accordance with this Section, shall be deemed received on the earlier of the date of actual receipt or three Business Days after the deposit thereof in the mail; provided, that (i) notices sent by overnight courier service shall be deemed to have been given when received and (ii) notices by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient), provided, further that notices to the Administrative Agent pursuant to Article II shall not be effective until received by Administrative Agent.

(b) Electronic Communications.

(i) The Administrative Agent and the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication.

(ii) Unless the Administrative Agent otherwise prescribes, (A) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (B) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (A), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (A) and (B) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

Section 10.02 Amendments, Etc.

(a) Except as provided in Section 2.05(f), Section 2.07, or Section 2.12, or this Section 10.02, no amendment, consent or waiver of any provision of this Agreement or any other Loan Document (excluding the Fee Letter, the Consignments Documents, the Consulting Agreements and the GBRs Agreements), and no consent to any departure by any Loan Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent, the Required Lenders, and the Loan Parties; provided, that no such agreement shall:

(i) extend or increase the Commitment of any Lender, reduce the principal of, or interest on, the Loans payable to any Lender, reduce the amount of any fee payable for the account of any Lender, or postpone or extend any scheduled date fixed for

any payment of principal of, or interest or fees on, the Loans payable to any Lender, in each case, without the written consent of such Lender;

(ii) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Loans that is required for the Lenders or any of them to take any action hereunder without the written consent of each Lender;

(iii) amend the definition of “Required Lenders” or “Pro Rata Share” without the written consent of each Lender;

(iv) release all or a substantial portion of the Collateral (except as otherwise provided in this Agreement and the other Loan Documents), subordinate any Lien granted in favor of the Administrative Agent for the benefit of the Secured Parties (except as otherwise provided in this Agreement and the other Loan Documents), or release any Loan Party (except as otherwise provided in this Agreement and the other Loan Documents), in each case, without the written consent of each Lender; provided, that the Required Lenders may elect to release all or a substantial portion of the Collateral without the requirement to obtain the written consent of each Lender if such release is in connection with (i) an exercise of remedies by the Administrative Agent at the direction of the Required Lenders pursuant to Section 7.01 or (ii) any Disposition of all or a substantial portion of the Collateral by one or more of the Loan Parties with the consent of the Required Lenders after the occurrence and during the continuance of an Event of Default so long as such Disposition is conducted in a commercially reasonable manner as if such Disposition were a disposition of collateral by a secured creditor in accordance with Article 9 of the UCC and/or the PPSA, as applicable;

(v) change Section 2.16(b) or Section 2.17 in a manner that would alter the pro rata sharing of payments required thereby or change Section 2.18, in each case, without the written consent of each Lender directly and adversely affected thereby; or

(vi) make any modification to the definition of the term “Revolving Borrowing Base” (or any defined term used in the definition of “Revolving Borrowing Base”) which would have the effect of increasing the availability thereunder to the Loan Parties (other than changes in Reserves implemented by the Administrative Agent in accordance with the terms of this Agreement), without the written consent of all Revolving Loan Lenders.

(b) Notwithstanding anything to the contrary in the preceding subsection (a) of this Section 10.02:

(i) if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical nature, in each case, in any provision of the Loan Documents, then the Administrative Agent and the Borrower shall be permitted to amend such provision, and, in each case, such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders to the Administrative Agent within five (5) Business Days following receipt of notice thereof;

(ii) no amendment, waiver or consent shall affect the rights or duties under this Agreement or the other Loan Documents of the Administrative Agent, unless in writing executed by the Administrative Agent (but not in its capacity as a Lender);

(iii) any Control Agreement, Guarantee, Security Document, Collateral Access Agreement or other agreement or document purporting to create or perfect a security interest in any of the Collateral (a “Collateral Document”) may be amended, waived or otherwise modified with the consent of the Administrative Agent and the applicable Loan Party without the need to obtain the consent of any Lender or any other Person if such amendment, modification, supplement or waiver is delivered in order (A) to comply with local Applicable Law (including foreign law or regulatory requirements) or advice of local counsel, (B) to cure any ambiguity, inconsistency, omission, mistake or defect or (C) to cause such Collateral Document to be consistent with this Agreement and the other Loan Documents;

(iv) no consent of any Loan Party shall be required to change any order of priority set forth in Section 2.18; and

(v) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent that by its terms requires the consent of all the Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (A) the Commitment of any Defaulting Lender may not be increased or extended, or the maturity of any of its Loans may not be extended, the rate of interest on any of its Loans may not be reduced and the principal amount of any of its Loans may not be forgiven, in each case without the consent of such Defaulting Lender and (B) any amendment, waiver or consent requiring the consent of all the Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than the other affected Lenders shall require the consent of such Defaulting Lender.

Section 10.03 No Waiver; Remedies, Etc. No failure on the part of the Administrative Agent or any Lender to exercise, and no delay in exercising, any right hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right under any Loan Document preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of the Administrative Agent and the Lenders provided herein and in the other Loan Documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights of the Administrative Agent and the Lenders under any Loan Document against any party thereto are not conditional or contingent on any attempt by the Administrative Agent and the Lenders to exercise any of their rights under any other Loan Document against such party or against any other Person. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by Section 10.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any

Default or Event of Default, regardless of whether any Secured Party may have had notice or knowledge of such Default or Event of Default at the time.

Section 10.04 Expenses; Attorneys' Fees. The Loan Parties will pay on demand, all out-of-pocket costs and expenses incurred by or on behalf of the Administrative Agent (and, in the case of clauses (b) through (k) below, each Lender), including reasonable fees, costs, client charges and expenses of counsel for the Administrative Agent (and, in the case of clauses (b) through (k) below, each Lender), accounting, due diligence, periodic field audits, physical counts, valuations, investigations, searches and filings, monitoring of assets, appraisals of Collateral, the rating of the Loans, title searches and reviewing environmental assessments, miscellaneous disbursements, examination, travel, lodging and meals, arising from or relating to: (a) the negotiation, preparation, execution, delivery, performance and administration of this Agreement and the other Loan Documents, (b) any requested amendments, waivers or consents to this Agreement or the other Loan Documents whether or not such documents become effective or are given, (c) the preservation, protection or enforcement of the Administrative Agent's or any of the Lenders' rights under this Agreement or the other Loan Documents, including in connection with any workout or restructuring, or negotiations in connection therewith, (d) the defense of any claim or action asserted or brought against the Administrative Agent or any Lender by any Person that arises from or relates to this Agreement, any other Loan Document, the Administrative Agent's or the Lenders' claims against any Loan Party, or any and all matters in connection therewith, (e) the commencement or defense of, or intervention in, any court proceeding arising from or related to this Agreement or any other Loan Document, (f) the filing of any petition, complaint, answer, motion or other pleading by the Administrative Agent or any Lender, or the taking of any action in respect of the Collateral or other security, in connection with this Agreement or any other Loan Document, (g) the protection, collection, lease, sale, taking possession of or liquidation of, any Collateral or other security in connection with this Agreement or any other Loan Document, (h) any attempt to enforce any Lien or security interest in any Collateral or other security in connection with this Agreement or any other Loan Document, (i) any attempt to collect from any Loan Party, (j) the rating of the Loans by one or more rating agencies in connection with any Lender's Securitization, and (k) the receipt by the Administrative Agent or any Lender of any advice from professionals with respect to any of the foregoing. Without limitation of the foregoing or any other provision of any Loan Document: (i) the Borrower agrees to pay all broker fees that may become due in connection with the transactions contemplated by this Agreement and the other Loan Documents and (ii) if the Borrower fails to perform any covenant or agreement contained herein or in any other Loan Document, the Administrative Agent may itself perform or cause performance of such covenant or agreement, and the expenses of Administrative Agent incurred in connection therewith shall be reimbursed on demand by the Loan Parties. The obligations of the Loan Parties under this Section 10.04 shall survive the Termination Date.

Section 10.05 Right of Set-off. If an Event of Default shall have occurred and be continuing, each Lender and each of its respective branches and Affiliates is hereby authorized at any time and from time to time, to the fullest extent

permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender or any such branch or Affiliate, to or for the credit or the account of any Loan Party against any and all of the obligations of any Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or its respective branches or Affiliates, irrespective of whether or not such Lender, branch or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Loan Party may be contingent or unmatured or are owed to a branch office or Affiliate of such Lender different from the branch office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (a) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.14 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (b) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and its respective branches and Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or its respective branches and Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 10.06 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 portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 10.07 Assignments and Participations.

(a) This Agreement and the other Loan Documents shall be binding upon and inure to the benefit of each Loan Party, the Administrative Agent, and each Lender and their respective successors and assigns; provided, however, that none of the Loan Parties may assign or transfer any of its rights or obligations hereunder or under the other Loan Documents without the prior written consent of the Administrative Agent and each Lender and any such assignment without the Administrative Agent's and the Lenders' prior written consent shall be null and void, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder or under the other Loan Documents except (i) to an assignee in accordance Section 10.07(b), (ii) by way of participation in accordance with the provisions of Section 10.07(d), or (iii) by way of pledge or assignment of a security interest in accordance with Section 10.07(e).

(b) Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Term Loan

Commitment, Revolving Credit Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or contemporaneous assignments to Related Funds (determined after giving effect to such assignments) that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or a Related Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, in the case of any assignment in respect of a Revolving Credit Commitment, or \$5,000,000, in the case of any assignment in respect of a Term Loan Commitment, unless the Administrative Agent otherwise consents.

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among the Revolving Loans and the Term Loans on a non-pro rata basis.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and the consent of the Administrative Agent shall be required for assignments in respect of (1) a Lender's Revolving Credit Commitment or if such assignment is to a Person that is not a Lender with a Commitment in respect of such facility, an Affiliate of such Lender or a Related Fund with respect to such Lender or (2) a funded Term Loan to a Person who is not a Lender, an Affiliate of a Lender or a Related Fund.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500, and the assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. In addition, each assignee shall, on or before the effective date of such assignment, deliver to the Borrower and the Administrative Agent certification as to exemption from deduction or withholding of any United States Taxes in accordance with Section 2.08.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of their respective Affiliates or Subsidiaries, (B) any Defaulting Lender or any of its Subsidiaries, Affiliates, or Related Funds, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof, or (C) a Person who, at the time of such assignment, is a Sanctioned Person if such assignment would violate Applicable Law.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person).

(vii) Certain Additional Payments. In connection with any assignment of the rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or sub-participations, or other compensating actions, including funding, with the prior written consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (A) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon) and (B) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Pro Rata Share. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 2.08, Section 10.04, and Section 10.15 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive absent manifest error, and the Loan Parties, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Loan Parties and any Lender, at any reasonable time and from time to time upon reasonable prior notice. It is intended that the Register and any Participant Register be maintained such that Loans are in “registered form” for the purposes of the Code.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than (i) a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person), (ii) the Borrower or any of Borrower’s Affiliates or Subsidiaries, (iii) any Defaulting Lender or any of its Subsidiaries, or (iv) a Person who, at the time of such participation, is a Sanctioned Person if the sale of such participation would violate Applicable Law) (each, a “Participant”) in all or a portion of such Lender’s rights and/or obligations under this Agreement (including all or a portion of its Revolving Credit Commitment, Term Loan Commitment and/or the Loans owing to it); provided that (A) such Lender’s obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (C) the Loan Parties, the Administrative Agent and each Secured Party shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, consent or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, consent or waiver described in Section 10.02(a) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Section 2.08, Section 2.09 and Section 2.11 (subject to the requirements and limitations therein, including the requirements under Section 2.08 (it being understood that the documentation required under Section 2.08(g) shall be delivered to the participating Lender who shall hold such documentation on behalf of itself, the Administrative Agent, and the Borrower)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 2.13 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Section 2.08, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower’s request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.13(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.05 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.17 as though it were a Lender. Each Lender that

sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or loans made to, or other indebtedness issued by, such Lender pursuant to a securitization transaction (including any structured warehouse credit facility, collateralized loan obligation transaction or similar facility or transaction, and including any further securitization of the indebtedness or equity issued under such a transaction) (a "Securitization"); provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. The Loan Parties shall cooperate with such Lender and its Affiliates to effect a Securitization, including by providing such information as may be reasonably requested by such Lender in connection with the rating of its Loans or any Securitization.

(f) Transactions Among Gordon Brothers Affiliates. Notwithstanding anything in this Agreement or any other Loan Document to the contrary, (i) neither Gordon Brothers nor any Affiliate thereof (each, a "GB Party") shall be required to comply with this Section 10.07 (except for the recording of any such transaction in the Register) in connection with any transaction involving any GB Party or any of its or their lenders or funding or financing sources, and no GB Party shall have any obligation to disclose any such transaction to any Person and (ii) there shall be no limitation or restriction on (A) the ability of any GB Party to assign or otherwise transfer its rights and/or obligations under this Agreement or any other Loan Document, any Commitment, any Loan, or any other Obligation to any GB Party or any lender or financing or funding source of a GB Party or (B) the ability of any such lender or funding or financing source to assign or otherwise transfer its rights and/or obligations under this Agreement or any other Loan Document, any Commitment, any Loan, or any other Obligation; provided, however, that to the extent that any GB Party or any such other Person covered by the provisions of this Section 10.07(f) fails to qualify as a "Lender" under this Agreement, Gordon Brothers shall continue to be responsible for all of its obligations under this Agreement and the other Loan Documents as a "Lender". Without limiting the foregoing, any assignment by Gordon Brothers of its rights and obligations to a GB Party under this Agreement may include Gordon Brothers' rights and obligations as the Administrative Agent hereunder and, in such event, the applicable GB Party shall for all purposes be the Administrative Agent under this Agreement and Gordon Brothers shall

be deemed to be a sub-agent of such Person duly appointed pursuant to Section 8.05 of this Agreement.

Section 10.08 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, emailed pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby or thereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, the *Electronic Transactions Act* (Alberta) or any other similar state or provincial laws based on the Uniform Electronic Transactions Act. The foregoing shall apply to each other Loan Document *mutatis mutandis*.

Section 10.09 Governing Law. This Agreement and the other Loan Documents (unless expressly provided to the contrary in another loan document in respect of such other loan document) shall be exclusively governed by, and construed in accordance with, the laws of the province of Alberta and the federal laws of Canada applicable therein and without given effect to the conflicts of laws, rules or principles thereof.

Section 10.10 Consent to Jurisdiction; Service of Process and Venue.

(a) Any legal action or proceeding with respect to this Agreement or any other Loan Document may be brought in the courts of the province of Alberta and any appellate court thereof, and, by execution and delivery of this agreement, each Loan Party hereby irrevocably accepts in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each Loan Party hereby irrevocably consents to the service of process out of any of the aforementioned courts and in any such action or proceeding by any means permitted by applicable law, including, without limitation, by the mailing of copies thereof by registered or certified mail, postage prepaid, to the Borrower at its address for notices as set forth in Section 10.01, such service to become effective ten days after such mailing. The Loan Parties agree 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 herein shall affect the right of the Administrative Agent and the Lenders to service of process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against any loan party in any other jurisdiction. Each Loan Party hereby expressly and irrevocably waives, to the fullest extent

permitted by law, any objection which it may now or hereafter have to the jurisdiction or laying of venue of any such litigation brought in any such court referred to above and any claim that any such litigation has been brought in an inconvenient forum. To the extent that any Loan Party has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution or otherwise) with respect to itself or its property, each loan party hereby irrevocably waives such immunity in respect of its obligations under this agreement and the other loan documents.

(b) Each Loan Party irrevocably and unconditionally agrees that it will not commence any action or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the Province of Alberta, and any appellate court from any thereof.

Section 10.11 Waiver of Jury Trial, Etc. EACH LOAN PARTY, THE ADMINISTRATIVE AGENT AND EACH LENDER HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM CONCERNING ANY RIGHTS UNDER THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS, OR UNDER ANY AMENDMENT, WAIVER, CONSENT, INSTRUMENT, DOCUMENT OR OTHER AGREEMENT DELIVERED OR WHICH IN THE FUTURE MAY BE DELIVERED IN CONNECTION THEREWITH, OR ARISING FROM ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT, AND AGREES THAT ANY SUCH ACTION, PROCEEDINGS OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH LOAN PARTY CERTIFIES THAT NO OFFICER, REPRESENTATIVE, AGENT OR ATTORNEY OF THE ADMINISTRATIVE AGENT OR ANY LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE ADMINISTRATIVE AGENT OR ANY LENDER WOULD NOT, IN THE EVENT OF ANY ACTION, PROCEEDING OR COUNTERCLAIM, SEEK TO ENFORCE THE FOREGOING WAIVERS. EACH LOAN PARTY HEREBY ACKNOWLEDGES THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE ADMINISTRATIVE AGENT AND THE LENDERS ENTERING INTO THIS AGREEMENT.

Section 10.12 Consent by the Administrative Agent and Lenders. Except as otherwise expressly set forth herein to the contrary or in any other Loan Document, if the consent, approval, satisfaction, determination, judgment, acceptance or similar action (an "Action") of the Administrative Agent or any Lender shall be permitted or required pursuant to any provision hereof or any provision of any other agreement to which any Loan Party is a party and to which the Administrative Agent or any Lender has succeeded thereto, such Action shall be required to be in writing and may be withheld or denied by Administrative Agent or such Lender, in its sole

discretion, with or without any reason, and without being subject to question or challenge on the grounds that such Action was not taken in good faith.

Section 10.13 No Party Deemed Drafter. Each of the parties hereto agrees that no party hereto shall be deemed to be the drafter of this Agreement.

Section 10.14 Reinstatement; Certain Payments. If any claim is ever made upon any Secured Party for repayment or recovery of any amount or amounts received by such Secured Party in payment or on account of any of the Obligations, such Secured Party shall give prompt notice of such claim to Administrative Agent, each Lender and the Borrower, and if such Secured Party repays all or part of such amount by reason of (a) any judgment, decree or order of any court or administrative body having jurisdiction over such Secured Party or any of its property, or (b) any good faith settlement or compromise of any such claim effected by such Secured Party with any such claimant, then and in such event each Loan Party agrees that (i) any such judgment, decree, order, settlement or compromise shall be binding upon it notwithstanding the cancellation of any Indebtedness hereunder or under the other Loan Documents or the termination of this Agreement or the other Loan Documents, and (ii) it shall be and remain liable to such Secured Party hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by such Secured Party.

Section 10.15 Indemnification; Limitation of Liability for Certain Damages.

(a) In addition to each Loan Party's other Obligations under this Agreement, each Loan Party agrees to, jointly and severally, defend, protect, indemnify and hold harmless each Secured Party and all of their respective Related Parties (collectively called the "Indemnitees") from and against any and all losses, damages, liabilities, obligations, penalties, fees, reasonable costs and expenses (including reasonable attorneys' fees, costs and expenses) incurred by such Indemnitees, whether prior to or from and after the Effective Date, whether direct, indirect or consequential, as a result of or arising from or relating to or in connection with any of the following: (i) the negotiation, preparation, execution or performance or enforcement of this Agreement, any other Loan Document, of any Environmental Liability or any other document executed in connection with the transactions contemplated by this Agreement, (ii) the Administrative Agent's or any Lender's furnishing of funds to the Borrower under this Agreement or the other Loan Documents, including the management of any such Loans or the Borrower's use of the proceeds thereof, (iii) the Administrative Agent and the Lenders relying on any instructions of the Borrower or the handling of the Loan Account and Collateral of the Loan Parties as herein provided, (iv) any matter relating to the financing transactions contemplated by this Agreement or the other Loan Documents or by any document executed in connection with the transactions contemplated by this Agreement or the other Loan Documents, or (v) any claim, including any litigation, investigation or proceeding relating to or arising out of any of the foregoing, whether or not any Indemnitee is a party thereto (collectively, the "Indemnified Matters"); provided, however, that the Loan Parties shall not have any obligation to any Indemnitee under this subsection (a) for any Indemnified Matter caused by the gross negligence or willful misconduct of such Indemnitee, as determined by a final non-appealable judgment of a court of competent jurisdiction.

(b) The indemnification for all of the foregoing losses, damages, fees, costs and expenses of the Indemnitees set forth in this Section 10.15 are chargeable against the Loan Account. To the extent that the undertaking to indemnify, pay and hold harmless set forth in this Section 10.15 may be unenforceable because it is violative of any law or public policy, each Loan Party shall, jointly and severally, contribute the maximum portion which it is permitted to pay and satisfy under Applicable Law, to the payment and satisfaction of all Indemnified Matters incurred by the Indemnitees.

(c) No Loan Party shall assert, and each Loan Party hereby waives, any claim against the Indemnitees, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any other Loan Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and each Loan Party hereby waives, releases and agrees not to sue upon any such claim or seek any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

(d) The indemnities and waivers set forth in this Section 10.15 shall survive the repayment of the Obligations and discharge of any Liens granted under the Loan Documents. Records. The unpaid principal of and interest on the Loans, the interest rate or rates applicable to such unpaid principal and interest, the duration of such applicability, the Commitments, and the accrued and unpaid fees payable pursuant to Section 2.06 hereof, shall at all times be ascertained from the records of the Administrative Agent, which shall be conclusive and binding absent manifest error.

Section 10.17 Binding Effect. This Agreement shall become effective when it shall have been executed by each Loan Party, the Administrative Agent and each Lender and when the conditions precedent set forth in Section 3.01 hereof have been satisfied or waived in writing by the Administrative Agent, and thereafter shall be binding upon and inure to the benefit of each Loan Party, the Administrative Agent and each Lender, and their respective successors and assigns, except that the Loan Parties shall not have the right to assign their rights hereunder or any interest herein without the prior written consent of the Administrative Agent and each Lender, and any assignment by any Lender shall be governed by Section 10.07 hereof.

Section 10.18 Highest Lawful Rate. It is the intention of the parties hereto that the Administrative Agent and each Lender shall conform strictly to usury laws applicable to it. Accordingly, if the transactions contemplated hereby or by any other Loan Document would be usurious as to the Administrative Agent or any Lender under laws applicable to it (including the laws of the United States of America and the State of New York, or any other jurisdiction whose laws may be mandatorily applicable to Administrative Agent or such Lender notwithstanding the other provisions of this Agreement), then, in that event, notwithstanding anything to the contrary in this Agreement or any other Loan Document or any agreement entered into

in connection with or as security for the Obligations, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under law applicable to the Administrative Agent or any Lender that is contracted for, taken, reserved, charged or received by Administrative Agent or such Lender under this Agreement or any other Loan Document or agreements or otherwise in connection with the Obligations shall under no circumstances exceed the maximum amount allowed by such applicable law, any excess shall be canceled automatically and if theretofore paid shall be credited by Administrative Agent or such Lender on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be paid in full, refunded by Administrative Agent or such Lender, as applicable, to the Borrower); and (ii) in the event that the maturity of the Obligations is accelerated by reason of any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest under law applicable to the Administrative Agent or any Lender may never include more than the maximum amount allowed by such applicable law, and excess interest, if any, provided for in this Agreement or otherwise shall, subject to the last sentence of this Section 10.18, be canceled automatically by Administrative Agent or such Lender, as applicable, as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited by Administrative Agent or such Lender, as applicable, on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be paid in full, refunded by Administrative Agent or such Lender to the Borrower). All sums paid or agreed to be paid to the Administrative Agent or any Lender for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by law applicable to Administrative Agent or such Lender, be amortized, prorated, allocated and spread throughout the full term of the Loans until payment in full so that the rate or amount of interest on account of any Loans hereunder does not exceed the maximum amount allowed by such applicable law. If at any time and from time to time (x) the amount of interest payable to the Administrative Agent or any Lender on any date shall be computed at the Highest Lawful Rate applicable to Administrative Agent or such Lender pursuant to this Section 10.18 and (y) in respect of any subsequent interest computation period the amount of interest otherwise payable to Administrative Agent or such Lender would be less than the amount of interest payable to Administrative Agent or such Lender computed at the Highest Lawful Rate applicable to Administrative Agent or such Lender, then the amount of interest payable to Administrative Agent or such Lender in respect of such subsequent interest computation period shall continue to be computed at the Highest Lawful Rate applicable to Administrative Agent or such Lender until the total amount of interest payable to Administrative Agent or such Lender shall equal the total amount of interest which would have been payable to Administrative Agent or such Lender if the total amount of interest had been computed without giving effect to this Section 10.18.

For purposes of this Section 10.18, the term “applicable law” shall mean that law in effect from time to time and applicable to the loan transaction between the Borrower, on the one hand, and the Administrative Agent and the Lenders, on the other, that lawfully permits the charging and collection of the highest permissible, lawful non-usurious rate of interest on such

loan transaction and this Agreement, including the laws of the Province of Alberta and the federal laws of Canada.

The right to accelerate the maturity of the Obligations does not include the right to accelerate any interest that has not accrued as of the date of acceleration.

Section 10.19 Confidentiality. The Administrative Agent and each Lender agrees (on behalf of itself and its Related Parties) to use reasonable precautions to keep confidential, in accordance with its customary procedures for handling confidential information of this nature and in accordance with safe and sound practices of comparable commercial finance companies, any non-public information supplied to it by the Loan Parties pursuant to this Agreement or the other Loan Documents which is identified in writing by the Loan Parties as being confidential at the time the same is delivered to such Person (and which at the time is not, and does not thereafter become, publicly available or available to such Person from another source not known to be subject to a confidentiality obligation to such Person not to disclose such information), provided that nothing herein shall limit the disclosure by the Administrative Agent or any Lender of any such information (i) to its Affiliates, its Related Parties or the Related Parties of any Person described in clause (ii) or (iii) below (it being understood that the Persons to whom such disclosure is made either will be informed of the confidential nature of such information and instructed to keep such information confidential in accordance with this Section 10.19 or is subject to other customary confidentiality obligations); (ii) to any other party hereto; (iii) to any assignee or participant (or prospective assignee or participant) or any party to a Securitization, so long as such assignee or participant (or prospective assignee or participant) or party to a Securitization agrees, in writing, to be bound by or is otherwise subject to customary confidentiality obligations (including confidentiality provisions similar in substance to this Section 10.19); (iv) to the extent required by any Applicable Law or judicial process or as otherwise requested by any Governmental Authority; (v) to the National Association of Insurance Commissioners or any similar organization, any examiner, auditor or accountant or any nationally recognized rating agency; (vi) in connection with any litigation to which the Administrative Agent or any Lender is a party; (vii) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (viii) to any other Person if such information is general portfolio information that does not identify the Loan Parties, or (ix) with the consent of the Borrower. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent or any Lender in connection with the administration of this Agreement, the other Loan Documents and the Commitments.

Section 10.20 Public Disclosure. Each Loan Party agrees that neither it nor any of its Affiliates will now or in the future issue any press release or other public disclosure using the name of the Administrative Agent, any Lender or any of their respective Affiliates or referring to this Agreement or any other Loan

Document without the prior written consent of Administrative Agent or such Lender, except to the extent that such Loan Party or such Affiliate is required to do so under Applicable Law (in which event, such Loan Party or such Affiliate will consult with Administrative Agent or such Lender before issuing such press release or other public disclosure). Each Loan Party hereby authorizes the Administrative Agent and each Lender, after consultation with the Borrower, to advertise the closing of the transactions contemplated by this Agreement, and to make appropriate announcements of the financial arrangements entered into among the parties hereto, as Administrative Agent or such Lender shall deem appropriate, including on a home page or similar place for dissemination of information on the Internet or worldwide web, or in announcements commonly known as tombstones, in such trade publications, business journals, newspapers of general circulation and to such selected parties as Administrative Agent or such Lender shall deem appropriate.

Section 10.21 Integration. This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

Section 10.22 USA PATRIOT Act. Each Lender that is subject to the requirements of the USA PATRIOT Act hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies the entities composing the Borrower, which information includes the name and address of each such entity and other information that will allow such Lender to identify the entities composing the Borrower in accordance with the USA PATRIOT Act. Each Loan Party agrees to take such action and execute, acknowledge and deliver at its sole cost and expense, such instruments and documents as any Lender may reasonably require from time to time in order to enable such Lender to comply with the USA PATRIOT Act.

Section 10.23 [Reserved.]

Section 10.24 [Reserved.]


Section 10.25 Cashless Settlement. Notwithstanding anything to the contrary contained in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Borrower, the Administrative Agent and such Lender.

[Continued on following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective Authorized Officers, as of the date first above written.


BORROWER:

**PEAVEY INDUSTRIES LP, by its general partner,
PEAVEY INDUSTRIES GENERAL PARTNER
LIMITED, an Alberta limited partnership**


By: 
Name: Doug Anderson
Title: President

GUARANTORS:


**PEAVEY INDUSTRIES GENERAL PARTNER
LIMITED, an Alberta corporation**

By: 
Name: Doug Anderson
Title: President

**GUYS FREIGHTWAYS LTD., an Alberta
corporation**

By: 
Name: Doug Anderson
Title: President

TSC STORES GP INC., an Ontario corporation

By: 
Name: Doug Anderson
Title: President, CEO and COO

[SIGNATURE PAGE TO CREDIT AGREEMENT]

ADMINISTRATIVE AGENT:

1903P LOAN AGENT, LLC

DocuSigned by:

By: 3B97CA97C59842E...
Kyle Shonak, Manager

LENDER:

1903 PARTNERS, LLC

DocuSigned by:
Patricia Parent
By: 5469A6860B3840D...
Patricia Parent, Vice President and
Treasurer

SCHEDULE 1.01(A)
LENDERS AND LENDERS' COMMITMENTS

Lender	Revolving Credit Commitment	Term Loan Commitment
1903 Partners, LLC	From the Effective Date until April 1, 2025 in the amount of \$105,000,000.00 and thereafter in the amount of \$90,000,000.00	\$30,000,000.00

**SCHEDULE 4.05
CAPITALIZATION OF BORROWER AND SUBSIDIARIES**

PEAVEY INDUSTRIES LP

Shareholder	Number of Units	Class of Shares	Certificate number	Percentage of ownership
Peavey Industries Limited	13,095,303	Limited partnership units	19	92%
Peavey Industries Mutual Fund Trust	1,227,525	Limited partnership units	18	8%
Peavey Industries General Partner Limited	N/A	Limited partnership units	N/A	0.1%

PEAVEY INDUSTRIES GENERAL PARTNER LIMITED

Shareholder	Number of Shares	Class of Shares	Certificate number	Percentage of ownership
983329 Alberta Ltd.	100	Common	C-1	100%

GUYS FREIGHTWAYS LTD.

Shareholder	Number of Shares	Class of Shares	Certificate number	Percentage of ownership
Peavey Industries LP	1	Class A Common	27A	100%
	18	Class C Common	28C	
	12	Class D Common	29D	
	586	Class G Preferred	30G	

TSC STORES GP INC.

Shareholder	Number of Shares	Class of Shares	Certificate number	Percentage of ownership
983329 Alberta Ltd.	351	Common Voting	C-14	100%
	468		C-15	

TURTLE MOUNTAIN SEED CO.

Shareholder	Number of Shares	Class of Shares	Certificate number	Percentage of ownership
Peavey Industries LP	100	Class "A" Voting Shares	A-2	Nominal ¹

2010541 ALBERTA LTD.

Shareholder	Number of Shares	Class of Shares	Certificate number	Percentage of ownership
Peavey Industries LP	100	Class "A" Shares	A-1	100%

¹ Peavey Industries LP holds 100% of voting shares.

SCHEDULE 4.06 LITIGATION

In respect of the Credit Parties, the following judgements or litigation for matters involving commercial tort claims in excess of \$100,000 are ongoing:

Peavey Industries General Partner Limited

- ***Shirley Dianna MacKinnon v Peavey Industries***
 - The Statement of Claim was filed in Red Deer January 4, 2019, claiming damages for \$300,000.00 and Punitive Damages for \$25,000.00. The Statement of Defence was filed on February 6, 2019. The Plaintiff is a former employee who resigned but claims she was constructively dismissed. The parties have exchanged Affidavits of Records and this matter is currently in the discovery phase of litigation. The Plaintiff also filed a complaint with the Alberta Human Rights Commission alleging largely the same facts and that she was discriminated against, forcing her resignation.

Peavey Industries LP

- ***Jaelynn Todd v Peavey Industries***
 - Demand claim was issued to counsel of Peavey Industries on May 31, 2023 and a BC human rights claim was filed on July 17, 2023 with the British Columbia Human Rights Tribunal. The Plaintiff is a former employee who claims she was subjected to repeated sexual harassment, battery and sexual assault by a former manager of Peavey Mart. Claimant is seeking damages of \$125,000 and \$10,000 in legal fees. This matter was provided to PILP's insurer.
- ***Emily Brown vs Peavey Industries***
 - Demand claim was issued to counsel of Peavey Industries on May 8, 2023. The Plaintiff is a former employee who claims she was subjected to repeated sexual harassment, battery and sexual assault by a former manager of Peavey Mart. Claimant is seeking damages of \$125,000 and \$10,000 in legal fees. This matter was provided to PILP's insurer.
- ***Abigayle Dittmer vs Peavey Industries***
 - Statement of claim filed on September 27, 2023, claiming damages of \$200,000 as a result of a slip and fall which resulted in emergency care for an ankle injury. This matter has been provided to our insurer.

SCHEDULE 4.09
CANADIAN PENSION PLANS

Peavey Employees Profit Sharing Plan established by Trust Deed dated effective January 26, 1996 between Peavey Industries Limited, as employer, and R.M. Anderson and T.W. Jellicoe, as trustees.

SCHEDULE 4.12
NATURE OF BUSINESS

Peavey Industries LP

Peavey Industries LP is a limited partnership organized in Alberta, operating in Alberta, British Columbia, Manitoba, Nova Scotia, Ontario and Saskatchewan, and is engaged in the retail sales of general hardware and farming merchandise under the retail names of Peavey Mart and MainStreet Hardware.

Guys Freightways Ltd.

Guy's Freightways Ltd. is a privately-owned company engaged in the trucking of consumer goods and incorporated under the *Business Corporations Act* (Alberta).

Peavey Industries General Partner Ltd.

Peavey Industries General Partner Ltd. is a privately-owned company incorporated under the *Business Corporations Act* (Alberta). The company is the general partner of Peavey Industries LP and carries out the business of the partnership in such capacity and in accordance with the governing documents of the partnership.

TSC Stores GP Inc.

TSC Stores GP Inc. is a privately-owned company incorporated under the *Business Corporations Act* (Ontario). The company operates primarily as a holding company, its property being limited to certain intellectual property and other minor assets.

**SCHEDULE 4.16
EMPLOYEE AND LABOR MATTERS**

Nil.

**SCHEDULE 4.18
INSURANCE**

Policy Type	Insurance Carrier	Policy Number	Expiration Date	Insurance Type	Coverage Amount (Combined)
Commercial Property / General Liability – Various Offices, Warehouses, Retail Store Locations (As per schedule of locations)	Intact Insurance: 50% Aviva Insurance: 25% Wawanesa Mutual: 25%	CV0588036	June 23, 2025	Buildings: Equipment: Stock/Inventory: Profits: Rental Income: Transportation: CGL – General Liability + Various Extensions Per Policy Issued	\$110,775,690 \$71,482,092 \$173,201,625 \$100,842,895 \$4,899,524 \$200,000 \$2,000,000
Commercial Property – Various Office / Distribution Warehouses	Intact Insurance: 53% Aviva Insurance: 22% Wawanesa Mutual: 25%	CV0588037	June 23, 2025	Buildings: Equipment: Stock/Inventory: + Various Extensions Per Policy Issued	\$64,000 \$47,378,297 \$28,256,603
Umbrella Excess Liability	Intact Insurance	5V0166143	June 23, 2025	Excess Liability	\$23,000,000
Marine Cargo	CNA – Continental Casualty Company	2344116	June 23, 2025	Property In Transit – Ocean Cargo Vessel, Aircraft, Transit	\$1,000,000
Equipment Breakdown/Boiler & Machinery	Aviva Insurance	81849835	June 23, 2025	Equipment Breakdown – Blanket Locations	\$437,300,906
Automobile Fleet – Ontario	Intact Insurance	7V0566325	June 23, 2025	9 Vehicles	\$2,000,000 Liability All Perils Coverage
Automobile Fleet – Alberta	Intact Insurance	7V1242814	June 23, 2025	10 Vehicles	\$2,000,000 Liability Collision/Comprehensive
Automobile – Red Deer	Intact Insurance	765215714	June 23, 2025	4 Vehicles	\$2,000,000 Liability Collision/Comprehensive
Director's & Officers	Victor Canada	PV-628207	December 30, 2024	D&O (Including Advisory Board, Employment	\$10,000,000

				Practices Liability, and others per policy extensions)	
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**SCHEDULE 4.20
INTELLECTUAL PROPERTY**

Guys Freightways Ltd.

None.

Peavey Industries General Partner Limited

Type of Search	Search Performed	Results
Domains	May 15, 2024	<ul style="list-style-type: none"> • https://www.peaveymart.com/ • peaveycareers.ca**
Canadian Searches		
Trademarks	May 15, 2024	None.
Patents	May 15, 2024	None.
Copyright	May 15, 2024	None.
Industrial Design	May 15, 2024	None.


** The record for this domain name does not identify the Registrant, therefore this domain name may be owned by an entity other than Peavey Industries General Partner Limited.

Peavey Industries LP


Type of Search	Search Performed	Results
Domains	May 15 & 16, 2024	tscstores.org
Canadian Searches		
Trademarks	May 15, 2024	<p>ROLLING ACRES</p> <p>Status: Registered</p> <p>App. No.: 1308972</p> <p>App. Date: 13-JUL-2006</p> <p>Reg. No.: TMA697038</p> <p>Reg. Date: 21-SEP-2007</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 31: Animal feed.</p>

Type of Search	Search Performed	Results
		<p>PEAVEY MART</p> <p>Status: Registered</p> <p>App. No.: 1932177</p> <p>App. Date: 23-NOV-2018</p> <p>Reg. No.: TMA1128097</p> <p>Reg. Date: 6-MAY-2022</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 35: Retail sale of apparel, automotive parts and car care supplies, namely, air filters, fuel filters, oil filters, motor oils, fuel oils, windshield wipers and windshield washing fluid, automobile light bulbs, home décor, outdoor décor namely, lanterns, solar powered lamps, led landscape lights, fireplaces, ornamental fountains, planters for flowers and plants, window boxes, decorative wall plaques, letter and mail boxes of metal, metal knockers, house numbers of metal, plastic and wooden trellises, birdhouses, statues and figurines of ceramic, plaster and precious metal, garden ornaments of stone, marble and concrete, and furniture, seasonal décor, namely Christmas and holiday decorations, electrical lighting supplies, namely, trouble lights, outdoor lights, Christmas lights, floodlights, electrical terminal connectors and rings, electrical wires, light dimmers, electronic flashers, light bulbs, electric lanterns, home electrical products, namely kitchen appliances, farm supplies and equipment, namely, farm implements namely fence posts, fence stretchers, tillers, harrows, garden tractors, snow plow graders, well pumps, hand pumps, grain hoppers, grain scoops, buckets, wagons, load binders, bailer twine, poultry brooders, fuel hoses and spouts, farm gates, stock tanks saddles, bridles, halters, collars, leads, reins, cinches, stirrups, lariats, whips, animal blankets, curry combs, bits, spurs, tackler hoists, hooks, animal feeders and waterers, storage sheds, fencing, animal feed, household heating and cooling equipment and related parts and accessories, namely, water heaters, patio heaters, electric space heaters and air conditioners, outdoor cooking equipment, namely, barbecues and grills, housewares, lawn and garden tools, and landscaping supplies, namely, lawn sprinklers, nozzles, lawn mowers, catcher attachment for lawn mowers, lawn mower blades, garden dump carts, bird feeders, plant foods, fertilizers, plant hooks, garden hoses, border edging material, rakes, trowels, garden hand tools, garden seeders, outdoor equipment and implements, namely chainsaws, lawnmowers, power tools, pressure washers, electric generators, snow blowers, power blowers for lawn debris, cement mixers, air compressors, camping products, namely, camping furniture, camping grills, camping mattresses, camping stoves, camping trailers, tents, sleeping bags, backpacks, camping lanterns, led flashlights, thermal insulated containers for food or beverages, portable beverage coolers, camping enamelware, sporting goods, pet supplies, namely, collars, leashes, reins, cinches, stirrups, lariats, whips, animal blankets, curry combs, bits, spurs, animal feeders and waterers, bird houses and feeders, hand tools, power tools, hardware, paint, toys, plumbing supplies, namely, faucets, water tanks, barrel pumps, sewage pumps, septic pumps, suction pumps, jet pumps, barrel pumps, plastic piping, toilet tank kits, plumbing fixtures, pipes, valves, aerators, spray heads, hoses, outdoor water management supplies, and water treatment products, namely, chemical products and water chemical preparations for the testing, treatment and maintenance of water, homesteading products, namely, canning machines, jar sealing machines, cooking utensils, canning tongs, slotted spoons, pots and pans, non-electric can openers, beehives, sections of wood for beehives, hive boxes or</p>


Type of Search	Search Performed	Results
		<p>honeycombs, protective suits for beekeeping, spices, seasonings, beef jerky, roasted nuts, dried fruit, power sporting goods, motor fuels, namely, gasoline and diesel fuels, lamp fuels, kitchen appliances, housewares, grocery items, live plants and seeds, furniture, cleaning supplies, namely, all-purpose cleaning preparations and all-purpose disinfecting and deodorizing preparations, live poultry, personal care products, namely, body care preparations, hair care preparations, deodorants for personal use, perfumes and fragrances, aromatherapy oils, insect repellents, hand sanitizers, machine tools, canning supplies, namely, jars, rubber seals for jars, metal lids for jars, cooking strainers, cooking pots, cooking funnels, colanders, adhesive labels, plant growth substrates and chemicals, and skin care soap and candle making supplies, namely, candle wax, candle making moulds and wicks.</p> <p>DOWN TO EARTH RETAIL</p> <p>Status: Registered</p> <p>App. No.: 1932158</p> <p>App. Date: 23-NOV-2018</p> <p>Reg. No.: TMA1165060</p> <p>Reg. Date: 8-FEB-2023</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 35: Retail sale of hardware, tools, gardening tools and gloves, lawn and garden fertilizers, lawn mowers, lawn sprinklers, automotive parts, automotive paints, automotive engine oils, automotive lubricants, automotive greases, agricultural chemicals, fertilizers for agricultural use, plant growth regulators for agricultural use, agricultural pesticides, agricultural seeds, agricultural equipment, housewares, large animal and pet feed, sporting goods, toys, home decor products, and clothing, namely, workwear</p> <p>OXGEAR</p> <p>Status: Registered</p> <p>App. No.: 1731743</p> <p>App. Date: 1-JUN-2015</p> <p>Reg. No.: TMA1002616</p> <p>Reg. Date: 13-AUG-2018</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Classes 9 25: (1) Footwear, namely, work boots, rubber boots, thermal boots, safety boots, winter boots, safety shoes (2) Men's and women's clothing, namely socks, underwear, shirts, t-shirts, casual pants, casual shorts, work pants, work shorts, casual overalls, work overalls, bib overalls, sweaters, cagoules, anoraks, parkas, vests, jackets, rainwear and insulated outerwear namely parkas, jackets, bib overalls, pants and shirts</p>


Type of Search	Search Performed	Results
		<p>STÄRKMANN and logo</p>  <p>Status: Registered App. No.: 1731740 App. Date: 1-JUN-2015 Reg. No.: TMA984419 Reg. Date: 7-NOV-2017 Current Owner: Peavey Industries LP Goods/Services: Classes 7 8 9 11 12 17 21: (1) Gardening tools, namely wheelbarrows, hose guides, garden hose, soaker hose, hose nozzles and washers, sprinklers, hose hangers, hose reels, hose carts, hand garden tools, trowel, snow shovels, long handled tools, shovels, rakes, brooms, hoes, fan rake cultivators, garden pruners, garden shears, loppers, pole pruners, tank sprayers, gas trimmer accessories, namely cords and chains; lawn mower accessories, namely bags and blades, and mops (2) Mechanic's hand tools, namely socket sets and wrenches, bench power tools, namely, tool storage systems, namely, tool boxes and tool cabinets, power tool accessories, namely, drill bits, masonry drill bits, high speed drill bits, router bits, circular saw blades, jigsaw blades, screwdriver bits, wood drilling bits, metal drilling bits, builder's hardware, namely, chests and cabinets, routers, cut off blades, welding equipment and accessories namely, welding covers, gloves, contact tips and wire brushes, welding wire, solder and flux, torch cables, torch necks and torch handles, butane cylinders, welding carts, welding rods, air compressors (3) Carpenter's hand tools, namely, handsaws, hacksaws, utility knives, levels, namely, torpedo levels, digital levels, beam levels, box levels, laser levels, magnetic levels, woodworking clamps, tape measures, chisels, wrenches, wrench holder, wire cutters, hammers, screwdrivers, ratcheting tool sets, ratchet screw drivers, hand tools; namely, utility knives, plane, tape measures, chisels, wrenches, wrench holders, hammers, screwdrivers, ratcheting tool sets, ratchet screw drivers</p> <p>VILLAGER HARDWARE</p> <p>Status: Registered App. No.: 1148165 App. Date: 29-JUL-2002 Reg. No.: TMA606321 Reg. Date: 26-MAR-2004 Current Owner: Peavey Industries LP Goods/Services: Classes 35 37 42: (1) Operating retail outlets specializing in the sale of farm supplies, hardware, lawn and gardening equipment, fertilizers and lawn and garden and farm chemicals,</p>



Type of Search	Search Performed	Results
		<p>paint, building supplies, work clothing and footwear and automobile parts and accessories.</p> <p>HARVEST GRADE</p> <p>Status: Registered</p> <p>App. No.: 1932161</p> <p>App. Date: 23-NOV-2018</p> <p>Reg. No.: TMA1115678</p> <p>Reg. Date: 12-DEC-2021</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 3: Household cleaners.</p> <p>Class 6: Tool boxes of metal.</p> <p>Class 7: Power tools; machine tools for the automotive industry; metalworking machine tools; wood working machine tools; electric welding machines; gas welding machines; electric lawn trimmers; gasoline lawn mowers; mechanical lawn mowers; power blowers for lawn debris.</p> <p>Class 8: Gardening tools; hand tools; garden hoes.</p> <p>Class 8: Rakes; shovels.</p> <p>Class 12: Garden tractors and replacement parts therefore.</p> <p>Class 16: Garbage bags.</p> <p>Class 20: Plastic tool boxes sold empty.</p> <p>Class 21: Brooms.</p> <p>COUNTRY DEPOT</p> <p>Status: Registered</p> <p>App. No.: 0719410</p> <p>App. Date: 21-DEC-1992</p> <p>Reg. No.: TMA451725</p> <p>Reg. Date: 15-DEC-1995</p> <p>Current Owner: Peavey Industries LP</p>

Type of Search	Search Performed	Results
		<p>Goods/Services: Classes 35 39 40 42 43 44:</p> <p>Operation of retail outlets, namely farm supply stores, town and country stores and home centres dealing in the supply of products, including lumber and building supplies, hardware supplies, plumbing supplies, electrical supplies, domestic appliances, building supplies, wall paper, paint, decorating supplies, sanitation products, animal health products, pet food, tack, grease and oil, recreation equipment, rugs and floor coverings, tires, batteries, auto accessories, pumps, ventilation products, fertilizer, feed and seed, and automotive farm mechanical systems; operation of a gasoline and fuel oil distribution service for farmers; operation of gasoline bars and key lock gasoline pumps; operation of propane dispensing outlets; spreading of farm fertilizers and chemicals; rental of equipment for the spreading of agricultural fertilizers and chemicals; drying of corn and the storage of grain; spreading of fertilizer for agricultural purposes; computerized feed formulation service for agricultural customers; operation of lawn and garden centres.</p> <p>POWERED BY PEAVEY</p> <p>Status: Formalized</p> <p>App. No.: 2118839</p> <p>App. Date: 6-JUL-2021</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 35:</p> <p>Retail sale of apparel, automotive supplies and equipment, home décor, outdoor décor and furniture, seasonal décor, electrical lighting supplies, home electrical products, farm supplies and equipment, farm implements, fencing, animal feed, household heating and cooling equipment and related parts and accessories, outdoor cooking equipment, housewares, lawn and garden products and tools, landscaping supplies, outdoor equipment and implements, camping products, sporting goods and supplies, pet supplies, bird houses and feeders, hand tools, power tools, hardware, paint, toys, plumbing supplies, outdoor water management supplies, water treatment products, homesteading products, power sport equipment, fuels, appliances, housewares, grocery items, live plants and seeds, furniture, cleaning supplies, live poultry, personal care products, gardening supplies, machine tools, canning supplies, plant growth substrates and chemicals, and soap and candle making supplies.</p> <p>COUNTRY DEPOT & Maple Leaf Design</p>  <p>Status: Registered</p> <p>App. No.: 1219628</p> <p>App. Date: 31-MAY-2004</p> <p>Reg. No.: TMA650924</p> <p>Reg. Date: 20-OCT-2005</p>


Type of Search	Search Performed	Results
		<p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 35: Operation of retail outlets, namely farm supply stores, town and country stores and home centres dealing in the supply of products, including lumber and building supplies, hardware supplies, plumbing supplies, electrical supplies, domestic appliances, building supplies, wall paper, paint, decorating supplies, sanitation products, animal health products, pet food, tack, grease and oil, recreation equipment, rugs and floor coverings, tires, batteries, auto accessories, pumps, ventilation products, fertilizer, feed and seed, and automotive farm mechanical systems; operation of lawn and garden centres.</p> <p>Class 37: Operation of gasoline bars and key lock gasoline pumps; operation of propane dispensing outlets.</p> <p>Class 39: Operation of a gasoline and fuel oil distribution service for farmers; storage of grain.</p> <p>Class 40: Drying of corn.</p> <p>Class 42: Computerized feed formulation service for agricultural customers.</p> <p>Class 44: Spreading of farm fertilizers and chemicals; rental of equipment for the spreading of agricultural fertilizers and chemicals; spreading of fertilizer for agricultural purposes.</p> <p>TSC VILLAGER</p> <p>Status: Registered</p> <p>App. No.: 1120115</p> <p>App. Date: 1-NOV-2001</p> <p>Reg. No.: TMA608117</p> <p>Reg. Date: 20-APR-2004</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Classes 35 37 42: Operating retail outlets specializing in the sale of farm supplies, hardware, lawn and gardening equipment, fertilizers and lawn and garden and farm chemicals, paint, building supplies, work clothing and footwear and automobile parts and accessories.</p> <p>GET A GOOD DEAL MORE</p> <p>Status: Registered</p> <p>App. No.: 1119098</p>

Type of Search	Search Performed	Results
		<p>App. Date: 24-OCT-2001 Reg. No.: TMA584567 Reg. Date: 4-JUL-2003 Current Owner: Peavey Industries LP Goods/Services: Class 35: Operating retail outlets specializing in the sale of farm supplies, hardware, lawn and gardening equipment, fertilizers and lawn and garden and farm chemicals, paint, building supplies, work clothing and footwear and automobile parts and accessories.</p> <p>FLYING FRIENDS WILD BIRD SEED</p> <p>Status: Registered App. No.: 0663315 App. Date: 30-JUL-1990 Reg. No.: TMA436051 Reg. Date: 25-NOV-1994 Current Owner: Peavey Industries LP Goods/Services: Classes 21 31: Wild bird seed, sunflower seeds, millet, peanuts, niger and blends; wild bird feeders; bird baths.</p> <p>TSC STORES & DESIGN</p>  <p>Status: Registered App. No.: 0638668 App. Date: 16-AUG-1989 Reg. No.: TMA373477 Reg. Date: 14-SEP-1990 Current Owner: Peavey Industries LP Goods/Services: Class 35: Operating retail outlets specializing in the sale of farm supplies, hardware, lawn and gardening equipment, fertilizers and lawn and garden and farm chemicals, paint, building supplies, work clothing and footwear and automobile parts and accessories.</p> <p>HomeSpACE</p> <p>Status: Formalized App. No.: 2102423</p>


Type of Search	Search Performed	Results
		<p>App. Date: 26-APR-2021</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 25: Athletic shorts; baseball caps and hats; baseball shirts; button down shirts; casual shirts; children's shirts; cloth hats; collared shirts; denim shirts; dress shirts; fashion hats; fleece shirts; fur hats; golf hats; golf shirts; golf shorts; gym shorts; hats; knit shirts; knitted shirts; long sleeve shirts; long-sleeved t-shirts; men's shirts; muscle shirts; open-necked shirts; paper hats for use as clothing items; rain hats; running shorts; sedge hats (suge-gasa); small hats; sports caps and hats; straw hats; sun hats.</p> <p>Class 35: The production of a semi-annual, digital and print, reference magazine for farmers who are looking for ways to improve the profitability and sustainability of their operations by relating the experiences of farmers and ranchers who have engaged in successful sustainable practices.</p> <p>Class 41: A downloadable podcast, for farmers who are looking for ways to improve the profitability and sustainability of their operations by relating the experiences of farmers and ranchers who have engaged in successful sustainable practices.</p> <p>ONLINESEEDS.CA & Design</p> <p> onlineseeds.ca</p> <p>Status: Formalized</p> <p>App. No.: 2096857</p> <p>App. Date: 1-APR-2021</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 31: Agricultural seeds; crop seeds; bird seeds; flower seeds; seeds for growing fruits and vegetables; seeds for growing herbs; seeds for growing plants; seeds for planting.</p> <p>Class 35: Online retail store services featuring seeds for planting, flower seeds, seeds for growing fruits and vegetables, seeds for growing herbs, bird seeds, and seeds for growing plants.</p> <p>THE INCREDIBLE COUNTRY HARDWARE STORE</p> <p>Status: Registered</p> <p>App. No.: 1119099</p> <p>App. Date: 24-OCT-2001</p> <p>Reg. No.: TMA586852</p> <p>Reg. Date: 8-AUG-2003</p> <p>Current Owner: Peavey Industries LP</p>


Type of Search	Search Performed	Results
		<p>Goods/Services: Classes 35 37 42: Operating retail outlets specializing in the sale of farm supplies, hardware, lawn and gardening equipment, fertilizers and lawn and garden and farm chemicals, paint, building supplies, work clothing and footwear and automobile parts and accessories.</p> <p>HARD WORKING CANADIANS</p> <p>Status: Registered App. No.: 0812021 App. Date: 7-MAY-1996 Reg. No.: TMA476712 Reg. Date: 23-MAY-1997 Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 35: Operation of a retail store selling clothing items.</p> <p>HARD WORKING CANADIANS & DESIGN</p>  <p>Status: Registered App. No.: 0812020 App. Date: 7-MAY-1996 Reg. No.: TMA476717 Reg. Date: 23-MAY-1997 Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 35: Operation of a retail store selling clothing items.</p> <p>FLYING FRIENDS CLUB & DESIGN</p>  <p>Status: Registered App. No.: 0686085 App. Date: 18-JUL-1991 Reg. No.: TMA411761</p>

Type of Search	Search Performed	Results
		<p>Reg. Date: 30-APR-1993</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 35: Providing special customer rebate programs for purchasing bird seed.</p> <p>Connected To The Land</p> <p><i>Connected</i> TO THE LAND</p> <p>Status: Formalized</p> <p>App. No.: 2042315</p> <p>App. Date: 28-JUL-2020</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 25: athletic shorts; baseball caps and hats; baseball shirts; button down shirts; casual shirts; children's shirts; cloth hats; collared shirts; denim shirts; dress shirts; fashion hats; fleece shirts; fur hats; golf hats; golf shirts; golf shorts; gym shorts; hats; knit shirts; knitted shirts; long sleeve shirts; long-sleeved t-shirts; men's shirts; muscle shirts; open-necked shirts; paper hats for use as clothing items; rain hats; running shorts; sedge hats (suge-gasa); small hats; sports caps and hats; straw hats; sun hats;</p> <p>Class 35: The production of a semi-annual, digital and print, reference magazine for farmers who are looking for ways to improve the profitability and sustainability of their operations by relating the experiences of farmers and ranchers who have engaged in successful sustainable practices.</p> <p>Class 41: A downloadable podcast, for farmers who are looking for ways to improve the profitability and sustainability of their operations by relating the experiences of farmers and ranchers who have engaged in successful sustainable practices.</p> <p>YOUR RURAL LIFESTYLE STORE</p> <p>Status: Registered</p> <p>App. No.: 1932181</p> <p>App. Date: 23-NOV-2018</p> <p>Reg. No.: TMA1128096</p> <p>Reg. Date: 6-MAY-2022</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 35: Retail sale of apparel, automotive parts and car care supplies, namely, air filters, fuel filters, oil filters, motor oils, fuel oils, windshield wipers and windshield washing fluid, automobile light bulbs, home décor, outdoor décor namely, lanterns, solar powered lamps, led landscape lights, fireplaces, ornamental fountains, planters for flowers and plants, window boxes, decorative wall plaques, letter and mail</p>



Type of Search	Search Performed	Results
		<p>boxes of metal, metal knockers, house numbers of metal, plastic and wooden trellises, birdhouses, statues and figurines of ceramic, plaster and precious metal, garden ornaments of stone, marble and concrete, and furniture, seasonal décor, namely Christmas and holiday decorations, electrical lighting supplies, namely, trouble lights, outdoor lights, Christmas lights, floodlights, electrical terminal connectors and rings, electrical wires, light dimmers, electronic flashers, light bulbs, electric lanterns, home electrical products, namely kitchen appliances, farm supplies and equipment, namely, farm implements namely fence posts, fence stretchers, tillers, harrows, garden tractors, snow plow graders, well pumps, hand pumps, grain hoppers, grain scoops, buckets, wagons, load binders, bailer twine, poultry brooders, fuel hoses and spouts, farm gates, stock tanks saddles, bridles, halters, collars, leads, reins, cinches, stirrups, lariats, whips, animal blankets, curry combs, bits, spurs, tackler hoists, hooks, animal feeders and waterers, storage sheds, fencing, animal feed, household heating and cooling equipment and related parts and accessories, namely, water heaters, patio heaters, electric space heaters and air conditioners, outdoor cooking equipment, namely, barbecues and grills, housewares, lawn and garden tools, and landscaping supplies, namely, lawn sprinklers, nozzles, lawn mowers, catcher attachment for lawn mowers, lawn mower blades, garden dump carts, bird feeders, plant foods, fertilizers, plant hooks, garden hoses, border edging material, rakes, trowels, garden hand tools, garden seeders, outdoor equipment and implements, namely chainsaws, lawnmowers, power tools, pressure washers, electric generators, snow blowers, power blowers for lawn debris, cement mixers, air compressors, camping products, namely, camping furniture, camping grills, camping mattresses, camping stoves, camping trailers, tents, sleeping bags, backpacks, camping lanterns, led flashlights, thermal insulated containers for food or beverages, portable beverage coolers, camping enamelware, sporting goods, pet supplies, namely, collars, leashes, reins, cinches, stirrups, lariats, whips, animal blankets, curry combs, bits, spurs, animal feeders and waterers, bird houses and feeders, hand tools, power tools, hardware, paint, toys, plumbing supplies, namely, faucets, water tanks, barrel pumps, sewage pumps, septic pumps, suction pumps, jet pumps, barrel pumps, plastic piping, toilet tank kits, plumbing fixtures, pipes, valves, aerators, spray heads, hoses, outdoor water management supplies, and water treatment products, namely, chemical products and water chemical preparations for the testing, treatment and maintenance of water, homesteading products, namely, canning machines, jar sealing machines, cooking utensils, canning tongs, slotted spoons, pots and pans, non-electric can openers, beehives, sections of wood for beehives, hive boxes or honeycombs, protective suits for beekeeping, spices, seasonings, beef jerky, roasted nuts, dried fruit, power sporting goods, motor fuels, namely, gasoline and diesel fuels, lamp fuels, kitchen appliances, housewares, grocery items, live plants and seeds, furniture, cleaning supplies, namely, all-purpose cleaning preparations and all-purpose disinfecting and deodorizing preparations, live poultry, personal care products, namely, body care preparations, hair care preparations, deodorants for personal use, perfumes and fragrances, aromatherapy oils, insect repellents, hand sanitizers, machine tools, canning supplies, namely, jars, rubber seals for jars, metal lids for jars, cooking strainers, cooking pots, cooking funnels, colanders, adhesive labels, plant growth substrates and chemicals, and skin care soap and candle making supplies, namely, candle wax, candle making moulds and wicks.</p> <p>PEAVEY MART Logo</p> 


Type of Search	Search Performed	Results
		<p>Status: Registered</p> <p>App. No.: 1932178</p> <p>App. Date: 23-NOV-2018</p> <p>Reg. No.: TMA1128098</p> <p>Reg. Date: 6-MAY-2022</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 35:</p> <p>Retail sale of apparel, automotive parts and car care supplies, namely, air filters, fuel filters, oil filters, motor oils, fuel oils, windshield wipers and windshield washing fluid, automobile light bulbs, home décor, outdoor décor namely, lanterns, solar powered lamps, led landscape lights, fireplaces, ornamental fountains, planters for flowers and plants, window boxes, decorative wall plaques, letter and mail boxes of metal, metal knockers, house numbers of metal, plastic and wooden trellises, birdhouses, statues and figurines of ceramic, plaster and precious metal, garden ornaments of stone, marble and concrete, and furniture, seasonal décor, namely Christmas and holiday decorations, electrical lighting supplies, namely, trouble lights, outdoor lights, Christmas lights, floodlights, electrical terminal connectors and rings, electrical wires, light dimmers, electronic flashers, light bulbs, electric lanterns, home electrical products, namely kitchen appliances, farm supplies and equipment, namely, farm implements namely fence posts, fence stretchers, tillers, harrows, garden tractors, snow plow graders, well pumps, hand pumps, grain hoppers, grain scoops, buckets, wagons, load binders, bailer twine, poultry brooders, fuel hoses and spouts, farm gates, stock tanks saddles, bridles, halters, collars, leads, reins, cinches, stirrups, lariats, whips, animal blankets, curry combs, bits, spurs, tackler hoists, hooks, animal feeders and waterers, storage sheds, fencing, animal feed, household heating and cooling equipment and related parts and accessories, namely, water heaters, patio heaters, electric space heaters and air conditioners, outdoor cooking equipment, namely, barbecues and grills, housewares, lawn and garden tools, and landscaping supplies, namely, lawn sprinklers, nozzles, lawn mowers, catcher attachment for lawn mowers, lawn mower blades, garden dump carts, bird feeders, plant foods, fertilizers, plant hooks, garden hoses, border edging material, rakes, trowels, garden hand tools, garden seeders, outdoor equipment and implements, namely chainsaws, lawnmowers, power tools, pressure washers, electric generators, snow blowers, power blowers for lawn debris, cement mixers, air compressors, camping products, namely, camping furniture, camping grills, camping mattresses, camping stoves, camping trailers, tents, sleeping bags, backpacks, camping lanterns, led flashlights, thermal insulated containers for food or beverages, portable beverage coolers, camping enamelware, sporting goods, pet supplies, namely, collars, leashes, reins, cinches, stirrups, lariats, whips, animal blankets, curry combs, bits, spurs, animal feeders and waterers, bird houses and feeders, hand tools, power tools, hardware, paint, toys, plumbing supplies, namely, faucets, water tanks, barrel pumps, sewage pumps, septic pumps, suction pumps, jet pumps, barrel pumps, plastic piping, toilet tank kits, plumbing fixtures, pipes, valves, aerators, spray heads, hoses, outdoor water management supplies, and water treatment products, namely, chemical products and water chemical preparations for the testing, treatment and maintenance of water, homesteading products, namely, canning machines, jar sealing machines, cooking utensils, canning tongs, slotted spoons, pots and pans, non-electric can openers, beehives, sections of wood for beehives, hive boxes or honeycombs, protective suits for beekeeping, spices, seasonings, beef jerky, roasted</p>

Type of Search	Search Performed	Results
		<p>nuts, dried fruit, power sporting goods, motor fuels, namely, gasoline and diesel fuels, lamp fuels, kitchen appliances, housewares, grocery items, live plants and seeds, furniture, cleaning supplies, namely, all-purpose cleaning preparations and all-purpose disinfecting and deodorizing preparations, live poultry, personal care products, namely, body care preparations, hair care preparations, deodorants for personal use, perfumes and fragrances, aromatherapy oils, insect repellents, hand sanitizers, machine tools, canning supplies, namely, jars, rubber seals for jars, metal lids for jars, cooking strainers, cooking pots, cooking funnels, colanders, adhesive labels, plant growth substrates and chemicals, and skin care soap and candle making supplies, namely, candle wax, candle making moulds and wicks..</p> <p>HARVEST GEAR</p> <p>Status: Registered</p> <p>App. No.: 1932164</p> <p>App. Date: 23-NOV-2018</p> <p>Reg. No.: TMA1116104</p> <p>Reg. Date: 17-DEC-2021</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 25:</p> <p>(1) Clothing, namely, workwear, namely, shirts, pants, jackets, coats, overalls, camouflage clothing for hunting, gloves, socks, safety clothing for hunting, hats, tuques; Boots.</p> <p>OXGEAR and logo</p>  <p>Status: Registered</p> <p>App. No.: 1731742</p> <p>App. Date: 1-JUN-2015</p> <p>Reg. No.: TMA1002613</p> <p>Reg. Date: 13-AUG-2018</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Classes 9 25:</p> <p>(1) Footwear, namely, work boots, rubber boots, thermal boots, safety boots, winter boots, safety shoes</p> <p>(2) Men's and women's clothing, namely socks, underwear, shirts, t-shirts, casual pants, casual shorts, work pants, work shorts, casual overalls, work overalls, bib overalls, sweaters, cagoules, anoraks, parkas, vests, jackets, rainwear and insulated outerwear namely parkas, jackets, bib overalls, pants and shirts</p> <p>STÄRKMANN</p> <p>Status: Registered</p>

Type of Search	Search Performed	Results
		<p>App. No.: 1731741 App. Date: 1-JUN-2015 Reg. No.: TMA984420 Reg. Date: 7-NOV-2017 Current Owner: Peavey Industries LP Goods/Services: Classes 7 8 9 11 12 17 21:</p> <p>(1) Gardening tools, namely wheelbarrows, hose guides, garden hose, soaker hose, hose nozzles and washers, sprinklers, hose hangers, hose reels, hose carts, hand garden tools, trowel, snow shovels, long handled tools, shovels, rakes, brooms, hoes, fan rake cultivators, garden pruners, garden shears, loppers, pole pruners, tank sprayers, gas trimmer accessories, namely cords and chains; lawn mower accessories, namely bags and blades, and mops</p> <p>(2) Mechanic's hand tools, namely socket sets and wrenches, bench power tools, namely, tool storage systems, namely, tool boxes and tool cabinets, power tool accessories, namely, drill bits, masonry drill bits, high speed drill bits, router bits, circular saw blades, jigsaw blades, screwdriver bits, wood drilling bits, metal drilling bits, builder's hardware, namely, chests and cabinets, routers, cut off blades, welding equipment and accessories namely, welding covers, gloves, contact tips and wire brushes, welding wire, solder and flux, torch cables, torch necks and torch handles, butane cylinders, welding carts, welding rods, air compressors</p> <p>(3) Carpenter's hand tools, namely, handsaws, hacksaws, utility knives, levels, namely, torpedo levels, digital levels, beam levels, box levels, laser levels, magnetic levels, woodworking clamps, tape measures, chisels, wrenches, wrench holder, wire cutters, hammers, screwdrivers, ratcheting tool sets, ratchet screw drivers, hand tools; namely, utility knives, plane, tape measures, chisels, wrenches, wrench holders, hammers, screwdrivers, ratcheting tool sets, ratchet screw drivers</p> <p>HARDWARE AND A WHOLE LOT MORE</p> <p>Status: Registered App. No.: 1414078 App. Date: 9-OCT-2008 Reg. No.: TMA760938 Reg. Date: 4-MAR-2010 Current Owner: Peavey Industries LP Goods/Services: Class 35: Retail sale of hardware, gardening products, automotive products, agricultural products, housewares, clothing, and sporting goods.</p> <p>TSC STORES & Design</p>  <p>Status: Registered</p>


Type of Search	Search Performed	Results
		<p>App. No.: 1341975 App. Date: 3-APR-2007 Reg. No.: TMA836918 Reg. Date: 22-NOV-2012 Current Owner: Peavey Industries LP Goods/Services: Classes 6 8 9 20 21 31 35: (1) Automotive batteries. (2) Tool boxes, tape measures, screwdrivers, hand tools and rain gauges. (3) Pet food, tool aprons, work gloves, recycling bins, pocket knives and cowboy hats. (1) Operating retail outlets specializing in the sale of farm supplies, hardware, lawn and gardening equipment, fertilizers and lawn and garden and farm chemicals, paint, building supplies, work clothing, footwear, agricultural tools and equipment, and automotive and agricultural equipment parts, fittings and accessories.</p> <p>TSC STORES</p> <p>Status: Registered App. No.: 1341965 App. Date: 3-APR-2007 Reg. No.: TMA836919 Reg. Date: 22-NOV-2012 Current Owner: Peavey Industries LP Goods/Services: Classes 6 8 9 20 25 31 35: (1) Automotive batteries. (2) Tool boxes, tape measures, screwdrivers, hand tools and rain gauges. (3) Pet food, tool aprons, work gloves, recycling bins, pocket knives and cowboy hats. (1) Operating retail outlets specializing in the sale of farm supplies, hardware, lawn and gardening equipment, fertilizers and lawn and garden and farm chemicals, paint, building supplies, work clothing, footwear, agricultural tools and equipment, and automotive and agricultural equipment parts, fittings and accessories.</p> <p>COUNTRY PRO</p> <p>Status: Registered App. No.: 1294729 App. Date: 10-APR-2006 Reg. No.: TMA685179 Reg. Date: 30-MAR-2007 Current Owner: Peavey Industries LP Goods/Services: Class 8:</p>


Type of Search	Search Performed	Results
		<p>Hand and gardening tools.</p> <p>TSC STORES & DESIGN</p>  <p>Status: Registered App. No.: 1119100 App. Date: 24-OCT-2001 Reg. No.: TMA607763 Reg. Date: 15-APR-2004 Current Owner: Peavey Industries LP Goods/Services: Classes 35 37 42: Operating retail outlets specializing in the sale of farm supplies, hardware, lawn and gardening equipment, fertilizers and lawn and garden and farm chemicals, paint, building supplies, work clothing and footwear and automobile parts and accessories.</p> <p>COUNTRY DEPOT & DESIGN</p>  <p>Status: Registered App. No.: 0725830 App. Date: 29-MAR-1993 Reg. No.: TMA460634 Reg. Date: 2-AUG-1996 Current Owner: Peavey Industries LP Goods/Services: Classes 35 39 40 42 43 44: Operation of retail outlets, namely farm supply stores, town and country stores and home centres dealing in the supply of products, including lumber and building supplies, hardware supplies, plumbing supplies, electrical supplies, domestic appliances, building supplies, wall paper, paint, decorating supplies, sanitation products, animal health products, pet food, tack, grease and oil, recreation equipment, rugs and floor coverings, tires, batteries, auto accessories, pumps, ventilation products, fertilizer, feed and seed, and automotive farm mechanical systems; operation of a gasoline and fuel oil distribution service for farmers; operation of gasoline bars and key lock gasoline pumps; operation of propane dispensing outlets; spreading of farm fertilizers and chemicals; rental of equipment for the spreading of agricultural fertilizers and chemicals; drying of corn and the storage of grain; spreading of fertilizer for agricultural purposes; computerized feed formulation service for agricultural customers; operation of lawn and garden centres.</p>

Type of Search	Search Performed	Results
		<p>PEAVEY MART & DESIGN</p>  <p>Status: Registered</p> <p>App. No.: 0388987</p> <p>App. Date: 22-AUG-1975</p> <p>Reg. No.: TMA225095</p> <p>Reg. Date: 30-DEC-1977</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: Class 1: Glues; plant foods; fertilizers; Starting fluids; oil treatment compounds; engine flushes; methyl hydrate; windshield washer antifreeze; antifreeze, putty; transmission fluids; Automobile body putty.</p> <p>Class 2: Paints.</p> <p>Class 3: Sandpaper; abrasive cloth; carpet cleaners.</p> <p>Class 4: Motor oils; engine additives; Fuels for camp stoves and lanterns; charcoal briquettes; waxes.</p> <p>Class 5: Fly vapour strips; insect and pest powder, sprays and liquid.</p> <p>Class 6: Metal Locks; pad locks; wedges; tool boxes; welding kits and rods; solder; rivets; wire ropes; clamps; knobs; latches, turn-buckles; bolts; washers; nails, screws; keys; chains and repair links; plant hooks; wire fences; border edging material; lawn fences; perma-pressure water tanks; swivels; nuts; Spurs; hooks; storage sheds; farm gates; fence stretchers; load binders; stock tanks saddles; Car ramps; door lock knobs; gas cans.</p> <p>Class 7: Self-lubricating gear pumps; flexator pumps; power winches; power drills; power saws; power sanders; power grinders; utility gas motors; oil burner motors; air compressors; winches and hoists; sanders; augers and bits; dies; shaft collars; soldering irons and guns; impact guns; grinding wheels; hydraulic jacks; hydraulic cylinders; hydraulic cylinder repair kits; snow pushers; snow throwers; pulleys; pulley blocks; paint sprayers; suction pumps; jet pump; barrel pumps; valves; aerators; sewage pumps; septic pumps; machinery bushings; wood planers; radial arm saws; lawn mower blades; nozzles; lawn mowers; garden seeders; Bits; tackler hoists; tillers; harrows; snow plow graders; well pumps; grain hoppers; poultry brooders; Oil filters; jacks; tune-up kits; gas snowmobile engines; fan belts; alternators; transmission oil cooler; distributor caps; spark plugs; Mufflers; hose; Swimming pool vacuum; vacuum cleaners; juicers; blenders; food grinders; food mixers; food slicers; catcher attachment for lawn mowers; Propane torches; Garden tractors; coolant return system.</p>

Type of Search	Search Performed	Results
		<p>Class 8:</p> <p>Bolt cutters; pliers; cutters; scissors; razor knives; shears; replacement blades for tape measures; circlecut snips; straight-cut snips; vises; wrenches; nail pullers; taper files; bastard files; wood rasps; chainsaw files; chisels; punches; hammers; ratchets; crow bars; sledge hammers; axe and hammer handles; glass cutters; shovels; snow scrapers; linoleum knives; plumbing augers; wall scrapers; caulking guns; jig saws; rakes; trowels; garden hand tools; Hardware, hardware supplies and tools, namely, socket wrench kits; shoe rasps; riveters; Hand pumps; grain scoops; grease guns and refills; Knives; ice augers; can openers; steam irons.</p> <p>Class 9:</p> <p>Couplers; tape measures; valves and switches; fire extinguishers; electrical extension leads; electrical fences; thermometers; light dimmers; electronic flashers; batteries; electrical connectors; routers; electrical valves and switches; electrical terminal connectors and rings; electrical wires; screw connectors; service panels; ground clamps; electrical utility boxes and covers; diaphragm switches; electrical breakers; fuses; plugs; cords; sockets; switch plates; Spark plug and hi voltage testers; auto circuit testers; timer lights; gauges; trailer light socket connectors; thermostats; cords; 8-track tape deck and speakers; car radios; battery chargers; battery cables; booster cables; remote control starter switch; fuel pump testers; volt-ohmsamp tester; engine analyzer; compression tester; tach-points tester; Hard hats; dust masks; safety helmets; life vest; safety face shields; welders' gloves; shoulder pads and helmets; mobile radios; citizen band radios and antenna; tape decks and cassettes; stereos; record players; TV and component stands; calculator carrying cases; calculators; cameras; Automotive parts, equipment and supplies, namely, lens.</p> <p>Class 11:</p> <p>Toilet tank kits; plumbing fixtures; spray heads; toilet tank balls; pulsating showers; water heaters; stop cocks; faucets; fans; heaters; flashlights; plumbing connectors; trouble lights; outdoor lights; Christmas lights; floodlights; automobile light bulbs; light bulbs; electric lanterns; fluorescent bulbs; black lights; floats; Air filters; lights; fans; car heaters; Dust mask replacement filters; barbeque lighters; camp stove lighters; patio lanterns; barbeques; portable chemical toilets; heat seats; grills; kettles; deep fryers; toasters; coffee percolators; freezers; humidifiers.</p> <p>Class 12:</p> <p>Hitches; wheelbarrows; springs; covers for motors; fuel tanks; tank liner kits; garden dump carts; wagons; Luggage carriers; trailer hitch connections; steering wheel covers; shock absorbers; hub caps; gas and oil caps; head light protectors; shift knobs; car and truck tops; ski carriers; mud flaps; seat covers; tires; inner tubes; windshield covers; wheel covers; tire chains; spare-tire carriers; Tricycles; tubes and tires; tire patch kits; bicycle seats; paddles and oars; canoes; inflatable boats; water bottle holders; bicycles; training wheels for bicycles; chains; Bicycle horns; automotive engines.</p> <p>Class 13:</p> <p>Ammo boxes; rifle cartridges; air guns and pellets.</p> <p>Class 16:</p> <p>Staples; paint brushes and rollers; Printing sets; chalk boards; modelling compounds; paint-by-number sets; paper napkins; wrapping paper; Christmas wrapping paper; paper bags; garbage bags; diaries; books and manuals.</p>


Type of Search	Search Performed	Results
		<p>Class 17: Insulating bushings; weather-strips; polyethylene film; plastic piping; fence insulators; sealing tapes; hoses; electrical insulators; garden hoses; Fuel hoses and spouts; Sealants; gaskets; heater and radiator hoses; Flexible tubing; self-adhering striping for automotive vehicles for use as edge trim; caulking compound.</p> <p>Class 18: Whips; animal blankets; bridles; halters; leads; reins; cinches; stirrups; Saddle bags; packs; rucksacks; child carriers; purses; luggage; travel bags; tote cases.</p> <p>Class 19: Cements; spatchling compounds; pipes; Farm implements, equipment and supplies, namely, fence posts; Bug screens.</p> <p>Class 20: Mechanics' chests; parts cabinets with drawers; plastic wood; stoppers; Mirrors; cushions; back rests; Mirrors; cushions; back rests; Stools; plastic water carriers; stadium and boat seats; lawn chairs and repair kits therefor; foam cushions; bins; furniture casters; tables; chairs; serving carts.</p> <p>Class 21: Funnels; spouts; mouse traps; glass fibre screening; toothbrush and tumbler holders; towel rings and hooks; towel bars; strainers; plungers; bird feeders; lawn sprinklers; rubber window cleaners; nylon sponge window cleaners; Curry combs; animal feeders and waterers; buckets; Drip pans; Vacuum bottles; coolers; camping cook sets; laundry baskets; decanters; sauce pans; brooms and mops; roasting pans; bread boxes; cannisters; frying pans; coffee pots; canners; drain boards; dish pans; garbage cans; pails; wash tubs.</p> <p>Class 22: Awnings and awning pulleys; tarpaulins; Lariats; bailer twine; Tow ropes; Fishing nets; tents; unfitted swimming pool covers.</p> <p>Class 24: Towels; face cloths; sleeping bags; Dry goods, namely, comforters.</p> <p>Class 25: Collars; Coats; parkas; jackets; shirts; underwear; T-shirts; caps; snowmobile suits; storm suits; curling sliders; ball caps; golf caps; gloves; jeans; pants; overalls; vests; mitts; rain suits; boots; rubber boots; insoles; socks; work suits; suspenders; snowmobile boots.</p> <p>Class 26: Pins; Belt buckles; ribbons.</p> <p>Class 27: Mats.</p> <p>Class 28: Christmas decorations; Ball gloves; boxing gloves; curling gloves; hockey gloves; fishing rods and reels; fishing lures; tackle boxes; tennis rackets; curling knee pads; curling brooms; exercise gyms; skates; volleyball sets; tetherballs; badminton sets; table tennis sets; hockey sticks; hockey tape; hockey nets; swimming and wading pools; athletic supporters and straps; pool tables; pool balls; dolls; board games;</p>



Type of Search	Search Performed	Results
		<p>card games; lawn darts; swing sets; hockey games; puzzles; pool cues; game calls; decoys; snow shoes and harnesses; toboggans; sleighs; snow sleds; educational toys; mechanical toys; plastic toys; train sets and tracks; toy animals; toy cars; toy kitchen items; stuffed toys; toy model kits; farm sets; toy guns; plastic building blocks; dart boards; horseshoe sets; shuffleboards and rocks.</p> <p>PEAVEY MART THE RED TAPE YOU APPRECIATE & Design</p>  <p>Status: Formalized App. No.: 2260228 App. Date: 25-MAY-2023 Current Owner: Peavey Industries LP Goods/Services: Class 25: Athletic shorts; baseball caps and hats; baseball shirts; button down shirts; casual shirts; children's shirts; cloth hats; collared shirts; denim shirts; dress shirts; fashion hats; fleece shirts; fur hats; golf hats; golf shirts; golf shorts; gym shorts; hats; knit shirts; knitted shirts; long sleeve shirts; long-sleeved t-shirts; men's shirts; muscle shirts; open-necked shirts; paper hats for use as clothing items; rain hats; running shorts; sedge hats (suge-gasa); small hats; sports caps and hats; straw hats; sun hats Class 31: Agricultural seeds; bird seed; crop seeds; flower seeds; seeds for growing fruits and vegetables; seeds for growing herbs; seeds for growing plants; seeds for planting Class 35: Retail sale of apparel, automotive supplies and equipment, home décor, outdoor décor and furniture, seasonal décor, electrical lighting supplies, home electrical products, farm supplies and equipment, farm implements, fencing, animal feed, household heating and cooling equipment and related parts and accessories, outdoor cooking equipment, housewares, lawn and garden products and tools, landscaping supplies, outdoor equipment and implements, camping products, sporting goods and supplies, pet supplies, bird houses and feeders, hand tools, power tools, hardware, paint, toys, plumbing supplies, outdoor water management supplies, water treatment products, homesteading products, power sport equipment, fuels, appliances, housewares, grocery items, live plants and seeds, furniture, cleaning supplies, live poultry, personal care products, gardening supplies, machine tools, canning supplies, plant growth substrates and chemicals, and soap and candle making supplies; online retail store services featuring seeds for planting, flower seeds, seeds for growing fruits and vegetables, seeds for growing herbs, bird seeds, and seeds for growing plants</p> <p>HARVEST GOODNESS</p> <p>Status: Registration Pending App. No.: 1932169 App. Date: 23-NOV-2018 Current Owner: Peavey Industries LP</p>




Type of Search	Search Performed	Results
		<p>Goods/Services:</p> <p>Class 1: Plant growing supplies for home gardeners namely growing media for plants, plant fertilizers, and plant growth regulating preparations; organic products relating to growing plants for home gardeners namely plant nutrient preparations and plant strengthening preparations; gardening soil for home gardeners.</p> <p>Class 2: Soap making supplies namely colorants for use in the manufacture of soap, dyes for making soap.</p> <p>Class 4: Candle making supplies namely beeswax for use in the manufacture of candles, oil for use in the manufacture of candles, wax for making candles, candle wicks.</p> <p>Class 8: Gardening supplies for home gardeners namely gardening tools.</p> <p>Class 21: Canning supplies namely canning jars and food preserving jars of glass; gardening supplies for home gardeners namely gardening gloves.</p> <p>Class 31: Pet food; bagged large animal feed; food for livestock; outdoor living plants.</p> <p>Class 31: Live chickens.</p> <p>Class 35: Retail sales of canning supplies, gardening tools for home gardeners, plant growing substrates for home gardeners namely growing media for plants, plant growth chemicals for home gardeners namely plant fertilizers and plant growth regulating preparations, organic products used for growing plants for home gardeners namely plant nutrient preparations and plant strengthening preparations, soap and candle making supplies, gardening soil for home gardeners, gardening supplies for home gardeners namely gardening tools and gloves, and outdoor garden plants.</p>  <p>Status: Registered</p> <p>App. No.: 1932182</p> <p>App. Date: 23-Nov-2018</p> <p>Current Owner: Peavey Industries LP</p> <p>Goods/Services: (1) Retail sale of apparel, automotive parts and car care supplies, namely, air filters, fuel filters, oil filters, motor oils, fuel oils, windshield wipers and windshield washing fluid, automobile light bulbs, home décor and furniture, seasonal décor, namely, Christmas decorations, electrical lighting supplies, namely, trouble lights outdoor lights, Christmas lights, floodlights, electrical terminal connectors and rings, electrical wires, light dimmers, electronic flashers, light bulbs, electric lanterns, home electrical products, namely, kitchen appliances, farm supplies and equipment, namely, farm implements, namely, fence posts, fence stretchers, tillers, harrows, garden tractors, snow plow graders, well pumps, hand pumps, grain</p>







Type of Search	Search Performed	Results
		hoppers, grain scoops, buckets, wagons, load binders, bailer twine, poultry brooders, fuel hoses and spouts, farm gates, stock tanks saddles, bridles, halters, collars, leads, reins, cinches, stirrups, lariats, whips, animal blankets, curry combs, bits, spurs, tackler hoists, hooks, animal feeders and waterers, storage sheds, fencing, animal feed, household heating and cooling equipment and related parts and accessories, namely, water heaters, patio heaters, electric space heaters and air conditioners, outdoor cooking equipment, namely, barbecues and grills, housewares, lawn and garden tools, and landscaping supplies, namely, lawn sprinklers, nozzles, lawn mowers, catcher attachment for lawn mowers, lawn mower blades, garden dump carts, bird feeders, plant foods, fertilizers, plant hooks, garden hoses, border edging material, rakes, trowels, garden hand tools, garden seeders, outdoor equipment and implements, namely, camping products, namely, camping furniture, camping grills, camping mattresses, camping stoves, camping trailers, sporting goods, pet supplies, namely, collars, leashes, reins, cinches, stirrups, lariats, whips, animal blankets, curry combs, bits, spurs, animal feeders and waterers, bird houses and feeders, hand tools, power tools, hardware, paint, toys, plumbing supplies, namely, faucets, water tanks, barrel pumps, sewage pumps, septic pumps, suction pumps, jet pumps, barrel pumps, plastic piping, toilet tank kits, plumbing fixtures, pipes, valves, aerators, spray heads, hoses, outdoor water management supplies, and water treatment products, namely, chemical products and water chemical preparations for the testing, treatment and maintenance of water, powered sporting goods, fuels, kitchen appliances, housewares, grocery items, live plants and seeds, furniture, cleaning supplies, namely, all-purpose cleaning preparations and all-purpose disinfecting and deodorizing preparations, live poultry, personal care products, namely, body care preparations, hair care preparations, deodorants for personal use, perfumes and fragrances, aromatherapy oils, insect repellents, hand sanitizers, machine tools, canning machines, plant growth substrates and chemicals, and skin care soap and candle making supplies, namely, candle wax, candle making moulds and wicks.
Patents	May 16, 2024	None.
Copyright	May 16, 2024	None.
Industrial Design	May 16, 2024	None.

The table below incorporates Canadian Trademarks owned by Ace Hardware Corporation for which Peavey Industries has been granted rights of use which expire as of December 31, 2024:

<u>Ace Marks</u>	<u>Services And Products</u>	<u>Registration Number</u>
ACE HARDWARE (Horizontal Stylized) 	Retail store services in the field of hardware and related goods Paint products, namely, applicators, caulk, caulk guns; preparation tools namely, scrapers and knives; solvents, spackle; hand and power tools; cleaning supplies namely, ammonia, brooms, chamois, natural and synthetic, dis washing detergents, glass cleaners, laundry detergents, mops, pails, sponges, sweeping compounds; maintenance/repair products, namely, construction adhesives, drive coatings/sealers, roof coatings/cements,	TMA409620

	<p>siding cleaner; electrical products, namely, batteries, cord sets, flashlight bulbs flashlights, fluorescent lighting, incandescent lighting, tapes; telephone accessories namely, handset cords, phone wires and phone jacks; terminals, utility lighting, wall plates, covers; ring devices namely, receptacles, switches, outlet covers; plumbing, heating, ventilation supplies, namely air filters, compounds, cements, decorative plumbing; faucet accessories, faucets, fittings, plastic and metal, garbage disposers, gas connectors, insulation, plumbing tools, plumbing supply lines, pumps, sinks, tapes, toilet repair parts, toilet seats, toilets, vent hoods, water heaters; hardware, namely, casters, house letters/numbers, keys, locks, plastic film, screen, metal and fiberglass, weather stripping; housewares, namely, laundry detergent, trash bags; window furnishings namely, drapery rods and hardware; lawn and garden supplies namely fertilizers, garden tools, garden power equipment namely, lawn mowers, tillers and tractors; hose accessories namely, couplings and menders; hose, insecticides, lawn seed, lawnmowers, lube oils, tarps, sporting goods/outdoor living goods namely, camp fuel, charcoal lighter fluid, fishing rods and lines, tapes, automotive supplies namely, anti-freeze, batteries, booster cables, motor oils, polishing cloth; variety products namely, garments, tapes, wrapping paper and writing implements.</p>	
<p>ACE HARDWARE (Horizontal Stylized)</p> 	Paint and hardware retail store services	TMA427378
<p>ACE THE HELPFUL PLACE (and design)</p> 	Retail hardware store services	TMA763151
<p>THE HELPFUL PLACE</p>	Retail hardware store services	TMA772688
<p>ACE IS THE PLACE WITH THE HELPFUL HARDWARE MAN</p>	Aiding in the establishment and operation of hardware stores for others	TMA311859
<p>ACE ON A TOUJOURS UNE SOLUTION. THE HELPFUL PLACE. (and design)</p>	Retail hardware store services	TMA762986

		
<p>ACE RENTAL PLACE (Stylized)</p> 	<p>Rental of meeting equipment and supplies and office equipment; rental of air compressors, power washers, air tools, power nailers, automotive tools and equipment, carpet/floor and tile equipment, drain cleaning equipment, pumps and plumbing equipment, drywall/cement tools and equipment, generators and electrical equipment, hand tools of all kinds, heaters and fans, hoists and jacks, ladders and scaffolds, paint and wallpaper equipment, power tools and welding equipment, rental of moving equipment and trucks, rental of sporting goods and outdoor leisure equipment for use on land or water; rental of party goods; rental of lawn and garden tools and equipment; rental of home health care equipment.</p>	TMA489410
<p>CLARK + KENSINGTON</p>	<p>Interior and exterior latex and oil-base paints, primers, stains, thinners, varnishes and lacquers</p>	TMA919358
<p>COLORS FOR YOUR LIFE</p>	<p>Printed and graphic guides related to paint and hardware selection; display racks kits consisting of display racks, paint color charts and decals for use in determining color schemes.</p>	TMA754851
<p>METTEZ DE LA COULEUR DANS VOTRE VIE</p>	<p>Printed and graphic guides related to paint and hardware selection; display racks kits consisting of display racks, paint color charts and decals for use in determining color schemes.</p>	TMA755047
<p>ACE CONTRACTOR PRO</p>	<p>Paint, primers, stains and varnishes</p>	TMA515620
<p>ROYAL</p>	<p>Paints and stains, namely, interior paint, exterior paint, wood stain, primer, varnish, interior polyurethane coating and exterior polyurethane coating.</p>	TMA925302
<p>SEALTECH</p>	<p>Paints and stains</p>	TMA478548
<p>STAIN HALT</p>	<p>Paint, primers and sealers</p>	TMA507435
<p>WOODROYAL</p>	<p>Paints and stains</p>	TMA478550
<p>ACE HANDYMAN SERVICES Bringing Helpful To Your Home (Design)</p> 	<p>Handyman services, namely, home repair, remodeling, cleaning, improvement and maintenance services; installation, repair and maintenance of home appliances, furnishings and fixtures.</p>	TMA1115341

<p>ACE Handyman Services (Design)</p> 	<p>Handyman services, namely, home repair, remodeling, cleaning, improvement and maintenance services; installation, repair, and maintenance of home appliances, furnishings and fixtures.</p>	TMA1115924
<p>ACE COUNTRY GARDEN & Design</p> 	<p>Retail store services featuring hardware, home improvement goods, lawn goods, garden goods, landscaping goods, tools, paint and painting supplies, electrical supplies and plumbing supplies.</p>	TMA1234117
<p>ACE PROMISE & Design</p> 	<p>Shovels; painter's buckets and pails; painter's tools; paint extension poles; paint mini rollers; paint mini rollers with frame; paint mitt; paint brushes; paint roller covers; paint sets; paint roller with pole; paint trays; stain pads; drop cloths; door locks; dead bolts; caulk tools and accessories; latex (non-silicone); pure silicone; siliconized acrylic; specialty caulks; tub/tile caulks and sealants; push-brooms; extension cords; padlocks</p>	TMA989250
<p>ACE QUALITY SINCE 1924 & Design</p> 	<p>Shovels; painter's buckets and pails; painter's tools; paint extension poles; paint mini rollers; paint mini rollers with frame; paint mitt; paint brushes; paint roller covers; paint sets; paint roller with pole; paint trays; stain pads; drop cloths; door locks; dead bolts; caulk tools and accessories; latex (non-silicone); pure silicone; siliconized acrylic; specialty caulks; tub/tile caulks and sealants; pushbrooms; extension cords; padlocks.</p>	TMA989222
<p>ACE CANADA & Design</p> 	<p>Retail hardware store services.</p>	TMA988377
<p>ACE QUINCAILLERIE & Design</p> 	<p>Retail hardware store services.</p>	TMA940247

TSC Stores Inc.

Type of Search	Search Performed	Results
Domains	May 16, 2024	•
Canadian Searches		

Type of Search	Search Performed	Results
Trademarks	May 16, 2024	None.
Patents	May 16, 2024	None.
Copyright	May 16, 2024	None.
Industrial Design	May 16, 2024	None.

SCHEDULE 4.21
MATERIAL CONTRACTS

1. Redemption of Shares Agreement dated October 1, 2012 among Peavey Industries Limited, 341889 Alberta Ltd., 341888 Alberta Ltd., 983329 Alberta Ltd., Terrance Jellicoe and Richard Anderson, as amended.
2. Transportation Agreement between Peavey Industries LP and Guys Freightways Ltd. dated December 1, 2019; revised Appendix C January 2024 and revised Appendix C Dated April 2024.
3. National Merchant Agreement between Peavey Industries LP, ACE Canada. and Moneris Solutions Corporation dated September 24, 2024.
4. Brokerage Agreement between Peavey Industries LP and Russell A. Farrow Ltd. dated November 22, 2019.
5. Transportation Agreement between Peavey Industries LP and C.H. Robinson Canada Ltd. dated June 28, 2023.
6. Customer Agreement for software between TSC Stores LP and JDA Software Canada Limited dated originally entered March 31, 2005, as renewed.
7. Software License Agreement between Peavey Industries Ltd. and JDA Software Canada Ltd. dated March 30, 1998.
8. Customer Care Support Services Agreement for software support services between Peavey Industries LP and RTC Group Inc. dated March 11, 2019.
9. Member Agreement between TSC Stores LP and Mid-State Distributing Company, Inc. dated January 2, 2018.
10. Asset Purchase Agreement dated as of February 28, 2020 among, inter alia, Rona Inc and Peavey LP and the ancillary material contracts conveyed pursuant thereto including:²
 - (a) Ace License Agreement – a license and support agreement dated July 28, 2014 between Rona Inc and Ace Hardware International Cooperatief U.A.
 - (b) Ace Distribution Agreement – a distribution agreement dated July 28, 201 between Rona Inc. and Ace Hardware International Holdings, Ltd.
 - (c) Corporate Store Lease – a lease of certain premises for the store in The Pas, Manitoba.
 - (d) Ace dealer agreements with the Ace dealers.

² [NTD: All Ace arrangements terminate on December 31, 2024.]

SCHEDULE 5.01(J)
FINANCIAL AND COLLATERAL REPORTING

1. Collateral Information. In addition, Loan Parties shall provide to the Administrative Agent (in such form as Agent may from time to time specify), together with the Borrowing Base Certificate with respect to Section 5.01(f) of the Credit Agreement, the following information as of the last day of the immediately preceding week prior to the delivery thereof:
 - a. a reasonably detailed aging of the Loan Parties' Credit Card Accounts;
 - b. a schedule detailing the Loan Parties' Inventory;
 - c. a worksheet of calculations prepared by the Loan Parties to determine Eligible Credit Card Accounts, Eligible Inventory, Eligible Equipment such worksheets detailing the Credit Card Accounts and Inventory excluded from Eligible Credit Card Accounts, Eligible Inventory, and the exclusion of Equipment from Eligible Equipment and in each case, the reason for such exclusion
 - d. a schedule detailing the Inventory balances by location;
 - e. an on-hand SKU report showing seasonality, department, units, current retail, original retail and price status;
 - f. an on-hand inventory report by merchandise class showing units, cost, and retail;
 - g. an in-transit report by container, PO, by merchandise department, showing expected delivery dates to distribution centers;
 - h. weekly sales and margin for current fiscal year with comparison to same period in prior fiscal year for each week of such month by retail location;
 - i. purchases and Accounts payable analysis report, together with an Accounts payable aging report by due date;
 - j. Accounts receivable analysis report, together with an Accounts receivable aging report by due date.

2. Monthly Report. In addition, within 30 days after the end of each Fiscal Month for the immediately preceding Fiscal Month on a Consolidated basis (and as more frequently as may be reasonably requested by Agent), the Loan Parties shall provide to the Agent original counterparts of (each in such form as the Agent from time to time may specify) at the times and in the manner provided in Section 5.01(f):
 - a. a statement of reconciliation of the Inventory stock ledger to the general ledger and financial statements;
 - b. inventory aging report by category;
 - c. planned on-order by category and timing of on-order;
 - d. sales, gross margin, and trends for current fiscal year with comparison to same period in prior fiscal year segregated by concept, category, and store;
 - e. list of operating expenses by stores, DC, corporate & e-commerce, inclusive of detailed payroll and occupancy expenses;
 - f. statement of Store activity (including details of opening, closing or relocation) as well as comparable Store sales summary;

- g. evidence of monthly rent payment; and
- h. such other information as the Agent may reasonably request from time to time.

**SCHEDULE 5.15
CASH MANAGEMENT ACCOUNTS**

Credit Party	Name of Bank or other Financial Institution	Address of Bank or Financial Institution	Account Type	Account Number
Guy's Freightways	ATB Financial	109-3215 49 Avenue, Red Deer AB	Chequing	00287004578 Transit 07819-219
Guy's Freightways	ATB Financial	109-3215 49 Avenue, Red Deer AB	Savings	00286922578 Transit 07819-219
Peavey Industries General Partner Limited	Royal Bank of Canada	4943 50 S, Red Deer, AB, T4N 1Y1	Chequing	08259-100-465-4
Peavey Industries LP	Royal Bank of Canada	4943 50 S, Red Deer, AB, T4N 1Y1	Chequing	
Peavey Industries LP	Royal Bank of Canada	4943 50 S, Red Deer, AB, T4N 1Y1	Prime Revolving Loan	002854502
Peavey Industries LP	Royal Bank of Canada	4943 50 S, Red Deer, AB, T4N 1Y1	CDOR	4069857
Peavey Industries LP	Royal Bank of Canada	4943 50 S, Red Deer, AB, T4N 1Y1	Swingline	002684058
Peavey Industries LP	Royal Bank of Canada	4943 50 S, Red Deer, AB, T4N 1Y1	ACE Ecomm Deposits	1005255
Peavey Industries LP	Royal Bank of Canada	4943 50 S, Red Deer, AB, T4N 1Y1	Online Seeds Deposits	1037928
Peavey Industries LP	Royal Bank of Canada	4943 50 S, Red Deer, AB, T4N 1Y1	ACE Dealer Deposits	1030543

Credit Party	Name of Bank or other Financial Institution	Address of Bank or Financial Institution	Account Type	Account Number
Peavey Industries LP	Royal Bank of Canada	4943 50 S, Red Deer, AB, T4N 1Y1	Deposits	1019900
Peavey Industries LP	Royal Bank of Canada	4943 50 S, Red Deer, AB, T4N 1Y1	Corp Ace Deposits	1009695
Peavey Industries LP	Royal Bank of Canada	4943 50 S, Red Deer, AB, T4N 1Y1	Disbursement	1172360
Peavey Industries LP	Royal Bank of Canada	4943 50 S, Red Deer, AB, T4N 1Y1	Disbursement	4003919
Peavey Industries LP	Royal Bank of Canada	4943 50 S, Red Deer, AB, T4N 1Y1	Payroll - Collect Benefit payments from employees on leave	1011063
Peavey Industries LP	Royal Bank of Canada	4943 50 S, Red Deer, AB, T4N 1Y1	Ace Gift Card	1005669
Peavey Industries LP	Royal Bank of Canada	4943 50 S, Red Deer, AB, T4N 1Y1	The Pas	1009695

**SCHEDULE 6.01
EXISTING PERMITTED LIENS**

ALBERTA

NO.	DEBTOR(S)	SECURED PARTY	REGISTRATION NUMBER	COLLATERAL DESCRIPTION
1.	Guys Freightways Ltd	Meridian Onecap Credit Corp.	20032311892	SN trailer
2.	Guys Freightways Ltd.	CWB National Leasing Inc.	20040614976	SN trailer
3.	Guys Freightways Ltd.	Coast Capital Equipment Finance Ltd.	21100426881	SN vehicle
4.	Guys Freightways Ltd.	Meridian Onecap Credit Corp.	21100620459	SN vehicles
5.	Guys Freightways Ltd.	Bodkin, A Division Of Bennington Financial Corp.	22061015832	SN vehicle
6.	Guys Freightways Ltd.	Bodkin, A Division Of Bennington Financial Corp.	22091605423	SN vehicle
7.	Guys Freightways Ltd.	Meridian Onecap Credit Corp.	23012518059	SN trailer
8.	Guys Freightways Ltd.	CWB National Leasing Inc.	23012805067	SN trailer
9.	Guys Freightways Ltd.	TD Equipment Finance Canada, A Division Of The Toronto-Dominion Bank The Toronto-Dominion Bank	23090809520	SN vehicles and trailers
10.	Guys	Meridian	23111406328	Lifts

	Freightways Ltd.	Onecap Credit Corp.		
11.	Guys Freightways Ltd.	TD Equipment Finance Canada, A Division Of The Toronto-Dominion Bank The Toronto-Dominion Bank	24011018881	SN vehicle
12.	Guys Freightways Ltd.	TD Equipment Finance Canada, A Division Of The Toronto-Dominion Bank The Toronto-Dominion Bank	24021516704	SN vehicle
13.	Guys Freightways Ltd	Calgary Peterbilt Ltd	24062125415	SN vehicle (Garage Keepers' Lien)
14.	Guys Freightways Ltd	Calgary Peterbilt Ltd	24072429618	SN vehicle (Garage Keepers' Lien)
15.	Guys Freightways Ltd.	TD Equipment Finance Canada, A Division Of The Toronto-Dominion Bank The Toronto-Dominion Bank	24081216457	SN vehicles
16.	Guys Freightways Ltd.	TD Equipment Finance Canada, A Division Of The Toronto-Dominion Bank	24100303911	SN vehicle

		The Toronto-Dominion Bank		
17.	Guys Freightways Ltd	First Choice Collision	24111523226	SN vehicle (Garage Keepers' Lien)
18.	Peavey Industries General Partner Limited	Meridian Onecap Credit Corp.	19071705775	SN vehicle
19.	Peavey Industries General Partner Limited	Meridian Onecap Credit Corp.	19071707279	SN vehicle
20.	Peavey Industries LP Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	20050712412	SN vehicle
21.	Peavey Industries LP Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	21011323190	SN vehicle
22.	Peavey Industries LP Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	21011323288	SN vehicle
23.	Peavey Industries LP Peavey Industries General Partner Limited	Meridian Onecap Credit Corp.	21020510479	SN vehicles
24.	Peavey Industries LP Peavey Industries General Partner Limited	ATB Financial Equipment Finance	21030330124	Assets related to TSC Stores remodel/rebrand

25.	Peavey Industries LP Peavey Industries General Partner Limited	ATB Financial Equipment Finance	21030330734	Assets related to TSC Stores remodel/rebrand
26.	Peavey Industries LP Peavey Industries General Partner Limited	LBEL Inc.	21051820361	SN vehicles
27.	Peavey Industries LP Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	21071922895	SN vehicles
28.	Peavey Industries LP Peavey Industries General Partner Limited	Bank Of Montreal/Banque De Montreal	21072315005	Leasehold improvements
29.	Peavey Industries LP Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	21072606112	SN vehicle
30.	Peavey Industries LP Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	21092416980	SN vehicle
31.	Peavey Industries LP By Its Gen. Part. Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	21100111629	SN vehicle

	Peavey Industries LP Peavey Industries General Partner Limited			
32.	Peavey Industries LP by Its Gen. Part. Peavey Industries General Partner Limited Peavey Industries LP Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	21110516738	SN vehicle
33.	Peavey Industries LP Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	21112208219	Equipment
34.	Peavey Industries LP Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	21112211127	SN vehicles
35.	Peavey Industries General Partner Limited Peavey Industries LP	ATB Financial Equipment Finance	22011113741	Assets re capital expenditures re Peavey Mart, Brooks, AB
36.	Peavey Industries LP Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	22040118464	SN vehicle

37.	Peavey Industries LP Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	22040404842	SN vehicles
38.	Peavey Industries General Partner Limited Peavey Industries LP	ATB Financial Equipment Finance	22060632292	Assets re capital expenditures re Peavey Marts in AB and SK
39.	Peavey Industries LP Peavey Industries General Partner Limited	Royal Bank Of Canada	22061026303	Leased equipment
40.	Peavey Industries LP Peavey Industries General Partner Limited	Bank Of Montreal/Banque De Montreal	22111030098	Fixtures, equipment, etc.
41.	Peavey Industries General Partner Limited Peavey Industries LP	ATB Financial - Equipment Finance	22121627366	Assets re capital expenditures re Peavey Mart in BC and MB
42.	Peavey Industries General Partner Limited Peavey Industries LP	Bank Of Montreal/Banque De Montreal	23032222657	Computers
43.	Peavey Industries General Partner Limited Peavey Industries LP	Toyota Industries Commercial Finance Canada, Inc.	23062311562	SN vehicles

44.	Peavey Industries General Partner Limited	Hyundai Motor Finance Hyundai Capital Canada Inc.	23120901127	SN vehicle
45.	Peavey Industries LP Peavey Industries General Partner Limited	Royal Bank Of Canada	24011218309	Leased equipment
46.	Peavey Industries L.P.	IBM Global Financing Canada Corporation	18072313142	Leased goods
47.	Peavey Industries LP Peavey Industries General Partner Limited	Royal Bank of Canada	19121618505	[NTD: This is the existing All PAAP registration that will be truncated to be a cash collateral registration. Language is being negotiated in the Payout and Release.]
48.	Peavey Industries LP	Wells Fargo Equipment Finance Company	19021406760	Office equipment
49.	Peavey Industries LP Peavey Industries LP	Royal Bank of Canada	20010923982	Leased equipment
50.	Peavey Industries LP Peavey Industries General Partnership Limited	G.N. Johnston Equipment Co. Ltd.	20121704385	SN vehicle
51.	Peavey Industries LP	Royal Bank of Canada	22011309783	Per master lease and all financed inventory and equipment in favour of RBC
52.	Peavey Industries LP	Royal Bank of Canada	22011309846	Leased equipment

53.	Peavey Industries LP	Toyota Industries Commercial Finance Canada, Inc.	22062405727	Equipment
54.	Peavey Industries LP	Royal Bank Of Canada	22072715619	Leased equipment
55.	Peavey Industries LP	Dell Financial Services Canada Limited	22080100483	Office equipment
56.	Peavey Industries LP	Royal Bank of Canada	23020131868	SN vehicle
57.	Peavey Industries LP	Royal Bank of Canada	23020131926	SN vehicle
58.	Peavey Industries LP	Royal Bank of Canada	23020131951	SN vehicle
59.	Peavey Industries LP	Royal Bank of Canada	23020131983	SN vehicle

BRITISH COLUMBIA

NO.	DEBTOR(S)	SECURED PARTY	REGISTRATION NUMBER	COLLATERAL DESCRIPTION
1.	Peavey Industries LP Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	845592N	Equipment
2.	Peavey Industries General Partner Limited Peavey Industries LP	ATB Financial – Equipment Finance	258265P	Assets related to capital expenditure for Peavey Mart stores in British Columbia and Manitoba

MANITOBA

NO.	DEBTOR(S)	SECURED PARTY	REGISTRATION NUMBER	COLLATERAL DESCRIPTION
1.	Peavey Industries General Partner Limited	Meridian Onecap Credit Corp.	201720368400	SN vehicle
2.	Peavey Industries LP	Royal Bank of Canada	201807705003	Master Lease Registration
3.	Peavey Industries LP	Royal Bank of Canada	202212582206	Equipment
4.	Peavey Industries LP	Royal Bank Of Canada	202212582508	Master Lease Registration
5.	Peavey Industries LP Peavey Industries General Partner Limited	ATB Financial – Equipment Finance	202220968300	Assets related to capital expenditure for Peavey Mart stores in British Columbia and Manitoba
6.	Peavey Industries LP Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	202310264000	Equipment
7.	Peavey Industries General Partner Limited Peavey Industries LP	Toyota Industries Commercial Finance Canada, Inc.	202320204900	SN vehicle

NOVA SCOTIA

NO.	DEBTOR(S)	SECURED PARTY	REGISTRATION NUMBER	COLLATERAL DESCRIPTION
1.	Peavey Industries LP Peavey Industries	Royal Bank of Canada, As Agent	36018059	Equipment

NO.	DEBTOR(S)	SECURED PARTY	REGISTRATION NUMBER	COLLATERAL DESCRIPTION
	General Partner Limited			

ONTARIO

NO.	DEBTOR(S)	SECURED PARTY	FILE NUMBER	COLLATERAL DESCRIPTION
1.	Peavey Industries LP	Kubota Canada Ltd	792326358	E, O, MV
2.	Peavey Industries LP	Dell Financial Services Canada Limited	785418777	E, O Office equipment
3.	Peavey Industries LP	1537638 Ontario Limited	760067199	E Office equipment
4.	Peavey Industries LP	1537638 Ontario Limited	760071789	E Office equipment
5.	Peavey Industries LP	Royal Bank Of Canada	759193092	E, O Equipment as further described under lease contract #201000050060
6.	Peavey Industries LP Peavey Industries General Partner Limited	Royal Bank of Canada	758610612	A, O [NTD: This is the existing All PAAP registration that will be truncated to be a cash collateral registration. Language is being negotiated in the Payout and Release.]
7.	Peavey Industries LP	Royal Bank Of Canada	785280015	E, O Equipment as further described under lease contract # 201000069006
8.	Peavey Industries LP	Royal Bank Of Canada	785280105	CG, I, E, A, O Master Lease Agreement dated December 23, 2021 together with all inventory and

				equipment now or hereafter acquired by the debtor and financed by the secured party
9.	Peavey Industries LP Peavey Industries General Partner Limited	ATB Financial Equipment Finance	770287185	O Amount Secured: \$945,220.00 Maturity Date: March 3, 2027 Assets related to the rebranding and remodeling of TSC Stores
10.	Peavey Industries LP Peavey Industries General Partner Limited	ATB Financial Equipment Finance	770287194	O Amount Secured: \$1,800,950.00 Maturity Date: March 3, 2025 Assets related to the rebranding and remodeling of TSC Stores
11.	Peavey Industries LP, By Its General Partner, Peavey Industries General Partner Limited Peavey Industries LP Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	761777433	E, O Material handling equipment
12.	Peavey Industries General Partner Limited Peavey Industries LP Peavey Industries LP By Its General Partner Peavey	Toyota Industries Commercial Finance Canada, Inc.	778402071	E, O Material handling equipment

	Industries General Partner Limited			
13.	Peavey Industries LP By Its General Partner Peavey Industries General Partner Limited Peavey Industries LP Peavey Industries General Partner Limited	Toyota Industries Commercial Finance Canada, Inc.	778415328	E, O Material handling equipment
14.	Peavey Industries General Partner Limited	Hyundai Capital Canada Inc.	790736706	CG, O
15.	Peavey Industries General Partner Limited	Royal Bank Of Canada	793377639	CG, MV SN vehicle
16.	Peavey Industries General Partner Limit	The Bank Of Nova Scotia	793444293	E, O, MV SN vehicle
17.	TSC Stores GP Inc. TSC Stores L.P.	Bank Of Montreal/Banq ue De Montreal	746975619	E, O Equipment
18.	TSC Stores GP Inc. TSC Stores L.P.	Bank Of Montreal/Banq ue De Montreal	758358729	E, O Equipment

SASKATCHEWAN

NO.	DEBTOR(S)	SECURED PARTY	REGISTRATION NUMBER	COLLATERAL DESCRIPTION
1.	Peavey Industries General Partner Limited Peavey Industries LP	ATB Financial - Equipment Finance	302300990	Assets related to capital expenditure for Peavey Mart stores in Alberta and Saskatchewan
2.	Peavey Industries LP	Royal Bank Of Canada	302319639	Equipment as further described under lease contract # 201000069006
3.	Peavey Industries LP	Royal Bank Of Canada	302319643	Master lease agreement dated December 23, 2021 together with all inventory and equipment now or hereafter acquired by the debtor and financed by the secured party

**SCHEDULE 6.02
EXISTING PERMITTED INDEBTEDNESS**

Lease No.	Description	Lessor	Balance (as of November 30, 2024)
ATB FS-3	Leasehold, Fixtures, Equipment and Computers	ATB	\$175,225
ATB LS-3	Fixtures, Equipment and Computers	ATB	\$244,892
ATB FS-1	Fixtures, Equipment and Computers	ATB	\$267,123
ATB LS-2	Leasehold, Fixtures, Equipment and Computers	ATB	\$320,846
36538	Leasehold, Fixtures, and Equipment	BMO	\$263,329
39049	Computers (RF Guns)	BMO	\$742,721
38559	Leasehold, Fixtures, Equipment and Computers	BMO	\$1,163,103
C12180	Guy's Freightways Truck	Coast Capital	\$72,882
MQNG812	IT Operating Lease	Dell Financial	\$62,135
703050	Forklift	DLL	\$17,195
623946	Guy's Freightways Trailer	First Capital	\$5,440
2986115	Guy's Freightways Trailer	First Capital	\$5,440
695546	Guy's Freightways Equipment (Mobile hydraulic lifts)	First Capital	\$58,055
3102343	Guy's Freightways Trailer	First Capital	\$59,168
663276	Guys Freightways Trailer	First Capital	\$62,200
129985	Guy's Freightways Truck	First Capital	\$131,196
50022838	Guy's Freightways Truck	First Capital	\$144,167
Grenke	Guy's Freightways Software	Grenke	\$2,855
111188A	Vehicle	Hyundai	\$21,872

107645	Vehicle	Hyundai	\$23,413
303553A	Vehicle	Hyundai	\$35,182
116367A	Vehicle	Hyundai	\$36,990
731053	Wheel Loader	Kubota	\$12,760
120	Building Improvements - London Office/DC	Landlord	\$3,263
650757	Guys Freightways Trailers	Meridian	\$49,676
50060	Computers	RBC	\$2,357
73247077	Vehicle	RBC	\$21,854
73258735	Vehicle	RBC	\$26,775
73261705	Vehicle	RBC	\$26,775
73258737	Vehicle	RBC	\$26,775
68220	Computers	RBC	\$30,330
77404	Leasehold, Fixtures, Equipment and Computers	RBC	\$572,738
69006	Leasehold, Fixtures, Equipment and Computers	RBC	\$2,191,878
24034860	Guy's Freightways Truck	TD	\$132,479
2400540	Guy's Freightways Truck	TD	\$281,215
24003930	Guy's Freightways Truck	TD	\$287,264
24028240	Guy's Freightways Truck	TD	\$585,924
23026890	Guy's Freightways Trucks and Trailers	TD	\$693,974.21
24790	Forklift	Toyota	\$694
24789	Forklift	Toyota	\$951
26000	Forklift	Toyota	\$4,575
25936	Forklift	Toyota	\$5,923

26320	Forklift	Toyota	\$8,091
26223	Forklift	Toyota	\$16,706
26224	Forklift	Toyota	\$17,468
27265	Forklift	Toyota	\$22,179
26649	Forklift	Toyota	\$23,524
27296	Forklift	Toyota	\$25,953
29509	Forklift	Toyota	\$27,340
27795	Forklift	Toyota	\$28,245
30437A	Forklift	Toyota	\$48,623

Description	Creditor	Balance (as of November 30, 2024)
Rent for Bradford exited store (due April 1, 2025) pursuant to Promissory Note dated November 29, 2023 granted by Peavey Industries LP in favour of 2059421 Ontario Ltd.	2059421 Ontario Ltd.	\$222,414
Artifact Tenant Improvement Allowance (Liberty Distribution Centre)	Artifact	\$603,931
ATB Mastercards (Guy's Freightways Ltd.)	ATB Financial	\$25,000
Loan Agreements dated July 29, 2022 and July 31, 2023 between Peavey Industries LP and Origin Story Inc.	Origin Story Inc.	\$9,313,920
RBC Visa cards (Peavey Industries LP)	Royal Bank of Canada	\$200,000

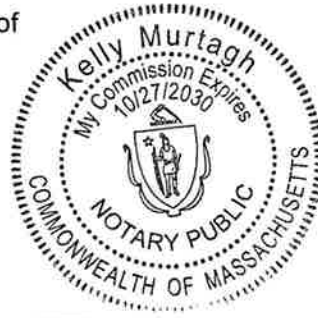
SCHEDULE 6.04
EXISTING PERMITTED INVESTMENTS

1. Indirect investment in Mid-States Distributing LLC in the amount of \$3,513,729

SCHEDULE 6.08
RESTRICTIVE AGREEMENTS

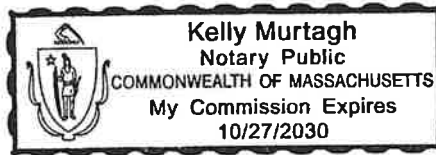
Nil.

This is Exhibit "M" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of Massachusetts



CONFIDENTIAL

December 20, 2024

Peavey Industries LP
 7740 – 40th Avenue, Red Deer
 AB, T4P 2H9
 Attention: Douglas Anderson, President
 Karen Dilon, Chief Financial Officer

Fee Letter

Ladies and Gentlemen:

This Fee Letter (this “Fee Letter”) is the Fee Letter referred to in that certain Credit Agreement, dated as of December 20, 2024 (as the same may be amended, restated, supplemented, or otherwise modified from time to time, the “Credit Agreement”), by and among Peavey Industries LP, an Alberta limited partnership (the “Borrower”), each subsidiary of the Borrower listed as a “Guarantor” on the signature pages hereto (together with each Person that executes a Joinder Agreement and becomes a “Guarantor” hereunder, each a “Guarantor” and collectively, the “Guarantors”), the lenders from time to time party hereto (each a “Lender” and collectively, the “Lenders”), 1903P Loan Agent, LLC, a Delaware limited liability company, as administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the “Administrative Agent”). Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Credit Agreement.

Closing Fee: The Borrower shall pay to the Administrative Agent, for the ratable account of each Lender, a closing fee (the “Closing Fee”) equal to:

- (a) 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; and
- (b) 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.

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, and the balance thereof shall be payable on the sixth (6th) month anniversary of the Effective Date.

Collateral 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 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.

Prepayment Fees:

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

Term Loan 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) 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.

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.

The calculation of the amount of any Prepayment Fee shall be made as of, and such Prepayment Fee shall be earned and due and payable in full on, the first date upon which the applicable Prepayment Fee Event occurs (*e.g.*, if the Revolving Credit Commitments are cancelled due to acceleration, then the

Revolver Prepayment Fee Event shall be the date of such acceleration). All parties to this Fee Letter agree and acknowledge that the Lenders will have suffered damages on account of any Prepayment Fee Event and that, in view of the difficulty in ascertaining the amount of the damages on account thereof, the Prepayment Fee constitutes reasonable compensation and liquidated damages to compensate the Lenders on account thereof.

Without limiting the generality of the foregoing, it is understood and agreed that if the Obligations are accelerated and the Commitments are cancelled for any reason, including because of an Event of Default under Section 7.01(f) or (g) of the Credit Agreement (including acceleration by operation of law or otherwise), any Prepayment Fee determined as of the date of the applicable Prepayment Fee Event will be due and payable as though the Obligations were voluntarily prepaid and the applicable Commitments cancelled as of such date and shall constitute part of the Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Lender's lost profits as a result thereof. The Borrower agrees that payment of any Prepayment Fee due hereunder is reasonable under the circumstances currently existing. Any Prepayment Fee shall also be payable in the event the Obligations (and/or the Credit Agreement or any notes evidencing the Obligations) are satisfied or released by foreclosure (whether by power of judicial proceeding or otherwise), agreement or deed in lieu of foreclosure or by any other means. To the fullest extent permitted by Applicable Law, the Borrower expressly waives the provisions of any present or future statute or law that prohibits or may prohibit the collection of the foregoing Prepayment Fee in connection with any such acceleration including in connection with any voluntary or involuntary acceleration of the Obligations pursuant to any bankruptcy event or other proceeding pursuant to any Debtor Relief Laws or pursuant to a plan of reorganization. The Borrower expressly agrees that (i) the Prepayment Fee is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel, (ii) the Prepayment Fee shall be payable notwithstanding the then prevailing market rates at the time payment is made, (iii) there has been a course of conduct between the Administrative Agent or Lenders and the Borrower giving specific consideration in this transaction for such agreement to pay the Prepayment Fee, (iv) the Borrowers shall be estopped hereafter from claiming differently than as agreed to in this paragraph, and (v) if any Prepayment Fee, Closing Fee, Agency Fee, Collateral Monitoring Fee, Preferred Return, or any other fee due hereunder is not paid in full in cash when due, then such unpaid amount thereof shall constitute a Loan and be added to the principal balance of the Revolving Loans or Term Loan, as applicable; provided, however, that no such action by the Administrative Agent shall constitute a waiver or cure of any Event of Default resulting from the Borrower's failure to make such payment as and when due. The Borrower expressly acknowledges that its agreement to pay the Prepayment Fee to the Lenders as herein described is a material inducement to the Lenders to provide the Commitments and to make the Loans under the Credit Agreement.

Subject to Section 2.08 of the Credit Agreement, *mutatis mutandis*, all fees and amounts payable hereunder will be payable in Dollars in immediately available funds, free and clear of, and without deduction for, any and all present or future applicable taxes, levies, imposts, deductions, charges or withholdings and all liabilities with respect thereto (with appropriate gross-up for withholding taxes). Once paid, no fee or amount hereunder will be refundable under any circumstances and will not be subject to any counterclaim or setoff, or otherwise affected. At the Administrative Agent's sole discretion, all or any portion of the fees payable to it hereunder may be (i) allocated among the Lenders as determined by the Administrative Agent, (ii) allocated to any of its affiliates and/or (iii) structured as original issue discount. All fees hereunder shall be in addition to any fees, costs or expenses otherwise payable by the Borrower pursuant to the Credit Agreement.

This Fee Letter and the contents hereof are confidential and, without the Administrative Agent's prior written consent, may not be disclosed by the Borrower or otherwise used, circulated, quoted or referred to in any report or document, except as required by Applicable Law.

This Fee Letter is a Loan Document. This Fee Letter may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Fee Letter by telecopy, emailed pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Fee Letter. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Fee Letter and the transactions contemplated hereby or thereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act., the Personal Information Protection and Electronic Documents Act or any other federal, provincial or local laws similar thereto.

This Fee Letter may not be amended, and the provisions hereof may not be waived or modified, except by an instrument in writing signed by all of the parties hereto.

This Fee Letter shall be subject to the provisions regarding governing law and venue, service of process, and jury trial waiver set forth in Sections 10.09, 10.10 and 10.11 of the Credit Agreement, and such provisions are incorporated herein by this reference, *mutatis mutandis*.

[Continued on following page.]

Very truly yours,

1903P LOAN AGENT, LLC, as Administrative Agent

DocuSigned by:

By: 3B97CA97C59842E
Kyle Shonak, Manager

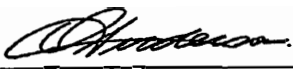
1903 PARTNERS, LLC, as Lender

DocuSigned by:
Patricia Parent
By: 5469A6860B3840D...
Patricia Parent, Vice President and Treasurer

Agreed to and accepted as of
the date first above written:

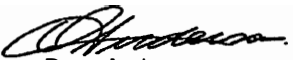
BORROWER:

**PEAVEY INDUSTRIES LP, by its general partner,
PEAVEY INDUSTRIES GENERAL PARTNER
LIMITED**


By: 
Name: Doug Anderson
Title: President

GUARANTORS:

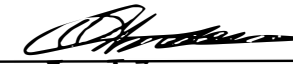
GUY'S FREIGHTWAYS LTD.

By: 
Name: Doug Anderson
Title: President

**PEAVEY INDUSTRIES GENERAL PARTNER
LIMITED**

By: 
Name: Doug Anderson
Title: President

TSC STORES GP INC.

By: 
Name: Doug Anderson
Title: President, CEO and COO

This is Exhibit "N" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of Massachusetts



Subject: FW: variance

From: Matthew Czerkowicz <mczerkowicz@gordonbrothers.com>

Sent: Thursday, January 9, 2025 8:01 AM

To: Caroline Maxwell <cmaxwell@gordonbrothers.com>

Subject: variance

Theyre going to trip the inventory receipt covenant next week

Peavey Industries LP								
Weekly Variance								
	Weekly		Weekly		2-Week		2-Week	
	Actual	Budget	Variance	Variance	Actual	Budget	Variance	Variance
	1/3/2025	1/3/2025	\$s	%s	1/3/2025	1/3/2025	\$s	%s
Sales	4,176	6,825	(2,649)	-38.8%	10,682	11,491	(809)	-7.0%
Total Cash Receipts	\$ 5,094	\$ 7,077	(1,983)	-28.0%	\$ 13,203	\$ 13,271	(68)	-0.5%
Operating Cash Disbursements								
Payroll & Benefits	(1,060)	(1,000)	(60)	6.0%	(2,337)	(2,300)	(37)	-1.6%
Rent	(3,387)	(3,500)	113	-3.2%	(3,387)	(3,500)	113	3.2%
Payment of Trade A/P	(123)	(3,058)	2,935	-96.0%	(128)	(1,458)	1,330	91.2%
Second BBC Impact	-	-	-	0.0%	-	-	-	0.0%
Working Capital Changes	-	-	-	0.0%	-	-	-	0.0%
Other Opex	(462)	(2,750)	2,288	-83.2%	(785)	(3,850)	3,065	79.6%
Sales Tax Remittance	(1,427)	-	(1,427)	0.0%	(1,427)	-	(1,427)	0.0%
Interest and Bank Fees	(289)	(205)	(84)	41.0%	(289)	(740)	451	61.0%
Freight & Duty	-	(500)	500	-100.0%	(274)	(1,000)	726	72.6%
Contingency	-	(125)	125	-100.0%	-	(250)	250	100.0%
Total Operating Cash Disbursements	\$ (6,749)	\$ (11,138)	4,389	-39.4%	\$ (8,628)	\$ (13,098)	4,470	34.1%
Total Non-Operating Disbursements	\$ -	\$ -	-	0.0%	\$ -	\$ -	-	0.0%
Total Disbursements	\$ (6,749)	\$ (11,138)	\$ 4,389	-39.4%	\$ (8,628)	\$ (13,098)	\$ 4,470	-34.1%
Net Cash Flow	\$ (1,654)	\$ (4,061)	2,407	-59.3%	\$ 4,576	\$ 173	4,403	2546.0%
Ending Debt Balance - Excluding Cash Acct	\$ 69,324	\$ 75,641	(6,318)	-8.4%	\$ 69,296	\$ 75,791	(6,495)	-8.6%
Loan Cap + \$30M Term	84,918	89,075	(4,157)	-4.7%	89,027	91,667	(2,640)	-2.9%
Net Availability (Total Avail - Loan)	\$ 15,594	\$ 13,434	2,160	16.1%	\$ 19,731	\$ 15,876	3,855	24.3%
Availability Block	\$ 10,000	\$ 10,000			\$ 10,000	\$ 10,000		
Adjusted Availability (After Block)	\$ 5,594	\$ 3,434	\$ 2,160	62.9%	\$ 9,731	\$ 5,876	\$ 3,855	65.6%
Cash	490	-	490	0.0%				

Matt Czerkowicz
Director | Capital
Gordon Brothers
508.450.7711

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Peavey - Variance Report

Week No.	0	1	2
Week Ending	12/28/24	1/4/25	1/11/25

Financial Covenants**Minimum Sales**

Forecast	4,666	6,825	7,063
Actual	6,506	4,176	4,392
<i>Actual vs. Forecast (3W Cum.)</i>	<i>n.a.</i>	<i>n.a.</i>	81.2%

Minimum Collections

Forecast	6,193	7,077	8,167
Actual	8,034	5,094	5,039
<i>Actual vs. Forecast (3W Cum.)</i>	<i>n.a.</i>	<i>n.a.</i>	84.7%

Minimum Inventory Receipts

Forecast	1,000	1,677	1,669
Actual	714	436	876
<i>Actual vs. Forecast (3W Cum.)</i>	<i>n.a.</i>	<i>n.a.</i>	46.6%

Minimum Inventory Levels

Forecast	123,918	122,651	120,680
Actual	125,003	122,412	120,202
<i>Actual vs. Forecast</i>	100.9%	99.8%	99.6%

Maximum Disbursements

Forecast	1,960	11,138	3,434
Actual	1,879	6,749	3,951
<i>Actual vs. Forecast (3W Cum.)</i>	<i>n.a.</i>	<i>n.a.</i>	76.1%

Minimum Sales - W/O Consignment Sales

Forecast	4,666	5,138	5,375
Actual	6,506	4,176	4,392
<i>Actual vs. Forecast (3W Cum.)</i>	<i>n.a.</i>	<i>n.a.</i>	99.3%

Minimum Collections - W/O Consignment Sales

Forecast	6,193	5,390	6,480
Actual	8,034	5,094	5,039
<i>Actual vs. Forecast (3W Cum.)</i>	<i>n.a.</i>	<i>n.a.</i>	100.6%

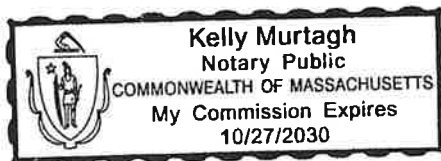
Peavey Industries LP															
Weekly Cash Flow	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Total 13 Weeks From Week 3
	1/5/2025	1/12/2025	1/19/2025	1/26/2025	2/2/2025	2/9/2025	2/16/2025	2/23/2025	3/2/2025	3/9/2025	3/16/2025	3/23/2025	3/30/2025	4/6/2025	
	1/11/2025	1/18/2025	1/25/2025	2/1/2025	2/8/2025	2/15/2025	2/22/2025	3/1/2025	3/8/2025	3/15/2025	3/22/2025	3/29/2025	4/5/2025	4/12/2025	
Cash Receipts															
Sales & Misc Deposits	4,581	4,311	6,914	6,163	5,973	5,814	5,713	5,958	7,500	7,903	8,042	8,963	7,804	9,201	90,259
Sales Tax	438	414	664	592	573	558	548	572	720	759	772	860	749	883	8,665
Ace AR Payments	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	\$ 5,039	\$ 4,725	\$ 7,577	\$ 6,754	\$ 6,546	\$ 6,372	\$ 6,262	\$ 6,530	\$ 8,221	\$ 8,662	\$ 8,814	\$ 9,823	\$ 8,554	\$ 10,084	\$ 98,924
Operating Cash Disbursements															
Payroll & Benefits	(739)	(1,580)	(750)	(1,550)	(750)	(1,550)	(750)	(1,550)	(750)	(1,389)	(750)	(1,375)	(750)	(1,315)	(14,809)
Rent	(11)	-	-	-	(3,500)	-	-	(3,485)	-	-	-	-	(3,360)	-	(10,345)
Payment of Trade A/P	(940)	(1,230)	(1,420)	(1,040)	(660)	(400)	(790)	(2,540)	(4,460)	(5,810)	(4,450)	(4,300)	(4,360)	(5,550)	(37,010)
Second BBC Impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Working Capital Changes	-	2,021	3,442	350	(9,102)	(3,569)	(2,282)	2,015	(2,425)	(6,454)	(2,962)	2,378	(3,165)	(2,736)	(22,490)
Other Opex	(1,338)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,040)	(1,040)	(1,040)	(1,040)	(14,060)
Sales Tax Remittance	-	-	(435)	(2,202)	-	-	(320)	(755)	-	-	(341)	-	(72)	529	(3,596)
Interest and Bank Fees	(12)	-	-	(794)	-	-	-	(810)	-	-	-	-	(903)	-	(2,508)
Freight & Duty	(912)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(6,500)
Contingency	-	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(1,625)
Total Operating Cash Disbursements	\$ (3,951)	\$ (2,514)	\$ (888)	\$ (6,961)	\$ (15,737)	\$ (7,244)	\$ (5,867)	\$ (5,365)	\$ (12,845)	\$ (15,378)	\$ (10,168)	\$ (4,962)	\$ (14,276)	\$ (10,737)	\$ (112,943)
Total Non-Operating Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Disbursements	\$ (3,951)	\$ (2,514)	\$ (888)	\$ (6,961)	\$ (15,737)	\$ (7,244)	\$ (5,867)	\$ (5,365)	\$ (12,845)	\$ (15,378)	\$ (10,168)	\$ (4,962)	\$ (14,276)	\$ (10,737)	\$ (112,943)
Net Cash Flow	\$ 1,088	\$ 2,211	\$ 6,689	\$ (207)	\$ (9,191)	\$ (872)	\$ 394	\$ 1,165	\$ (4,625)	\$ (6,716)	\$ (1,354)	\$ 4,862	\$ (5,722)	\$ (653)	\$ (14,019)
Debt Rollforward															
Beginning Balance	67,698	66,610	64,399	57,710	57,916	67,107	67,980	67,585	66,421	71,046	77,762	79,116	74,254	79,976	
(-) Net Cash Flow	(1,088)	(2,211)	(6,689)	207	9,191	872	(394)	(1,165)	4,625	6,716	1,354	(4,862)	5,722	653	
(Transfer)	5,500	2,900	3,400	7,700	12,500	7,500	7,100	7,400	9,700	15,700	9,800	9,200	9,800	11,200	
Ending Debt Balance	\$ 66,610	\$ 64,399	\$ 57,710	\$ 57,916	\$ 67,107	\$ 67,980	\$ 67,585	\$ 66,421	\$ 71,046	\$ 77,762	\$ 79,116	\$ 74,254	\$ 79,976	\$ 80,629	
Ending Debt Balance - Excluding Cash Acc	\$ 69,519	\$ 68,214	\$ 63,896	\$ 64,785	\$ 70,583	\$ 71,753	\$ 72,679	\$ 73,665	\$ 75,306	\$ 82,370	\$ 83,535	\$ 83,001	\$ 84,043	\$ 85,311	
Loan Cap + \$30M Term	\$ 82,468	\$ 81,707	\$ 81,660	\$ 87,372	\$ 88,147	\$ 88,897	\$ 90,120	\$ 93,374	\$ 101,025	\$ 102,231	\$ 102,832	\$ 102,845	105,256	104,973	
Net Availability (Total Avail - Loan)	\$ 12,949	\$ 13,493	\$ 17,764	\$ 22,587	\$ 17,564	\$ 17,144	\$ 17,442	\$ 19,709	\$ 25,720	\$ 19,861	\$ 19,297	\$ 19,844	\$ 21,213	\$ 19,662	
	15.7%	16.5%	21.8%	25.9%	19.9%	19.3%	19.4%	21.1%	25.5%	19.4%	18.8%	19.3%	20.2%	18.7%	
Availability Block	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	10,000	10,000	
Adjusted Availability (After Block)	\$ 2,949	\$ 3,493	\$ 7,764	\$ 12,587	\$ 7,564	\$ 7,144	\$ 7,442	\$ 9,709	\$ 15,720	\$ 9,861	\$ 9,297	\$ 9,844	\$ 11,213	\$ 9,662	
Sales	4,392	6,836	6,854	6,012	5,873	5,910	5,635	6,027	7,728	8,032	8,112	9,209	7,740	9,305	
Inventory Receipts	876	2,540	4,461	5,812	4,445	4,296	4,358	5,555	5,893	6,139	5,201	5,645	6,488	6,065	
Inventory	120,202	119,642	119,498	122,201	123,608	124,974	126,478	129,060	131,046	132,990	133,847	134,483	136,105	136,354	
Cash	2,119	2,505	5,017	5,756	2,519	2,775	4,007	6,042	2,897	3,218	2,850	7,088	2,613	3,076	

This is Exhibit "O" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of Massachusetts





January 15, 2025

VIA EMAIL (Doug.Anderson@Peaveyindustries.com)

Peavey Industries LP
c/o Peavey Industries General Partner Limited
7740 40 Avenue
Red Deer, AB T4P 2H9
Attention: Doug Anderson

RE: Notice of Events of Default and Reservation of Rights

Reference is made to that certain Credit Agreement dated as of December 20, 2024 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "**Credit Agreement**") by, among others, (i) Peavey Industries LP, an Alberta limited partnership (the "**Borrower**"), (ii) each subsidiary of the Borrower listed as a "Guarantor" on the signature pages hereto (together with each Person that executes a Joinder Agreement and becomes a "**Guarantor**" hereunder, individually, a "**Guarantor**" and collectively, the "**Guarantors**"), (iii) 1903P Loan Agent, LLC, as administrative agent and collateral agent (in such capacities, the "**Administrative Agent**") for its own benefit and the benefit of the other Credit Parties referred to therein, and (iv) the lenders from time to time party thereto as "Lenders" (individually, a "**Lender**" and, collectively, the "**Lenders**"). All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

Please take notice that, among other possible Defaults and/or Events of Default, the Events of Default have occurred (such Events of Default, collectively, the "**Specified Events of Default**") with respect to Borrower's failure to comply with Section 6.12 of the Credit Agreement, which constitute Events of Default under Section 7.01(c) of the Credit Agreement.

The Administrative Agent, and the Lenders have certain rights and remedies with respect to the Specified Events of Default under the Credit Agreement and the other Loan Documents as well as Applicable Law, including, without limitation, the right to (i) declare the Commitments to be terminated, (ii) accelerate the payment of all Obligations and demand immediate repayment thereof, (iii) impose the Post-Default Rate, and (iv) exercise any other remedies available under the Credit Agreement and the other Loan Documents, at law or in equity. The failure of the Administrative Agent or any Lender to exercise any such rights, powers, privileges and remedies is not intended, and shall not be construed, to be a waiver of any Event of Default (including, without limitation, the Specified Events of Default). The Administrative Agent, and the Lenders may elect to exercise any or all of their rights, at their sole option, at any time hereafter, without the necessity of any further notice, demand or other action on the part of the Administrative Agent, or the Lenders. The Administrative Agent, and the Lenders are presently evaluating all courses of action that may be available under the Credit Agreement and the other Loan Documents, at law or in equity. Accordingly, without waiving the Specified Events of Default, the Administrative Agent, and the Lenders reserve all of their rights and remedies under the Credit Agreement and the other Loan Documents, at law and in equity.

Take notice that as a result of the Specified Events of Default, the Administrative Agent hereby notifies the Borrower that, as of the date hereof, the Obligations shall accrue interest at the Post-Default Rate in accordance with Section 2.05(c) of the Credit Agreement.

As a result of the Specified Events of Default, the Administrative Agent, and/or the Lenders are not obligated to fund any Loan. To the extent that the Administrative Agent, and the Lenders make additional Loans, any such Loans (i) shall be made at such Administrative Agent, and/or the Lenders sole discretion, (ii) shall not establish a course of dealing, and (iii) shall be without prejudice to such Administrative Agent, and/or the Lenders' right to cease making Loans, or to exercise any such rights and remedies at any time, all of which are expressly reserved.

The holding of any discussions between or among any or all of the Administrative Agent, and/or the Lenders, the Borrower and/or any other Loan Party regarding the administration of the Loans or proposals regarding amendments to, or modifications or restructurings of the Credit Agreement or any Loan Document shall not constitute any waiver of any Default or Event of Default (including, without limitation, the Specified Events of Default), or an agreement to forbear from the exercise of the Administrative Agent's, or any Lender's rights and remedies under the Credit Agreement or any other Loan Document, at law or in equity, nor shall it be construed as an undertaking by the Administrative Agent, or any Lender to continue such discussions or to enter into any such amendments, modifications or restructurings.

Nothing contained in, or omitted from, this letter shall constitute an amendment or waiver by the Administrative Agent, or any Lenders of any provision of the Credit Agreement or any other Loan Document, and all provisions of the Credit Agreement and the other Loan Documents shall remain in full force and effect. The delivery of this letter and the Administrative Agent's, and Lenders' failure to exercise, or delay in exercising, any right, remedy, power or privilege under the Credit Agreement and the other Loan Documents shall not operate as a waiver or amendment thereof or waive, affect or diminish any right of the Administrative Agent, and the Lenders thereafter to demand strict compliance and performance therewith. The delivery by the Administrative Agent of this letter shall not establish a custom or course of dealing, or constitute or create a right to notice or demand on any future occasion (including, without limitation, any notice of or reservation of rights with respect to any future Event of Default that is similar in nature to the Specified Events of Default).

[Signature Page Follows]

Sincerely,

1903P Loan Agent, LLC

By: 

Kyle Shonak, Manager

cc:

Karen Dillon, Chief Financial Officer (Karen.Dillon@peaveyindustries.com)

NORTON ROSE FULBRIGHT CANADA LLP
Attention: Marlow Gereluk
E-mail: marlow.gereluk@nortonrosefulbright.com

1903 Partners LLC
Attention: Patricia Parent, Vice President & Treasurer
E-mail: tparent@gordonbrothers.com

MILLER THOMSON LLP
Attention: Ken Rosenstein
E-mail: krosenstein@millerthomson.com

This is Exhibit "P" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of Massachusetts





MILLER THOMSON LLP
 525 – 8TH AVENUE S.W., 43RD FLOOR
 EIGHTH AVENUE PLACE EAST
 CALGARY, AB T2P 1G1
 CANADA

T 403.298.2400
 F 403.262.0007

MILLERTHOMSON.COM

January 16, 2025

VIA REGISTERED MAIL AND E-MAIL
Doug.Anderson@Peaveyindustries.com

James Reid
 Direct Line: 403.298.2418
 Direct Fax: 403.262.0007
jwreid@millertthomson.com

File: 0284679.0002

Peavey Industries LP
 c/o Peavey Industries General Partner Limited
 7740 40 Avenue
 Red Deer, AB T4P 2H9

Attention: Doug Anderson

Dear Sir:

Re: Credit Agreement Dated December 20, 2024 – Demand for Payment

As counsel to 1903P Loan Agent, LLC (the "**Agent**"), we hereby advise Peavey Industries LP (the "**Borrower**"), as follows:

1. Capitalized terms used herein have the meanings given to them in the Credit Agreement (defined below) unless otherwise noted.
2. Reference is made to the following:
 - (a) a credit agreement dated December 20, 2024 (the "**Credit Agreement**"), by, among others, (i) the Borrower, as borrower; (ii) Peavey Industries General Partner Limited ("**Peavey GP**"), Guys Freightways Ltd. ("**Guys**"), TSC Stores GP Inc. ("**TSC**"), and each person that executes a Joinder Agreement and becomes a "Guarantor" under the Credit Agreement (a "**Joinder Guarantor**", together with Peavey GP, Guys and TSC, individually a "**Guarantor**" and collectively, the "**Guarantors**"), as guarantors; (iii) the Agent, as administrative agent and collateral agent for its own benefit and the benefit of other Secured Parties (defined below); and (iv) the lenders from time to time party thereto (individually a "**Lender**" and collectively the "**Lenders**", and together with the Agent, the "**Secured Parties**");
 - (b) a limited recourse guarantee and securities pledge dated January 8, 2025 made by Peavey Industries Limited to the Agent, for the benefit of the Secured Parties;
 - (c) a limited recourse guarantee and securities pledge dated January 8, 2025 made by Peavey Industries MFT Management Limited on behalf of Peavey

- 2 -

Industries Mutual Fund Trust to the Agent, for the benefit of the Secured Parties;

- (d) a guarantee and securities pledge dated December 20, 2024, made by the Borrower, Peavey GP, Guys and TSC to the Agent for the benefit of the Secured Parties;
 - (e) a trademark securities agreement dated December 20, 2024, made by the Borrower by its general partner Peavey GP to the Agent, for the benefit of the Secured Parties;
 - (f) an uncertificated securities control agreement dated January 8, 2025, made by Peavey GP, the Borrower by its general partner Peavey GP, and the Agent, for the benefit of the Secured Parties; and
 - (g) a subordination and postponement agreement dated December 20, 2024, between the Borrower by its general partner Peavey GP, Origin Story Inc. and the Agent, for the benefit of the Secured Parties.
3. The documents referred to in paragraphs 2 (a) to (g) above are collectively referred to as the **“Loan Documents”**.
 4. As a result of defaults under the Credit Agreement, the Agent and the Lenders are entitled to enforce all of their rights and remedies set out in the Credit Agreement as they see fit. Accordingly, the Agent, on behalf of the Lenders, hereby demands from the Borrower payment of all amounts owing under the Credit Agreement, which as at January 16, 2025, inclusive of interest, was in the amount of \$66,414,413.41, plus all accrued legal and professional fees, costs, charges, disbursements and expenses incurred by the Agent and the Lenders prior to the date of this demand, and hereafter, and any other amounts whatsoever which may be claimed by the Agent and the Lenders under the Loan Documents or any other document relating thereto, including, without limitation, all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent’s and the Lender’s rights under the Loan Documents. For greater certainty, interest continues to accrue on the Loans and other indebtedness and costs, including as aforesaid, at the rates determined in accordance with the Credit Agreement and other Loan Documents (collectively, the **“Outstanding Indebtedness”**).
 5. If the Borrower fails to make payment of the Outstanding Indebtedness by way of certified cheque, bank draft or other immediately payable funds by no later than 5:00 p.m. Calgary time on January 26, 2025, the Agent, on behalf of the Lenders, will take such lawful steps to recover the Outstanding Indebtedness owing to it as it considers appropriate, including, but not limited to, pursuing all of the Agent’s and the Lenders’ rights and remedies against the Borrower under the Loan Documents.



- 3 -

6. We enclose a Notice of Intention to Enforce Security delivered pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada) together with a form to facilitate the Borrower's waiver of the notice period referred to therein if it chooses to permit the same.

Yours truly,

MILLER THOMSON LLP

Per:



James Reid
Partner
KL/nd

- c. K. Rosenstein (Miller Thomson LLP)
M. Gereluk (Norton Rose Fulbright Canada LLP)



Form 86**NOTICE OF INTENTION TO ENFORCE SECURITY**
(Section 244 of the Bankruptcy and Insolvency Act)

TO: PEAVEY INDUSTRIES LP., an insolvent person (the “**Debtor**”)

Take notice that:

1. 1903P Loan Agent, LLC (the “**Agent**”), pursuant to the credit agreement dated December 20, 2024, among (i) the Debtor, as borrower; (ii) Peavey Industries General Partner Limited (“**Peavey GP**”), Guys Freightways Ltd. (“**Guys**”), TSC Stores GP Inc. (“**TSC**”), and each person that executes a Joinder Agreement and becomes a “Guarantor” under the Credit Agreement (a “**Joinder Guarantor**”, together with Peavey GP, Guys and TSC, individually a “**Guarantor**” and collectively, the “**Guarantors**”), as guarantors; (iii) the lenders from time to time party thereto, as lenders (the “**Lenders**”); (iv) and the Agent, as agent (as further amended, restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the “**Credit Agreement**”), intends to enforce its security on all of the Debtor’s present and after-acquired personal property (both real and personal) and undertakings, as more particularly described in the Credit Agreement and Security (as defined below).
2. The security that is to be enforced is in the form of the following:
 - (a) a limited recourse guarantee and securities pledge dated January 8, 2025, made by Peavey Industries Limited to the Agent, for the benefit of the Secured Parties;
 - (b) a limited recourse guarantee and securities pledge dated January 8, 2025, made by Peavey Industries MFT Management Limited on behalf of Peavey Industries Mutual Fund Trust to the Agent, for the benefit of the Secured Parties;
 - (c) a guarantee and securities pledge dated December 20, 2024, made by the Borrower, Peavey GP, Guys, TSC, and each additional subsidiary of the Borrower which becomes a party pursuant to the Credit Agreement, to the Agent for the benefit of the Secured Parties;
 - (d) a trademark securities agreement dated December 20, 2024, made by the Borrower by its general partner Peavey GP to the Agent, for the benefit of the Secured Parties;
 - (e) an uncertificated securities control agreement dated January 8, 2025, made by Peavey GP, the Borrower by its general partner Peavey GP, and the Agent, for the benefit of the Secured Parties; and

- 2 -

- (f) a subordination and postponement agreement dated December 20, 2024, between the Borrower by its general partner Peavey GP, Origin Story Inc. and the Agent, for the benefit of the Secured Parties.
3. The documents referred to in paragraphs 2 (a) through (f) above are collectively referred to as the "**Security**".
4. The total amount of indebtedness secured by the Security is \$66,414,413.41 as at January 16, 2025, plus all accrued interest and all legal and professional fees, costs, charges, disbursements and expenses incurred by the Agent and the Lenders, and any other amounts whatsoever, which may be claimed by the Agent and the Lenders under the Credit Agreement, the Security, or any other document relating thereto, including without limitation all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent's and Lenders' rights under the Credit Agreement and the Security.
5. The Agent will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Calgary, Alberta, this 16th day of January, 2025.

MILLER THOMSON LLP, Solicitors for the Agent

Per: 

Name: James Reid

Title: Barrister and Solicitor

CONSENT AND WAIVER

TO: 1903P LOAN AGENT, LLC, as Agent

PEAVEY INDUSTRIES LP (the “**Debtor**”), hereby acknowledges receipt from the solicitors to 1903P LOAN AGENT, LLC (the “**Agent**”) in its capacity as agent for a group of lenders (the “**Lenders**”, and together with the Agent, the “**Secured Party**”), of a Notice of Intention to Enforce Security (the “**Notice**”) given under subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”) dated January 16, 2025, pursuant to which the Secured Party gave notice that it intended to enforce its security in all of the property and assets of the Debtor set out in the Notice (collectively, the “**Collateral**”), after the expiry of the 10-day period following the sending of the Notice unless the Debtor consented to an earlier enforcement. In accordance with subsection 244(2) of the Act, the Debtor hereby waives its rights to the 10-day notice period and consents to the immediate enforcement by the Secured Party of its security in all of the Collateral.

DATED at Calgary, Alberta this ____ day of January, 2025.

PEAVEY INDUSTRIES LP

Per: _____
Name:
Title:



MILLER THOMSON LLP
 525 - 8TH AVENUE S.W., 43RD FLOOR
 EIGHTH AVENUE PLACE EAST
 CALGARY, AB T2P 1G1
 CANADA

T 403.298.2400
 F 403.262.0007

MILLERTHOMSON.COM

January 16, 2025

VIA REGISTERED MAIL AND E-MAIL
 Doug.Anderson@Peaveyindustries.com

James Reid
 Direct Line: 403.298.2418
 Direct Fax: 403.262.0007
 jwreid@millerthomson.com

File: 0284679.0002

Guys Freightways Ltd.
 7740 40 Avenue
 Red Deer, AB T4P 2H9

Attention: Doug Anderson

Dear Sir:

Re: Credit Agreement Dated December 20, 2024 – Demand for Payment

As counsel to 1903P Loan Agent, LLC (the "**Agent**"), we hereby advise Guys Freightways Ltd. ("**Guys**") as follows:

1. Capitalized terms used herein have the meanings given to them in the Credit Agreement (defined below) unless otherwise noted.
2. Reference is made to the following:
 - (a) a credit agreement dated December 20, 2024 (the "**Credit Agreement**"), by, among others, (i) Peavey Industries LP, as borrower (the "**Borrower**"); (ii) Guys, TSC Stores GP Inc. ("**TSC**"), Peavey Industries General Partner Limited ("**Peavey GP**"), and each person that executes a Joinder Agreement and becomes a "Guarantor" under the Credit Agreement (a "**Joinder Guarantor**", together with Guys, TSC, and Peavey GP individually a "**Guarantor**" and collectively, the "**Guarantors**"), as guarantors; (iii) the Agent, as administrative agent and collateral agent for its own benefit and the benefit of other Secured Parties (defined below); and (iv) the lenders from time to time party thereto (individually a "**Lender**" and collectively the "**Lenders**", and together with the Agent, the "**Secured Parties**"); and
 - (b) a pledge and security agreement (the "**General Pledge**") dated December 20, 2024, made by the Borrower, Peavey GP, Guys and TSC to the Agent for the benefit of the Secured Parties.
3. The documents referred to in paragraphs 2 (a) and (b) above are collectively referred to as the "**Loan Documents**".

- 2 -

4. As a result of defaults under the Credit Agreement, the Agent and the Lenders are entitled to enforce all of their rights and remedies set out in the Credit Agreement as they see fit. Accordingly, the Agent, on behalf of the Lenders, hereby demands from Guys, as a Guarantor to the Credit Agreement, payment of all amounts owing under the Credit Agreement, which as at January 16, 2025, inclusive of interest, was in the amount of \$66,414,413.41, plus all accrued legal and professional fees, costs, charges, disbursements and expenses incurred by the Agent and the Lenders prior to the date of this demand, and hereafter, and any other amounts whatsoever which may be claimed by the Agent and the Lenders under the Loan Documents or any other document relating thereto, including, without limitation, all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent's and the Lender's rights under the Loan Documents. For greater certainty, interest continues to accrue on the Loans and other indebtedness and costs, including as aforesaid, at the rates determined in accordance with the Credit Agreement and other Loan Documents (collectively, the "**Outstanding Indebtedness**").
5. If Guys fails to make payment of the Outstanding Indebtedness by way of certified cheque, bank draft or other immediately payable funds by no later than 5:00 p.m. Calgary time on January 26, 2025, the Agent, on behalf of the Lenders, will take such lawful steps to recover the Outstanding Indebtedness owing to it as it considers appropriate, including, but not limited to, pursuing all of the Agent's and the Lenders' rights and remedies against Guys under the Loan Documents.
6. We enclose a Notice of Intention to Enforce Security delivered pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada) together with a form to facilitate Guy's waiver of the notice period referred to therein if it chooses to permit the same.

Yours truly,

MILLER THOMSON LLP

Per:



James Reid
Partner
KL/nd

- c. K. Rosenstein (Miller Thomson LLP)
M. Gereluk (Norton Rose Fulbright Canada LLP)



Form 86**NOTICE OF INTENTION TO ENFORCE SECURITY**
(Section 244 of the Bankruptcy and Insolvency Act)

TO: GUYS FREIGHTWAYS LTD., an insolvent person (the “**Debtor**”)

Take notice that:

1. 1903P Loan Agent, LLC (the “**Agent**”), pursuant to the credit agreement dated December 20, 2024 among (i) Peavey Industries LP, as borrower (the “**Borrower**”); (ii) the Debtor, Peavey Industries General Partner Limited (“**Peavey GP**”), TSC Stores GP Inc. (“**TSC**”), and each person that executes a Joinder Agreement and becomes a “Guarantor” under the Credit Agreement (a “**Joinder Guarantor**”, together with the Debtor, Peavey GP and TSC, individually a “**Guarantor**” and collectively, the “**Guarantors**”), as guarantors; (iii) the lenders from time to time party thereto, as lenders (the “**Lenders**” together with the Agent, the “**Secured Parties**”); and (iv) the Agent, as agent (as further amended, restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the “**Credit Agreement**”), intends to enforce its security on all of the Debtor’s present and after-acquired personal property (both real and personal) and undertakings, as more particularly described in the Security (as defined below).
2. The security that is to be enforced is in the form of a securities pledge dated December 20, 2024, made by the Borrower, the Debtor, Peavey GP, TSC, and each additional subsidiary of the Borrower which becomes a party pursuant to the Credit Agreement, to the Agent for the benefit of the Secured Parties (the “**Security**”).
3. The total amount of indebtedness secured by the Security is \$66,414,413.41 as at January 16, 2025, plus all accrued interest and all legal and professional fees, costs, charges, disbursements and expenses incurred by the Agent and the Lenders, and any other amounts whatsoever, which may be claimed by the Agent and the Lenders under the Credit Agreement, the Security, or any other document relating thereto, including without limitation all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent’s and Lenders’ rights under the Credit Agreement and the Security.
4. The Agent will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

- 2 -

DATED at Calgary, Alberta, this 16th day of January, 2025.

MILLER THOMSON LLP, Solicitors for the Agent

Per:  _____

Name: James Reid

Title: Barrister and Solicitor

[Signature Page to the Notice of Intention to Enforce Security of Guys Freightways Ltd.]

CONSENT AND WAIVER

TO: 1903P LOAN AGENT, LLC, as Agent

GUYS FREIGHTWAYS LTD. (the “**Debtor**”), hereby acknowledges receipt from the solicitors to 1903P LOAN AGENT, LLC (the “**Agent**”) in its capacity as agent for a group of lenders (the “**Lenders**”, and together with the Agent, the “**Secured Party**”), of a Notice of Intention to Enforce Security (the “**Notice**”) given under subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”) dated January 16, 2025, pursuant to which the Secured Party gave notice that it intended to enforce its security in all of the property and assets of the Debtor set out in the Notice (collectively, the “**Collateral**”), after the expiry of the 10-day period following the sending of the Notice unless the Debtor consented to an earlier enforcement. In accordance with subsection 244(2) of the Act, the Debtor hereby waives its rights to the 10-day notice period and consents to the immediate enforcement by the Secured Party of its security in all of the Collateral.

DATED at Calgary, Alberta this ____ day of January, 2025.

GUYS FREIGHTWAYS LTD.

Per: _____
Name:
Title:



MILLER THOMSON LLP
 525 – 8TH AVENUE S.W., 43RD FLOOR
 EIGHTH AVENUE PLACE EAST
 CALGARY, AB T2P 1G1
 CANADA

T 403.298.2400
 F 403.262.0007

MILLERTHOMSON.COM

January 16, 2025

VIA REGISTERED MAIL AND E-MAIL
 Doug.Anderson@PeaveyIndustries.com

James Reid
 Direct Line: 403.298.2418
 Direct Fax: 403.262.0007
 jwreid@millerthomson.com

File: 0284679.0002

**Peavey Industries MFT Management Limited on behalf of
 Peavey Industries Mutual Fund Trust**

7740 40 Avenue
 Red Deer, AB T4P 2H9

Attention: Doug Anderson

Dear Sir:

Re: Credit Agreement Dated December 20, 2024 – Demand for Payment

As counsel to 1903P Loan Agent, LLC (the "**Agent**"), we hereby advise Peavey Industries MFT Management Limited, on behalf of Peavey Industries Mutual Fund Trust ("**MFT**") as follows:

1. Reference is made to the following:
 - (a) a credit agreement dated December 20, 2024 (the "**Credit Agreement**"), by, among others, (i) Peavey Industries LP, as borrower (the "**Borrower**"); (ii) TSC Stores GP Inc. ("**TSC**"), Peavey Industries General Partner Limited ("**Peavey GP**"), Guys Freightways Ltd. ("**Guys**"), and each person that executes a Joinder Agreement and becomes a "Guarantor" under the Credit Agreement (a "**Joinder Guarantor**", together with TSC, Peavey GP, and Guys, individually a "**Guarantor**" and collectively, the "**Guarantors**"), as guarantors; (iii) the Agent, as administrative agent and collateral agent for its own benefit and the benefit of other Secured Parties (defined below); and (iv) the lenders from time to time party thereto (individually a "**Lender**" and collectively the "**Lenders**", and together with the Agent, the "**Secured Parties**"); and
 - (b) a limited recourse guarantee and securities pledge dated January 8, 2025, made by MFT to the Agent, for the benefit of the Secured Parties.
2. The documents referred to in paragraphs 1 (a) and (b) above are collectively referred to as the "**Loan Documents**".
3. As a result of defaults under the Credit Agreement, the Agent and the Lenders are entitled to enforce all of their rights and remedies set out in the Loan Documents as

- 2 -

they see fit. Accordingly, the Agent, on behalf of the Lenders, hereby demands from MFT, as a Guarantor, payment of all amounts owing under the Credit Agreement, which as at January 16, 2025, inclusive of interest, was in the amount of \$66,414,413.41, plus all accrued legal and professional fees, costs, charges, disbursements and expenses incurred by the Agent and the Lenders prior to the date of this demand, and hereafter, and any other amounts whatsoever which may be claimed by the Agent and the Lenders under the Loan Documents or any other document relating thereto, including, without limitation, all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent's and the Lender's rights under the Loan Documents. For greater certainty, interest continues to accrue on the Loans and other indebtedness and costs, including as aforesaid, at the rates determined in accordance with the Credit Agreement and other Loan Documents (collectively, the "**Outstanding Indebtedness**").

4. If MFT fails to make payment of the Outstanding Indebtedness by way of certified cheque, bank draft or other immediately payable funds by no later than 5:00 p.m. Calgary time on January 26, 2025, the Agent, on behalf of the Lenders, will take such lawful steps to recover the Outstanding Indebtedness owing to it as it considers appropriate, including, but not limited to, pursuing all of the Agent's and the Lenders' rights and remedies against MFT under the Loan Documents.
5. We enclose a Notice of Intention to Enforce Security delivered pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada) together with a form to facilitate MFT's waiver of the notice period referred to therein if it chooses to permit the same.

Yours truly,

MILLER THOMSON LLP

Per:



James Reid
Partner
KL/nd

- c. K. Rosenstein (Miller Thomson LLP)
M. Gereluk (Norton Rose Fulbright Canada LLP)



Form 86

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244 of the Bankruptcy and Insolvency Act)

TO: Peavey Industries MFT Management Limited, on behalf of Peavey Industries Mutual Fund Trust, an insolvent person (the “**Debtor**”)

Take notice that:

1. 1903P Loan Agent, LLC (the “**Agent**”), pursuant to the credit agreement dated December 20, 2024 among (i) Peavey Industries LP, as borrower (the “**Borrower**”); (ii) TSC Stores GP Inc. (“**TSC**”), Guys Freightways Ltd. (“**Guys**”), Peavey Industries General Partner Limited (“**Peavey GP**”), and each person that executes a Joinder Agreement and becomes a “Guarantor” under the Credit Agreement (a “**Joinder Guarantor**”, together with TSC, Guys and Peavey GP, individually a “**Guarantor**” and collectively, the “**Guarantors**”), as guarantors; (iii) the lenders from time to time party thereto, as lenders (the “**Lenders**”, and together with the Agent, the “**Secured Parties**”); and (iv) the Agent, as agent (as further amended, restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the “**Credit Agreement**”), intends to enforce its security on all of the Debtor’s Collateral, as more particularly described in the Security (as defined below).
2. The security that is to be enforced is in the form of a limited recourse guarantee and securities pledge dated January 8, 2025, made by the Debtor to the Agent, for the benefit of the Secured Parties (the “**Security**”).
3. The total amount of indebtedness secured by the Security is \$66,414,413.41 as at January 16, 2025, plus all accrued interest and all legal and professional fees, costs, charges, disbursements and expenses incurred by the Agent and the Lenders, and any other amounts whatsoever, which may be claimed by the Agent and the Lenders under the Credit Agreement, the Security, or any other document relating thereto, including without limitation all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent’s and Lenders’ rights under the Credit Agreement and the Security.
4. The Agent will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Calgary, Alberta, this 16th day of January, 2025.

MILLER THOMSON LLP, Solicitors for the Agent

Per: _____

Name: James Reid

Title: Barrister and Solicitor

- 2 -

CONSENT AND WAIVER

TO: 1903P LOAN AGENT, LLC, as Agent

Peavey Industries MFT Management Limited, on behalf of Peavey Industries Mutual Fund Trust (the “**Debtor**”), hereby acknowledges receipt from the solicitors to 1903P LOAN AGENT, LLC (the “**Agent**”) in its capacity as agent for a group of lenders (the “**Lenders**”, and together with the “**Agent**”, the “**Secured Party**”), of a Notice of Intention to Enforce Security (the “**Notice**”) given under subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”) dated January 16, 2025, pursuant to which the Secured Party gave notice that it intended to enforce its security in all of the property and assets of the Debtor set out in the Notice (collectively, the “**Collateral**”), after the expiry of the 10-day period following the sending of the Notice unless the Debtor consented to an earlier enforcement. In accordance with subsection 244(2) of the Act, the Debtor hereby waives its rights to the 10-day notice period and consents to the immediate enforcement by the Secured Party of its security in all of the Collateral.

DATED at Calgary, Alberta this ____ day of January, 2025.

**PEAVEY INDUSTRIES MFT MANAGEMENT
LIMITED, on behalf of PEAVEY
INDUSTRIES MUTUAL FUND TRUST**

Per: _____
Name:
Title:



MILLER THOMSON LLP
 525 - 8TH AVENUE S.W., 43RD FLOOR
 EIGHTH AVENUE PLACE EAST
 CALGARY, AB T2P 1G1
 CANADA

T 403.298.2400
 F 403.262.0007

MILLERTHOMSON.COM

January 16, 2025

VIA REGISTERED MAIL AND E-MAIL
 Doug.Anderson@Peaveyindustries.com

James Reid
 Direct Line: 403.298.2418
 Direct Fax: 403.262.0007
 jwreid@millerthomson.com

File: 0284679.0002

Peavey Industries General Partner Limited
 7740 40 Avenue
 Red Deer, AB T4P 2H9

Attention: Doug Anderson

Dear Sir:

Re: Credit Agreement Dated December 20, 2024 – Demand for Payment

As counsel to 1903P Loan Agent, LLC (the "**Agent**"), we hereby advise Peavey Industries General Partner Limited (the "**Peavey GP**"), as follows:

1. Capitalized terms used herein have the meanings given to them in the Credit Agreement (defined below) unless otherwise noted.
2. Reference is made to the following:
 - (a) a credit agreement dated December 20, 2024 (the "**Credit Agreement**") by, among others, (i) Peavey Industries LP, as borrower (the "**Borrower**"), (ii) Peavey GP, Guys Freightways Ltd. ("**Guys**"), TSC Stores GP Inc. ("**TSC**"), and each person that executes a Joinder Agreement and becomes a "Guarantor" under the Credit Agreement (a "**Joinder Guarantor**", together with Peavey GP, Guys and TSC, individually a "**Guarantor**" and collectively, the "**Guarantors**"), as guarantors (iii) the Agent, as administrative agent and collateral agent for its own benefit and the benefit of other Secured Parties (defined below), and (iv) the lenders from time to time party thereto (individually a "**Lender**" and collectively the "**Lenders**", and together with the Agent, the "**Secured Parties**");
 - (b) a pledge and security agreement (the "**General Pledge**") dated December 20, 2024 made by the Borrower, Peavey GP, Guys and TSC to the Agent for the benefit of the Secured Parties;
 - (c) a trademark securities agreement dated December 20, 2024 made by the Borrower by its general partner Peavey GP to the Agent, for the benefit of the Secured Parties;

- 2 -

- (d) an uncertificated securities control agreement dated January 8, 2025 made by Peavey GP, the Borrower by its general partner Peavey GP, and the Agent, for the benefit of the Secured Parties; and
 - (e) a subordination and postponement agreement dated December 20, 2024 between the Borrower by its general partner Peavey GP, Origin Story Inc. and the Agent, for the benefit of the Secured Parties.
- 3. The documents referred to in paragraphs 2 (a) to (e) above are collectively referred to as the "**Loan Documents**".
- 4. As a result of defaults under the Credit Agreement, the Agent and the Lenders are entitled to enforce all of their rights and remedies set out in the Credit Agreement as they see fit. Accordingly, the Agent, on behalf of the Lenders, hereby demands from Peavey GP, as a Guarantor, payment of all amounts owing under the Credit Agreement, which as at January 16, 2025, inclusive of interest, was in the amount of \$66,414,413.41, plus all accrued legal and professional fees, costs, charges, disbursements and expenses incurred by the Agent and the Lenders prior to the date of this demand, and hereafter, and any other amounts whatsoever which may be claimed by the Agent and the Lenders under the Loan Documents or any other document relating thereto, including, without limitation, all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent's and the Lender's rights under the Loan Documents. For greater certainty, interest continues to accrue on the Loans and other indebtedness and costs, including as aforesaid, at the rates determined in accordance with the Credit Agreement and other Loan Documents (collectively, the "**Outstanding Indebtedness**").
- 5. If Peavey GP fails to make payment of the Outstanding Indebtedness by way of certified cheque, bank draft or other immediately payable funds by no later than 5:00 p.m. Calgary time on January 26, 2025, the Agent, on behalf of the Lenders, will take such lawful steps to recover the Outstanding Indebtedness owing to it as it considers appropriate, including, but not limited to, pursuing all of the Agent's and the Lenders' rights and remedies against Peavey GP under the Loan Documents.



- 3 -

6. We enclose a Notice of Intention to Enforce Security delivered pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada) together with a form to facilitate Peavey GP's waiver of the notice period referred to therein if it chooses to permit the same.

Yours truly,

MILLER THOMSON LLP

Per:

A handwritten signature in blue ink, appearing to read 'James Reid', is written over a light blue rectangular background.

James Reid
Partner
KL/nd

- c. K. Rosenstein (Miller Thomson LLP)
M. Gereluk (Norton Rose Fulbright Canada LLP)



Form 86**NOTICE OF INTENTION TO ENFORCE SECURITY**
(Section 244 of the Bankruptcy and Insolvency Act)

TO: PEAVEY INDUSTRIES GENERAL PARTNER LIMITED, an insolvent person
(the "**Debtor**")

Take notice that:

1. 1903P Loan Agent, LLC (the "**Agent**"), pursuant to the credit agreement dated December 20, 2024 among (i) Peavey Industries LP, as borrower (the "**Borrower**"); (ii) the Debtor, Guys Freightways Ltd. ("**Guys**"), TSC Stores GP Inc. ("**TSC**"), and each person that executes a Joinder Agreement and becomes a "Guarantor" under the Credit Agreement (a "**Joinder Guarantor**", together with the Debtor, Guys and TSC, individually a "**Guarantor**" and collectively, the "**Guarantors**"), as guarantors; (iii) the lenders from time to time party thereto, as lenders (the "**Lenders**"); and (iv) the Agent, as agent (as further amended, restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Credit Agreement**"), intends to enforce its security on all of the Debtor's present and after-acquired personal property (both real and personal) and undertakings, as more particularly described in the Security (as defined below).
2. The security that is to be enforced is in the form of the following:
 - (a) a guarantee and securities pledge dated December 20, 2024, made by the Borrower, the Debtor, Guys, TSC, and each additional subsidiary of the Borrower which becomes a party pursuant to the Credit Agreement, to the Agent for the benefit of the Secured Parties (the "**General Pledge**");
 - (b) a trademark securities agreement dated December 20, 2024, made by the Borrower by its general partner the Debtor to the Agent, for the benefit of the Secured Parties;
 - (c) an uncertificated securities control agreement dated January 8, 2025 made by the Debtor, the Borrower by its general partner the Debtor, and the Agent, for the benefit of the Secured Parties; and
 - (d) a subordination and postponement agreement dated December 20, 2024 between the Borrower by its general partner the Debtor, Origin Story Inc. and the Agent, for the benefit of the Secured Parties.
3. The documents referred to in paragraphs 2 (a) through (d) above are collectively referred to as the "**Security**".
4. The total amount of indebtedness secured by the Security is \$66,414,413.41 as at January 16, 2025, plus all accrued interest and all legal and professional fees, costs, charges,

- 2 -

disbursements and expenses incurred by the Agent and the Lenders, and any other amounts whatsoever, which may be claimed by the Agent and the Lenders under the Credit Agreement, the Security, or any other document relating thereto, including without limitation all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent's and Lenders' rights under the Credit Agreement and the Security.

5. The Agent will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

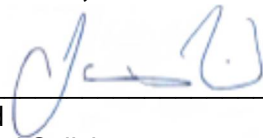
DATED at Calgary, Alberta, this 16th day of January, 2025.

MILLER THOMSON LLP, Solicitors for the Agent

Per: _____

Name: James Reid

Title: Barrister and Solicitor



CONSENT AND WAIVER

TO: 1903P LOAN AGENT, LLC, as Agent

PEAVEY INDUSTRIES GENERAL PARTNER LIMITED (the “**Debtor**”), hereby acknowledges receipt from the solicitors to 1903P LOAN AGENT, LLC (the “**Agent**”) in its capacity as agent for a group of lenders (the “**Lenders**”, and together with the Agent, the “**Secured Party**”), of a Notice of Intention to Enforce Security (the “**Notice**”) given under subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”) dated January 16, 2025, pursuant to which the Secured Party gave notice that it intended to enforce its security in all of the property and assets of the Debtor set out in the Notice (collectively, the “**Collateral**”), after the expiry of the 10-day period following the sending of the Notice unless the Debtor consented to an earlier enforcement. In accordance with subsection 244(2) of the Act, the Debtor hereby waives its rights to the 10-day notice period and consents to the immediate enforcement by the Secured Party of its security in all of the Collateral.

DATED at Calgary, Alberta this ____ day of January, 2025.

**PEAVEY INDUSTRIES GENERAL PARTNER
LIMITED**

Per: _____
Name:
Title:



MILLER THOMSON LLP
 525 - 8TH AVENUE S.W., 43RD FLOOR
 EIGHTH AVENUE PLACE EAST
 CALGARY, AB T2P 1G1
 CANADA

T 403.298.2400
 F 403.262.0007

MILLERTHOMSON.COM

January 16, 2025

VIA REGISTERED MAIL AND E-MAIL
 Doug.Anderson@Peaveyindustries.com

James Reid
 Direct Line: 403.298.2418
 Direct Fax: 403.262.0007
 jwreid@millertomson.com

File: 0284679.0002

Peavey Industries Limited
 7740 40 Avenue
 Red Deer, AB T4P 2H9

Attention: Doug Anderson

Dear Sir:

Re: Credit Agreement Dated December 20, 2024 – Demand for Payment

As counsel to 1903P Loan Agent, LLC (the "**Agent**"), we hereby advise Peavey Industries Limited ("**PIL**") as follows:

1. Reference is made to the following:
 - (a) a credit agreement dated December 20, 2024 (the "**Credit Agreement**"), by, among others, (i) Peavey Industries LP, as borrower (the "**Borrower**"); (ii) TSC Stores GP Inc. ("**TSC**"), Peavey Industries General Partner Limited ("**Peavey GP**"), Guys Freightways Ltd. ("**Guys**"), and each person that executes a Joinder Agreement and becomes a "Guarantor" under the Credit Agreement (a "**Joinder Guarantor**", together with TSC, Peavey GP, and Guys, individually a "**Guarantor**" and collectively, the "**Guarantors**"), as guarantors; (iii) the Agent, as administrative agent and collateral agent for its own benefit and the benefit of other Secured Parties (defined below); and (iv) the lenders from time to time party thereto (individually a "**Lender**" and collectively the "**Lenders**", and together with the Agent, the "**Secured Parties**"); and
 - (b) a limited recourse guarantee and securities pledge dated January 8, 2025, made by PIL to the Agent, for the benefit of the Secured Parties.
2. The documents referred to in paragraphs 1 (a) and (b) above are collectively referred to as the "**Loan Documents**".
3. As a result of defaults under the Credit Agreement, the Agent and the Lenders are entitled to enforce all of their rights and remedies set out in the Loan Documents as they see fit. Accordingly, the Agent, on behalf of the Lenders, hereby demands from

- 2 -

PIL, as a Guarantor, payment of all amounts owing under the Credit Agreement, which as at January 16, 2025, inclusive of interest, was in the amount of \$66,414,413.41, plus all accrued legal and professional fees, costs, charges, disbursements and expenses incurred by the Agent and the Lenders prior to the date of this demand, and hereafter, and any other amounts whatsoever which may be claimed by the Agent and the Lenders under the Loan Documents or any other document relating thereto, including, without limitation, all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent's and the Lender's rights under the Loan Documents. For greater certainty, interest continues to accrue on the Loans and other indebtedness and costs, including as aforesaid, at the rates determined in accordance with the Credit Agreement and other Loan Documents (collectively, the "**Outstanding Indebtedness**").

4. If PIL fails to make payment of the Outstanding Indebtedness by way of certified cheque, bank draft or other immediately payable funds by no later than 5:00 p.m. Calgary time on January 26, 2025, the Agent, on behalf of the Lenders, will take such lawful steps to recover the Outstanding Indebtedness owing to it as it considers appropriate, including, but not limited to, pursuing all of the Agent's and the Lenders' rights and remedies against PIL under the Loan Documents.
5. We enclose a Notice of Intention to Enforce Security delivered pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada) together with a form to facilitate PIL's waiver of the notice period referred to therein if it chooses to permit the same.

Yours truly,

MILLER THOMSON LLP

Per:



James Reid
Partner
KL/nd

- c. K. Rosenstein (Miller Thomson LLP)
M. Gereluk (Norton Rose Fulbright Canada LLP)



Form 86

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244 of the Bankruptcy and Insolvency Act)

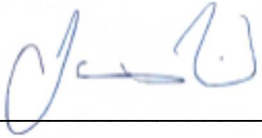
TO: PEAVEY INDUSTRIES LIMITED, an insolvent person (the “**Debtor**”)

Take notice that:

1. 1903P Loan Agent, LLC (the “**Agent**”), pursuant to the credit agreement dated December 20, 2024, among (i) Peavey Industries LP, as borrower; (ii) Peavey Industries General Partner Limited (“**Peavey GP**”), Guys Freightways Ltd. (“**Guys**”), TSC Stores GP Inc. (“**TSC**”), and each person that executes a Joinder Agreement and becomes a “Guarantor” under the Credit Agreement (a “**Joinder Guarantor**”, together with Peavey GP, Guys and TSC, individually a “**Guarantor**” and collectively, the “**Guarantors**”), as guarantors; (iii) the lenders from time to time party thereto, as lenders (the “**Lenders**”, together with the Agent, the “**Secured Parties**”); (iv) and the Agent, as agent (as further amended, restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the “**Credit Agreement**”), intends to enforce its security on all of the Debtor’s Collateral, as more particularly described in the Security (as defined below).
2. The security that is to be enforced is in the form of a limited recourse guarantee and securities pledge dated January 8, 2025, made by the Debtor to the Agent, for the benefit of the Secured Parties (the “**Security**”).
3. The total amount of indebtedness secured by the Security is \$66,414,413.41 as at January 16, 2025, plus all accrued interest and all legal and professional fees, costs, charges, disbursements and expenses incurred by the Agent and the Lenders, and any other amounts whatsoever, which may be claimed by the Agent and the Lenders under the Credit Agreement, the Security, or any other document relating thereto, including without limitation all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent’s and Lenders’ rights under the Credit Agreement and the Security.
4. The Agent will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Calgary, Alberta, this 16th day of January, 2025.

MILLER THOMSON LLP, Solicitors for the Agent

Per: 
 Name: James Reid
 Title: Barrister and Solicitor

CONSENT AND WAIVER

TO: 1903P LOAN AGENT, LLC, as Agent

PEAVEY INDUSTRIES LIMITED (the “**Debtor**”), hereby acknowledges receipt from the solicitors to 1903P LOAN AGENT, LLC (the “**Agent**”) in its capacity as agent for a group of lenders (the “**Lenders**”, and together with the “Agent”, the “**Secured Party**”), of a Notice of Intention to Enforce Security (the “**Notice**”) given under subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”) dated January 16, 2025, pursuant to which the Secured Party gave notice that it intended to enforce its security on the property and assets of the Debtor set out in the Notice (collectively, the “**Collateral**”), after the expiry of the 10-day period following the sending of the Notice unless the Debtor consented to an earlier enforcement. In accordance with subsection 244(2) of the Act, the Debtor hereby waives its rights to the 10-day notice period and consents to the immediate enforcement by the Secured Party of its security in all of the Collateral.

DATED at Calgary, Alberta this ____ day of January, 2025.

PEAVEY INDUSTRIES LIMITED

Per: _____
Name:
Title:



MILLER THOMSON LLP
 525 - 8TH AVENUE S.W., 43RD FLOOR
 EIGHTH AVENUE PLACE EAST
 CALGARY, AB T2P 1G1
 CANADA

T 403.298.2400
 F 403.262.0007

MILLERTHOMSON.COM

January 16, 2025

VIA REGISTERED MAIL AND E-MAIL
 Doug.Anderson@Peaveyindustries.com

James Reid
 Direct Line: 403.298.2418
 Direct Fax: 403.262.0007
 jwreid@millertomson.com

File: 0284679.0002

TSC Stores GP Inc.
 7740 40 Avenue
 Red Deer, AB T4P 2H9

Attention: Doug Anderson

Dear Sir:

Re: Credit Agreement Dated December 20, 2024 – Demand for Payment

As counsel to 1903P Loan Agent, LLC (the "**Agent**"), we hereby advise TSC Stores GP Inc. ("**TSC**") as follows:

1. Capitalized terms used herein have the meanings given to them in the Credit Agreement (defined below) unless otherwise noted.
2. Reference is made to the following:
 - (a) a credit agreement dated December 20, 2024 (the "**Credit Agreement**") by, among others, (i) Peavey Industries LP, as borrower (the "**Borrower**"), (ii) TSC, Peavey Industries General Partner Limited ("**Peavey GP**"), Guys Freightways Ltd. ("**Guys**"), and each person that executes a Joinder Agreement and becomes a "Guarantor" under the Credit Agreement (a "**Joinder Guarantor**", together with TSC, Peavey GP, and Guys, individually a "**Guarantor**" and collectively, the "**Guarantors**"), as guarantors, (iii) the Agent, as administrative agent and collateral agent for its own benefit and the benefit of other Secured Parties (defined below), and (iv) the lenders from time to time party thereto (individually a "**Lender**" and collectively the "**Lenders**", and together with the Agent, the "**Secured Parties**"); and
 - (b) a pledge and security agreement (the "**General Pledge**") dated December 20, 2024 made by the Borrower, Peavey GP, Guys and TSC to the Agent for the benefit of the Secured Parties.
3. The documents referred to in paragraphs 2 (a) and (b) above are collectively referred to as the "**Loan Documents**".

- 2 -

4. As a result of defaults under the Credit Agreement, the Agent and the Lenders are entitled to enforce all of their rights and remedies set out in the Credit Agreement as they see fit. Accordingly, the Agent, on behalf of the Lenders, hereby demands from TSC, as a Guarantor, payment of all amounts owing under the Credit Agreement, which as at January 16, 2025, inclusive of interest, was in the amount of \$66,414,413.41, plus all accrued legal and professional fees, costs, charges, disbursements and expenses incurred by the Agent and the Lenders prior to the date of this demand, and hereafter, and any other amounts whatsoever which may be claimed by the Agent and the Lenders under the Loan Documents or any other document relating thereto, including, without limitation, all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent's and the Lender's rights under the Loan Documents. For greater certainty, interest continues to accrue on the Loans and other indebtedness and costs, including as aforesaid, at the rates determined in accordance with the Credit Agreement and other Loan Documents (collectively, the "**Outstanding Indebtedness**").
5. If TSC fails to make payment of the Outstanding Indebtedness by way of certified cheque, bank draft or other immediately payable funds by no later than 5:00 p.m. Calgary time on January 26, 2025, the Agent, on behalf of the Lenders, will take such lawful steps to recover the Outstanding Indebtedness owing to it as it considers appropriate, including, but not limited to, pursuing all of the Agent's and the Lenders' rights and remedies against TSC under the Loan Documents.
6. We enclose a Notice of Intention to Enforce Security delivered pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada) together with a form to facilitate TSC's waiver of the notice period referred to therein if it chooses to permit the same.

Yours truly,

MILLER THOMSON LLP

Per:



James Reid
Partner
KL/nd

- c. K. Rosenstein (Miller Thomson LLP)
M. Gereluk (Norton Rose Fulbright Canada LLP)



Form 86**NOTICE OF INTENTION TO ENFORCE SECURITY**
(Section 244 of the Bankruptcy and Insolvency Act)

TO: TSC STORES GP INC., an insolvent person (the "**Debtor**")

Take notice that:

1. 1903P Loan Agent, LLC (the "**Agent**"), pursuant to the credit agreement dated December 20, 2024 among (i) Peavey Industries LP, as borrower (the "**Borrower**"); (ii) the Debtor, Guys Freightways Ltd. ("**Guys**"), Peavey Industries General Partner Limited ("**Peavey GP**"), and each person that executes a Joinder Agreement and becomes a "Guarantor" under the Credit Agreement (a "**Joinder Guarantor**", together with the Debtor, Guys and Peavey GP, individually a "**Guarantor**" and collectively, the "**Guarantors**"), as guarantors; (iii) the lenders from time to time party thereto, as lenders (the "**Lenders**", and together with the Agent, the "**Secured Parties**"); and (iv) the Agent, as agent (as further amended, restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Credit Agreement**"), intends to enforce its security on all of the Debtor's present and after-acquired personal property (both real and personal) and undertakings, as more particularly described in the Security (as defined below).
2. The security that is to be enforced is in the form of a securities pledge dated December 20, 2024, made by the Borrower, Peavey GP, Guys, the Debtor, and each additional subsidiary of the Borrower which becomes a party pursuant to the Credit Agreement, to the Agent for the benefit of the Secured Parties (the "**Security**").
3. The total amount of indebtedness secured by the Security is \$66,414,413.41 as at January 16, 2025, plus all accrued interest and all legal and professional fees, costs, charges, disbursements and expenses incurred by the Agent and the Lenders, and any other amounts whatsoever, which may be claimed by the Agent and the Lenders under the Credit Agreement, the Security, or any other document relating thereto, including without limitation all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent's and Lenders' rights under the Credit Agreement and the Security.
4. The Agent will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

- 2 -

DATED at Calgary, Alberta, this 16th day of January, 2025.

MILLER THOMSON LLP, Solicitors for the Agent



Per: _____

Name: James Reid

Title: Barrister and Solicitor

[Signature page to the Notice of Intention to Enforce Security of TSC Stores GP Inc.]

CONSENT AND WAIVER

TO: 1903P LOAN AGENT, LLC, as Agent

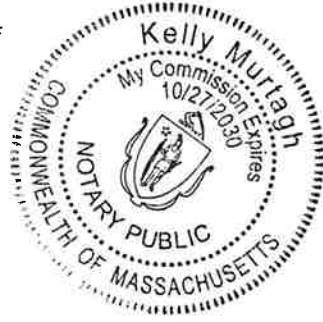
TSC STORES GP INC. (the “**Debtor**”), hereby acknowledges receipt from the solicitors to 1903P LOAN AGENT, LLC (the “**Agent**”) in its capacity as agent for a group of lenders (the “**Lenders**”, and together with the “**Agent**”, the “**Secured Party**”), of a Notice of Intention to Enforce Security (the “**Notice**”) given under subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”) dated January 16, 2025, pursuant to which the Secured Party gave notice that it intended to enforce its security in all of the property and assets of the Debtor set out in the Notice (collectively, the “**Collateral**”), after the expiry of the 10-day period following the sending of the Notice unless the Debtor consented to an earlier enforcement. In accordance with subsection 244(2) of the Act, the Debtor hereby waives its rights to the 10-day notice period and consents to the immediate enforcement by the Secured Party of its security in all of the Collateral.

DATED at Calgary, Alberta this ____ day of January, 2025.

TSC STORES GP INC.

Per: _____
Name:
Title:

This is Exhibit "Q" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of Massachusetts



January 25, 2025

Peavey Industries LP
7740 – 40th Avenue, Red Deer
AB, T4P 2H9
Attention: Douglas Anderson, President
Karen Dilon, Chief Financial Officer

Reference is made to the Fee Letter (this “Fee Letter”) referred to in that certain Credit Agreement, dated as of December 20, 2024 (as the same may be amended, restated, supplemented, or otherwise modified from time to time, the “Credit Agreement”), by and among Peavey Industries LP, an Alberta limited partnership (the “Borrower”), each subsidiary of the Borrower listed as a “Guarantor” on the signature pages thereto (each a “Guarantor” and collectively, the “Guarantors”), the lenders from time to time party hereto (each a “Lender” and collectively, the “Lenders”), 1903P Loan Agent, LLC, a Delaware limited liability company, as administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the “Administrative Agent”). Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Fee Letter.

As you are already aware, Prepayment Fee Events have occurred. Consequently, the Prepayment Fees as set out on the statement of account attached hereto are immediately due and payable and shall form part of the principal amount of the Obligations. Furthermore, a Liquidity Event has occurred and as a result the fee in respect of the Preferred Return is also immediately due and payable and shall form part of the principal amount of the Obligations. Please also be advised that all such fees shall accrue interest at the Default Rate of Interest (as defined in the Credit Agreement).

As agreed by you, the Lenders will have suffered damages on account of the Prepayment Fee Events and the Liquidity Event and in view of the difficulty in ascertaining the amount of the damages on account thereof, the Prepayment Fee and the fee in respect of the Preferred Return constitutes reasonable compensation and liquidated damages to compensate the Lenders on account thereof.

All such fees payable hereunder will be payable in Dollars in immediately available funds, free and clear of, and without deduction for, any and all present or future applicable taxes, levies, imposts, deductions, charges or withholdings and all liabilities with respect thereto (with appropriate gross-up for withholding taxes). At the Administrative Agent’s sole discretion, all or any portion of the fees payable to it hereunder may be (i) allocated among the Lenders as determined by the Administrative Agent, (ii) allocated to any of its affiliates and/or (iii) structured as original issue discount. All fees hereunder shall be in addition to any fees, costs or expenses otherwise payable by the Borrower pursuant to the Credit Agreement.

[Continued on following page.]

Very truly yours,

1903P LOAN AGENT, LLC, as Administrative Agent

By:  _____
3B97CA97C59842E...
Kyle Shonak, Manager

[Signature Page to Fee Letter]

Schedule I

Revolver Commitment	\$ 105,000,000
Term Loan Commitment	\$ 30,000,000
Total Agency Fee	\$ 1,012,500
Remaining Agency Due	\$ 337,500

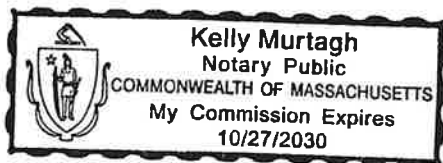
Fees	Amount	Calculation	Notes
Monitoring Fee	\$ 220,000	11*20,000	11 Months monitoring fee of \$20,000
Revolver Closing Fee	\$ 1,050,000	(105,000,000*2%)/2	\$2,100,000 Total Fee - 1/2 earned at 6 month anniversary
Revolver Agency Fee	\$ 262,500	(105,000,000*0.75%)*1/3	\$787,500 total - 1/3 earned at 6 month anniversary
Term Loan Closing Fee	\$ 375,000	75,000*5	\$450,000 total - 1/6 earned every 6 months
Term Loan Agency Fee	\$ 75,000	(105,000,000*0.75%)*1/3	\$262,500 total - 1/3 earned at 6 month anniversary
Revolver Prepayment Fee	\$ 3,150,000	105,000,000*3%	3% of Revolver Credit Commitments
Term Loan Prepayment Fee	\$ 9,022,869	See FILO MW Tab	Make Whole - Interest if Loan were outstanding for 24 months (\$9,413,496) less interest accrued to date (\$390,628)
Preferred Return	\$ 5,000,000	\$ 5,000,000	Per Credit Agreement
Total	\$ 19,155,369		

This is Exhibit "R" referred to in the affidavit of Kyle Shonak sworn before me at Boston, Massachusetts this 7th day of March, 2025



Kelly Murtagh

A Notary Public in and for the State of Massachusetts



Peavey - 13 Week Cash Flow Forecast
DRAFT

Peavey - Weekly Cash Flow Forecast

in CAD 000	X																	Total		
COA Filing Week																		19W		
Week No.	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
Week Ending (Friday)	1/25/25	2/1/25	2/8/25	2/15/25	2/22/25	3/1/25	3/8/25	3/15/25	3/22/25	3/29/25	4/5/25	4/12/25	4/19/25	4/26/25	5/3/25	5/10/25	5/17/25	5/24/25	5/31/25	

Payroll & Benefits - Timing of Funding

*Employees to be turned off manually in Store Payroll Office Payroll and DC Payroll tabs

Hourly-Biweekly	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Salaried-Semi Monthly	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
East All	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yearly Pay Periods	26																			

Store Count	83	83	83	83	83	83	83	83	83	83	22	22	22	22	0	0	0	0	0	0
DC Count	3	3	3	3	3	3	3	3	3	3	2	2	2	2	0	0	0	0	0	0
Office Count	2	2	2	2	2	2	2	2	2	2	2	2	2	2	0	0	0	0	0	0

*Exit Liberty DC end of February; exit RD and LDN DC end of March
*Exit RD and LDN Office end of March

Occupancy *Turn Stores On/Off based on timing of last rent payment to be paid.

Store Code	Store/DC	Closure Start Date	On	Off	Off
005 Airside	Store	25-Jan-25	On	Off	Off
010 Assiniboia	Store	25-Jan-25	On	Off	Off
020 Brandon	Store	25-Jan-25	On	Off	Off
025 Brooks	Store	25-Jan-25	On	Off	Off
040 Camrose	Store	25-Jan-25	On	Off	Off
050 Dawson Creek	Store	25-Jan-25	On	Off	Off
060 Estevan	Store	25-Jan-25	On	Off	Off
070 Grande Prairie	Store	25-Jan-25	On	Off	Off
075 High Prairie	Store	25-Jan-25	On	Off	Off
075 High River	Store	25-Jan-25	On	Off	Off
080 Humboldt	Store	25-Jan-25	On	Off	Off
085 Kamloops	Store	25-Jan-25	On	Off	Off
090 Kindersley	Store	25-Jan-25	On	Off	Off
093 Lacombe	Store	25-Jan-25	On	Off	Off
095 Leduc	Store	25-Jan-25	On	Off	Off
100 Lethbridge	Store	25-Jan-25	On	Off	Off
110 Lloydminster	Store	25-Jan-25	On	Off	Off
115 Medicine Hat	Store	25-Jan-25	On	Off	Off
120 Moose Jaw	Store	25-Jan-25	On	Off	Off
130 North Battleford	Store	25-Jan-25	On	Off	Off
140 Peace River	Store	25-Jan-25	On	Off	Off
145 Prince Albert	Store	25-Jan-25	On	Off	Off
150 Red Deer	Store	25-Jan-25	On	Off	Off
160 Regina	Store	25-Jan-25	On	Off	Off
165 Rocky Mtn House	Store	25-Jan-25	On	Off	Off
168 Salmon Arm	Store	25-Jan-25	On	Off	Off
170 Saskatoon	Store	25-Jan-25	On	Off	Off
171 Sherwood Park	Store	25-Jan-25	On	Off	Off
173 Spruce Grove	Store	25-Jan-25	On	Off	Off
175 St. Paul	Store	25-Jan-25	On	Off	Off
178 Steinbach	Store	25-Jan-25	On	Off	Off
180 Stettler	Store	25-Jan-25	On	Off	Off
183 Strathmore	Store	25-Jan-25	On	Off	Off
185 Swan River	Store	25-Jan-25	On	Off	Off
190 Swift Current	Store	25-Jan-25	On	Off	Off
200 Vegreville	Store	25-Jan-25	On	Off	Off
205 Westlock	Store	25-Jan-25	On	Off	Off
220 Weyburn	Store	25-Jan-25	On	Off	Off
223 Winkler	Store	25-Jan-25	On	Off	Off
225 Winnipeg	Store	25-Jan-25	On	Off	Off
227 Winnipeg-Pentins	Store	25-Jan-25	On	Off	Off
230 Yorkton	Store	25-Jan-25	On	Off	Off
300 Blackfalds	Store	25-Jan-25	On	Off	Off
301 Vermilion	Store	25-Jan-25	On	Off	Off
302 Ponoka	Store	25-Jan-25	On	Off	Off
303 The Pas	Store	25-Jan-25	On	Off	Off
304 Manning	Store	25-Jan-25	On	Off	Off
305 Port Hardy	Store	25-Jan-25	On	Off	Off
400 Ck Rd DC	DC/Office	n.a.	On	Off	Off
1181 Tilsonburg	Store	25-Jan-25	On	Off	Off
1182 Stratford	Store	25-Jan-25	On	Off	Off
1183 Listowel	Store	25-Jan-25	On	Off	Off
1185 London	Store	25-Jan-25	On	Off	Off
1186 Woodstock	Store	15-Jan-25	On	Off	Off
1189 Brantford	Store	25-Jan-25	On	Off	Off
1191 Kitchener	Store	15-Jan-25	On	Off	Off
1193 Simcoe	Store	25-Jan-25	On	Off	Off
1194 Chatham	Store	15-Jan-25	On	Off	Off
1195 Stratroy	Store	25-Jan-25	On	Off	Off
1196 Lambeth	Store	15-Jan-25	On	Off	Off
1197 Lehigh	Store	25-Jan-25	On	Off	Off
1198 Aliston	Store	25-Jan-25	On	Off	Off
1199 Crimby	Store	15-Jan-25	On	Off	Off
1200 Owen Sound	Store	25-Jan-25	On	Off	Off
1201 Belleville	Store	25-Jan-25	On	Off	Off
1203 St. Thomas	Store	15-Jan-25	On	Off	Off
1203 Bowmanville	Store	15-Jan-25	On	Off	Off
1204 Peterborough	Store	25-Jan-25	On	Off	Off
1208 Essex	Store	25-Jan-25	On	Off	Off
1207 Godrich	Store	15-Jan-25	On	Off	Off
1208 Walkerton	Store	25-Jan-25	On	Off	Off
1209 Sarnia	Store	15-Jan-25	On	Off	Off
1210 Hyle Park	Store	25-Jan-25	On	Off	Off
1211 Orangeville	Store	25-Jan-25	On	Off	Off
1212 Lindsay	Store	25-Jan-25	On	Off	Off
1213 Brockville	Store	15-Jan-25	On	Off	Off
1214 Smiths Falls	Store	15-Jan-25	On	Off	Off
1215 Cornwall	Store	15-Jan-25	On	Off	Off
1216 St. Jacobs	Store	15-Jan-25	On	Off	Off
1217 Amprior	Store	15-Jan-25	On	Off	Off
1218 Leamington	Store	25-Jan-25	On	Off	Off
1220 Kemptville	Store	25-Jan-25	On	Off	Off
1222 Saalt Site Marie	Store	25-Jan-25	On	Off	Off
1224 Rockland	Store	7-Feb-25	On	Off	Off
1226 New Liskeard	Store	15-Jan-25	On	Off	Off
1227 Lethbridge	Store	15-Jan-25	On	Off	Off
1228 Collingwood	Store	15-Jan-25	On	Off	Off
1229 Mount Forest	Store	15-Jan-25	On	Off	Off
1230 Bradford	Store	25-Jan-25	On	Off	Off
1231 St. Catharines	Store	15-Jan-25	On	Off	Off
1232 Pembroke	Store	25-Jan-25	On	Off	Off
1233 Sudbury	Store	15-Jan-25	On	Off	Off
1510 Kingston	Store	15-Jan-25	On	Off	Off
1511 Orillia	Store	25-Jan-25	On	Off	Off
2015 Bedford	Store	15-Jan-25	On	Off	Off
451999 Red Deer	DC/Office	n.a.	On	Off	Off
9996 Warehouse	DC	n.a.	On	Off	Off

Other Operating Expenses - Timing of Payment *Turn Other Operating Expenses On/Off and adjust timing of Payment; see run-rate assumptions in Other Operating Expense tab

Store - Other Operating Expenses	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DC - Other Operating Expenses	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Office - Other Operating Expenses	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

End Date of GOB Sales

Capital Lease Payment Timing	Monthly	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Store	(225.7)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DC	(110.0)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Office	(11.9)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Borrowing Base - Revolver

Maximum Credit Amount	#####	105,000.0	105,000.0	105,000.0	105,000.0	105,000.0	105,000.0	105,000.0	105,000.0	105,000.0	105,000.0	105,000.0	105,000.0	-	-	-	-	-	-	-
Borrowing Base - Term	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	-	-	-	-	-	-	-

Debt Summary

Prepetition Debt - Revolver (Open)	35,860.0	*Update to opening balance as of Filing Date
Prepetition Debt - Term (Opening)	30,000.0	*Update to opening balance as of Filing Date
DIP Facility (Opening)	-	

Revolver Interest

Term CRRRA	3.3%
Applicable Margin	6.8%
Default Interest	2.0%
Total Interest	12.0%

Term Interest

Term CRRRA	3.3%
Applicable Margin	10.5%
Default Interest	2.0%
Total Interest	15.8%

DIP Interest

Total Interest	12.0%
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De-Prepetition Debt Fees

Closing Fee - Revolver (Remaining)	1,050.0	*Update to opening balance as of Filing Date; capitalized at Filing Date to Revolver
Closing Fee - Term (Remaining)	375.0	*Update to opening balance as of Filing Date; capitalized at Filing Date to Term
Agency Fee - Revolver (Remaining)	202.3	*Update to opening balance as of Filing Date; capitalized at Filing Date to Revolver
Agency Fee - Term (Remaining)	5.0	*Update to opening balance as of Filing Date; capitalized at Filing Date to Term
Collateral Monitoring Fee (1 mo)	220.0	*Update to opening balance as of Filing Date; capitalized at Filing Date to Revolver
Prepayment Fee - Revolver	3,150.0	*Update to opening balance as of Filing Date; capitalized at Filing Date to Revolver
Prepayment Fee - Term	0,022.9	*Update to opening balance as of Filing Date; capitalized at Filing Date to Term
Preferred Return	5,000.0	*Update to opening balance as of Filing Date; capitalized at Filing Date to Revolver

Minimum Cash

Opening Cash (01/25)	2,000.0
	3,174.0
Sales Tax (blend)	10.5%

20-Dec-24 Started Weekly Paydown to CF Forecast Add paydown for fees

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 fees 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 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

Peavey Industries General Partner Ltd.

Consolidated Cash Flow Forecast

For the 5 week period ending March 1, 2025

Cash Flow
Statement

Cash Flow Statement		Initial Stay					5 Week Total	
		Note	Week 1 1-Feb	Week 2 8-Feb	Week 3 15-Feb	Week 4 22-Feb		Week 5 1-Mar
(C\$000s)								
Receipts								
Cash Receipts	1	12,664	11,475	12,498	14,133	14,720	65,490	
Cash Sweep	2	(12,664)	(11,475)	(12,498)	(14,133)	(14,720)	(65,490)	
Net Proceeds for Operations			\$ -	\$ -	\$ -	\$ -	\$ -	
Disbursements								
<i>Operating Disbursements</i>								
Payroll & Benefits	3	(1,599)	(917)	(1,390)	(847)	(1,186)	(5,939)	
Occupancy Expenses	4	-	(3,815)	-	-	-	(3,815)	
Merchandise Fee	5	(59)	(244)	(288)	(313)	(354)	(1,258)	
Other Liquidation Expenses	6	(663)	(380)	(414)	(414)	(414)	(2,285)	
Sales Tax Payable	7	-	(2,202)	-	(320)	(755)	(3,277)	
Other Operating Expenses	8	(622)	(1,692)	(212)	(239)	(632)	(3,398)	
Professional Fees	9	(270)	(115)	(130)	(130)	(355)	(1,000)	
Product Expenses	10	-	(300)	-	-	-	(300)	
Freight and Duty	11	(198)	(154)	(154)	(154)	(99)	(760)	
Interest Expenses	12	-	-	-	(502)	-	(502)	
Contingency	13	-	(50)	(25)	(25)	(25)	(125)	
Total Disbursements			\$ (3,411)	\$ (9,869)	\$ (2,614)	\$ (2,946)	\$ (3,820)	\$ (22,660)
Net Cash Flow			\$ (3,411)	\$ (9,869)	\$ (2,614)	\$ (2,946)	\$ (3,820)	\$ (22,660)
Cash								
Opening Cash		3,174	2,000	2,000	2,000	2,000	3,174	
Net Cash Flow		(3,411)	(9,869)	(2,614)	(2,946)	(3,820)	(22,660)	
Draw / (Repayment) of Post-Petition Debt	14	2,237	9,869	2,614	2,946	3,820	21,486	
Ending Cash		15	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	
Pre-Filing Secured Debt								
Opening Balance		65,660	52,996	41,521	29,023	14,890	65,660	
Draw / (Repayments)	2	(12,664)	(11,475)	(12,498)	(14,133)	(14,720)	(65,490)	
Ending Pre-Filing Secured Debt			\$ 52,996	\$ 41,521	\$ 29,023	\$ 14,890	\$ 170	
Post-Petition Debt								
Opening Balance		-	2,237	12,106	14,720	17,666	-	
Draws / (Repayment)	14	2,237	9,869	2,614	2,946	3,820	21,486	
Ending Post-Petition Debt		16	\$ 2,237	\$ 12,106	\$ 14,720	\$ 17,666	\$ 21,486	

Cash Flow Statement		Initial Stay		
		Jan 26 to Feb 8 2-Weeks	Feb 09 to Mar 1 3-Weeks	5-Week Total
(C\$000s)				
Receipts				
Cash Receipts		24,139	41,350	65,490
Cash Sweep		(24,139)	(41,350)	(65,490)
Net Proceeds for Operations		\$ -	\$ -	\$ -
Disbursements				
<i>Operating Disbursements</i>				
Payroll & Benefits		(2,516)	(3,423)	(5,939)
Occupancy Expenses		(3,815)	-	(3,815)
Merchandise Fee		(302)	(956)	(1,258)
Other Liquidation Expenses		(1,043)	(1,242)	(2,285)
Sales Tax Payable		(2,202)	(1,075)	(3,277)
Other Operating Expenses		(2,315)	(1,083)	(3,398)
Professional Fees		(385)	(615)	(1,000)
Product Expenses		(300)	-	(300)
Freight and Duty		(353)	(407)	(760)
Interest Expenses		-	(502)	(502)
Contingency		(50)	(75)	(125)
Total Disbursements		\$ (13,280)	\$ (9,379)	\$ (22,660)
Net Cash Flow		\$ (13,280)	\$ (9,379)	\$ (22,660)
Cash				
Opening Cash		3,174	2,000	3,174
Net Cash Flow		(13,280)	(9,379)	(22,660)
Draw / (Repayment) of Post-Petition Debt		12,106	9,379	21,486
Ending Cash		\$ 2,000	\$ 2,000	\$ 2,000
Pre-Filing Secured Debt				
Opening Balance		65,660	41,521	65,660
Draw / (Repayments)		(24,139)	(41,350)	(65,490)
Ending Pre-Filing Secured Debt		\$ 41,521	\$ 170	\$ 170
Post-Petition Debt				
Opening Balance		-	12,106	-
Draws / (Repayment)		12,106	9,379	21,486
Ending Post-Petition Debt		\$ 12,106	\$ 21,486	\$ 21,486

Peavey Industries General Partner Ltd.
Karen Dillon, CFO

Notes to the Consolidated Cash Flow Forecast:

Management of Peavey Industries General Partner Ltd. and its subsidiaries (the "Peavey Group") has prepared this Projected Consolidated Cash Flow Statement solely for the purposes of determining the liquidity requirements of the Peavey Group during the period of January 26, 2025 to March 1, 2025 (the "Forecast Period").

This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1-16. Consequently, actual results will likely vary from actual performance and such variances may be material.

- Cash Receipts are based on GBC's expectations on the proceeds from the sale of inventory over the 5-week period. Receipts include the collection of applicable Sales Taxes.
- The Forecast assumes in accordance with the 1903 Credit Agreement, cash is swept to repay the pre-filing secured debt obligations of GBC.
- Payroll & Benefits are based on recent payroll amounts and future forecast amounts.
- Occupancy Expenses are based on current rent obligations and future payments required to operate during the term of the SC Consulting Agreement at the Peavey Group's stores, warehouses and offices.
- Merchandise Fee represents GBC's fee of 2.5% of Gross Proceeds, net only of sales taxes, of merchandise sold during the term of SC Consulting Agreement
- Other Liquidation Expenses include estimated other fees paid to GBC during the sale timeline pursuant to the SC Consulting Agreement.
- Sales Tax Payable represents the remittances of sales tax collected through the sale of the Peavey Group's inventory.
- Other Operating Expenses includes general and administrative expenses including IT costs, utilities and maintenance, equipment rentals, capital leases and other costs necessary for operation during the Forecast Period.
- Professional Fees are the estimated legal and professional fees associated with the CCAA proceedings.
- Product Expenses represent potential amounts paid to vendors for inventory delivered prior to the date of the Initial Order. These payments are subject to the support of the Agent and the Monitor.
- Freight and Duty reflects the payment to freight vendors for transporting product from warehouses to stores during the Forecast Period.
- Interest Expenses includes interest payable pursuant to the 1903 Credit Agreement.
- Contingency is an estimate for unexpected costs that may arise during the Forecast Period.
- Draws / (Repayments) represent the post filing liquidity needs based on funding requirements throughout the Forecast Period.
- The Forecast assumes Peavey Group maintains a minimum of \$2.0 million in cash on hand. All post filing liquidity needs consider this minimum cash balance.
- Post-Petition Debt financing is based on funding requirements throughout the Forecast Period.

Peavey - 13 Week Cash Flow Forecast
DRAFT

Peavey - Weekly Cash Flow Forecast

in CAD 000s

CCAA Filing Week	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Total
Week No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18W	
Week Ending	2/1/25	2/8/25	2/15/25	2/22/25	3/1/25	3/8/25	3/15/25	3/22/25	3/29/25	4/5/25	4/12/25	4/19/25	4/26/25	5/3/25	5/10/25	5/17/25	5/24/25	5/31/25		
Operating Cash Flow																				
Cash Receipts																				
GOB Net Sales	8,822.7	10,422.4	11,347.7	12,827.8	13,321.2	14,133.6	13,758.4	12,898.5	12,134.2	2,901.2	1,328.0	126.0	-	-	-	-	-	-	-	114,021.6
Other Store Sales	2,957.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,957.0
Sales Tax	926.4	1,094.3	1,191.5	1,346.9	1,398.7	1,484.0	1,444.6	1,354.3	1,274.1	304.6	139.4	13.2	-	-	-	-	-	-	-	11,972.3
Other	(41.7)	(41.7)	(41.7)	(41.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(166.7)
Total Cash Receipts	12,664.4	11,475.1	12,497.5	14,133.1	14,719.9	15,617.6	15,203.0	14,252.9	13,408.2	3,205.9	1,467.4	139.3	-	-	-	-	-	-	-	128,784.2
Operating Disbursement																				
Payroll & Benefits - Stores	(932.7)	(643.2)	(932.7)	(643.2)	(932.7)	(643.2)	(932.7)	(643.2)	(932.7)	(643.2)	(771.3)	-	(347.0)	-	-	-	-	-	-	(8,998.1)
Payroll & Benefits - Office	(489.2)	(26.5)	(244.5)	(2.0)	(176.0)	-	(170.5)	-	(156.3)	-	(97.4)	-	(80.9)	-	(80.9)	-	-	-	-	(1,524.2)
Payroll & Benefits - DC	(177.3)	(247.0)	(213.2)	(202.0)	(77.0)	(181.7)	(112.9)	(136.7)	(40.2)	-	-	-	-	-	-	-	-	-	-	(1,387.9)
KERP	-	-	-	-	-	-	-	-	-	-	-	(1,457.0)	-	-	-	-	-	-	-	(1,457.0)
Vacation Pay Owning	-	-	-	-	-	-	-	-	-	-	-	-	(1,278.5)	-	-	-	-	-	-	(1,278.5)
Occupancy Expenses	-	(3,814.8)	-	-	-	(3,350.6)	-	-	-	(1,147.2)	-	-	-	-	-	-	-	-	-	(8,312.6)
Trade Expenses	-	(300.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(300.0)
Other Operating Expenses	(622.2)	(1,692.4)	(211.6)	(239.2)	(632.4)	(1,704.0)	(256.6)	(240.5)	(226.3)	(853.4)	(5.9)	(0.6)	-	-	-	-	-	-	-	(6,685.0)
Liquidation Agency Fee	(58.6)	(243.7)	(287.9)	(313.5)	(354.4)	(368.0)	(390.4)	(380.1)	(356.3)	(335.2)	(80.1)	(36.7)	(3.5)	-	-	-	-	-	-	(3,208.4)
Other Liquidation Expenses	(663.0)	(379.9)	(414.1)	(414.1)	(414.1)	(414.1)	(414.1)	(414.1)	(414.1)	(414.1)	(278.1)	(254.2)	(46.6)	-	-	-	-	-	-	(4,934.6)
Sales Tax	-	(2,202.0)	-	(320.0)	(754.9)	-	-	-	(4,721.0)	-	-	-	-	(4,687.8)	-	-	-	-	-	(12,685.8)
Freight and Duty	(198.5)	(154.5)	(154.5)	(154.5)	(98.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(760.4)
Contingency	-	(50.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	-	-	-	-	-	(350.0)
Total Operating Disbursements	(3,141.4)	(9,754.0)	(2,483.5)	(2,313.4)	(3,465.1)	(6,686.6)	(2,302.2)	(1,839.6)	(6,871.9)	(3,418.2)	(1,257.8)	(1,773.4)	(503.0)	(5,991.3)	(80.9)	-	-	-	-	(51,882.5)
Net Cash Flow from Operations	9,523.0	1,721.0	10,014.0	11,819.6	11,254.8	8,931.1	12,900.8	12,413.2	6,536.3	(212.3)	209.5	(1,634.2)	(503.0)	(5,991.3)	(80.9)	-	-	-	-	76,901.7
Professional Fees	(270.0)	(115.0)	(130.0)	(130.0)	(355.0)	(95.0)	(95.0)	(95.0)	(295.0)	(95.0)	(95.0)	(95.0)	(245.0)	(80.0)	(80.0)	(105.0)	(105.0)	(320.0)	-	(2,800.0)
Revolver Interest	-	-	-	(79.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(79.7)
Term Interest	-	-	-	(314.7)	-	-	-	(0.5)	-	-	-	-	-	-	-	-	-	-	-	(315.2)
Post-Filing Debt Interest	-	-	-	(107.9)	-	-	-	(79.2)	-	-	-	-	-	-	-	-	-	-	-	(187.1)
Net Cash Flow	9,253.0	1,606.0	9,884.0	11,187.3	10,899.8	8,836.1	12,805.8	12,238.5	6,241.3	(307.3)	114.5	(1,729.2)	(748.0)	(6,071.3)	(160.9)	(105.0)	(105.0)	(320.0)	-	73,519.7

As of 1/24/25

Revolver Commitment	\$ 105,000,000.0	
FILO Commitment	\$ 30,000,000.0	
Loan Balance (Rev Outstanding + FILO)	\$ 65,659,985.9	\$ 35,659,985.90

Fees	Amount	Notes
Monitoring Fee	\$ 220,000.0	11 months monitoring fee
Revolver Agency Fee	\$ 262,500.0	Remaining third due at 6-month anniversary
Revolver Closing Fee - SPC	\$ 735,000.0	Second half closing fee - pro-rata
Revolver Closing Fee - CPPIB	\$ 315,000.0	Second half closing fee - pro-rata
FILO Closing Fee - 1903P	\$ 225,000.0	5 payments of 45,000
FILO Closing Fee - CPPIB	\$ 150,000.0	5 payments of 30,000
FILO Agency Fee	\$ 75,000.0	Remaining third due at 6-month anniversary
Revolver Prepay	\$ 3,150,000.0	3% of Commitment
FILO Prepay	\$ 9,022,868.9	22 month MW - Interest only
Preferred Return	\$ 5,000,000.0	Preferred Return
TOTAL	\$ 19,155,368.9	