



This is the 1st Affidavit of
Irina Krasik in this case
and was made on
October 10, 2024

Action No. B-240477
Estate No. _____
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

BETWEEN:

STELLEX POWER LINE OPCO LLC and 1501841 B.C. LTD.

PETITIONERS

AND:

ROKSTAD HOLDINGS CORPORATION, ROKSTAD POWER (2018) LTD., ROKSTAD
POWER CONSTRUCTION SERVICES LTD., ROKSTAD POWER TRANSMISSION
SERVICES LTD., ROKSTAD POWER (PRAIRIES) LTD., GOLDEN EARS PAINTING &
SANDBLASTING (2018) LTD. AND PLOWE POWER SYSTEMS (2018) LTD.

RESPONDENTS

AFFIDAVIT

I, Irina Krasik, a Managing Director of Stellex Capital Management, with an office at 900 Third Avenue, 25th Floor, New York, New York, AFFIRM THAT:

INTRODUCTION

1. I am a director of Stellex Power Line Opco LLC and 1501841 B.C. Ltd. (together, "Stellex"), which are sister companies beneficially owned by Stellex Capital Management, and, as such, have personal knowledge of the matters deposed to in this affidavit, except where I depose to a matter based on information from an informant I identify, in which case I am informed and believe that both the information from the informant and the resulting statement are true.

2. Stellex Capital Management is an investment firm that lends to and invests in middle market businesses to catalyze growth and support those companies in becoming leading enterprises through operational transformations. Stellex Power Line Opco LLC and 1501841 B.C.

Ltd. are entities that were formed by Stellex Capital Management in furtherance of efforts to invest in the business of the respondents.

3. Stellex is presently the senior secured lender to the respondents being owed more than US \$35 million. Stellex acquired its secured position on October 7, 2024 pursuant to the terms of a Purchase and Sale of Indebtedness and Security Agreement (the "**CWB Debt Agreement**") with the Canadian Western Bank ("**CWB**"). Pursuant to the terms of the CWB Debt Agreement, CWB agreed to sell and assign to Stellex all the respondents' loan obligations and security interests owing or granted to CWB (the "**Purchased Indebtedness and Security**").

4. The respondent, Rokstad Holdings Corporation ("**Rokstad Holdings**"), is the parent company of the respondents, which are a unified group of privately held companies that provide power line construction and maintenance, and sandblasting and painting services in Canada and the United States (collectively, the "**Rokstad Group**").

5. The Canadian entities that comprise the Rokstad Group (collectively, "**Rokstad Canada**"), all of which are respondents on this petition, include:

- (a) Rokstad Holdings Corporation
- (b) Rokstad Power (2018) Ltd.,
- (c) Golden Ears Painting & Sandblasting (2018) Ltd.,
- (d) Plowe Power Systems (2018) Ltd.,
- (e) Rokstad Power Construction Services Ltd.,
- (f) Rokstad Power Transmission Services Ltd., and
- (g) Rokstad Power (Prairies) Ltd.

6. The United States entities that comprise the Rokstad Group, none of whom are proposed to be respondents to these proceedings at this time, include:

- (a) Rokstad Power (East), Inc.,
- (b) Rokstad Power Inc., and
- (c) Rok Air, LLC.

7. The shareholders of the Rokstad Group are the Rokstad Family Trust and the BROK Trust, which are controlled by Bernard Rokstad and Aaron Rokstad (together, the "Rokstads"), respectively. Bernard Rokstad and Aaron Rokstad are also the President and Chief Executive Officer of the respondents, respectively.

8. The Purchased Indebtedness and Security provide for first ranking security on substantially all the personal and other property of the Rokstad Group in Canada and the United States.

THE URGENT NEED FOR PROTECTION OF THE RESPONDENTS' ESTATE

9. The Rokstad Group has been in default of their loan obligations to CWB since April 2022. CWB and the Rokstad Group entered into a series of forbearance agreements with respect to the Rokstad Group's defaults, the last of which expired on in early September 2024. CWB issued Notices of Intention to Enforce Security under section 244 of the *Bankruptcy and Insolvency Act* (Canada) to the Rokstad Group on September 4, 2024.

10. Prior to acquiring the Purchased Indebtedness and Security, Stellex had bid to purchase the Rokstad Group as part of a thorough sale process run by Stifel Financial Corp. ("Stifel"), an investment banking firm. Stellex was selected as the highest and best bidder in this process in July 2024. Stellex then engaged in lengthy negotiations with CWB, the financial advisor to CWB, and the Rokstad Group with respect to various restructuring options and processes involving the Rokstad Group, including the potential acquisition and recapitalization of the Rokstad Group's business by Stellex as a going concern – both in and out of court. During these efforts, I have become familiar with the Rokstad Group's dire financial situation. Among other things, I understand from my involvement with the Rokstad Group over the past six months that they are in a state of serious financial distress.

11. In addition to their inability to pay (or even service) their debt, the Rokstad Group have significant overdue accounts payable resulting from a prolonged period of poor financial results and restricted liquidity. The Rokstad Group's outstanding vendor payables have continued to accrue and are a significant risk to ongoing operations. Based on the most recent financial information available to me, the Rokstad Group's balance of trade payables as of September 4, 2024 exceeded US \$18 million, of which more than US \$15 million is delinquent. Moreover, based on the most recent financial information available to me, the Rokstad Group has not paid vendors current for 10 months – many having received no payments whatsoever in over 3 months and

some who have not received payments for almost a year. I understand from Ms. Tamara Wilson, former Chief Financial Officer of the Rokstad Group, that vendors have threatened to stop work on various occasions and equipment providers have threatened to pick up equipment which is critical for conducting the Rokstad Group's business. I also understand from Ms. Tamara Wilson that the Rokstad Group's ability to have sufficient liquidity to operate has for a long time been heavily reliant upon their vendors' continued willingness to carry material old unpaid balances, which is a daily negotiation.

12. In addition to their inability to pay vendors, I understand from Ms. Tamara Wilson that the Rokstad Group has come within 24 hours of being unable to fund their payroll obligations at least twice in the past 6 weeks. I also understand from Ms. Tamara Wilson that those obligations were satisfied through advances by customers in exchange for promises of work to be performed by the Rokstad Group. For these reasons, and the ones discussed below, Stellex is concerned that the Rokstad Group may either not be able to or not intend to meet their payroll obligations.

13. Based on the most recent financial information available to me, the Rokstad Group's inability to pay their obligations as and when due is a direct result of their inability to generate sufficient revenue. As an example, during prior transaction negotiations the Rokstad Group reported that their annual projected revenue would come in more than US \$29 million less than expected, which amount equates to approximately a 17% decrease in the Rokstad Group's projected revenue for calendar year 2024 up until that point in time.

14. Having spent months trying to negotiate a transaction with CWB, the Rokstad Group and the Rokstads, all to no avail, Stellex was approached by CWB regarding the acquisition of the Purchased Indebtedness and Security and did so as an alternate means of preserving and realizing on the significant investment in time and resources that Stellex has expended in pursuing a transaction with the Rokstad Group.

15. Upon acquiring the Purchased Indebtedness and Security from CWB on October 7, 2024, Stellex exercised rights with respect to the Purchased Indebtedness and Security to take protective measures with respect to the governance oversight of the Respondents' business. These steps included the provision of notice under applicable security agreements of the appointment of independent directors Tamara Wilson and John Carter (together, the "**Independent Directors**") to the board of directors of each member of the Rokstad Group, to serve on such boards with the Rokstads, effective October 8, 2024. A copy of Stellex's notice of the relevant protective actions dated October 8, 2024 (the "**Governance Notice**") is attached to

my Affidavit as **Exhibit "A"**. The Rokstad Group has refused to acknowledge the validity of the appointment of the Independent Directors without any substantiation.

16. Stellex has since been advised by the Independent Directors that certain actions have been taken by the Rokstad Group and their principals, the Rokstads, that are prejudicial to the rights and interests of Stellex, as senior secured lender to the Rokstad Group, and the Rokstad Group's other stakeholders.

17. Among other things:

- (a) I have been advised by Ms. Tamara Wilson, and believe, that on October 7, 2024, being the day that the Rokstad Group was provided with notice of Stellex's acquisition of the Purchased Indebtedness and Security, the Rokstads collectively requested to be paid ~US \$280,000 (~US \$140,000 each) on account of personal expenses dating back to 2023, including for what appear to be vacations, personal housing, sporting tickets, and tires for personal vehicles;
- (b) I am advised by Ms. Tamara Wilson, and believe, that the Rokstad Group's finance and accounting group was blocked from accessing the Rokstad Group's CWB accounts on October 7, 2024;
- (c) I have been advised by Mr. John Carter, and believe, that on October 8, 2024, Mr. Bernie Rokstad, who serves as the President and as a director of each of the respondents, reached out to key executives of the Rokstad Group, including Adam Day (Senior Vice President, Growth and Strategic Relations) and Alex Routledge (Vice President, Transmission Solutions and East Division), to solicit them to leave the employ of the Rokstad Group and join a competing business to be run by the Rokstads;
- (d) I have been advised by Vlad Moshinsky of Miller Buckfire & Co, a division of Stifel, financial advisor for the Rokstad Group, on October 9, 2024, that the Rokstads advised him that they intend to "transition out" of the Rokstad's business and are willing to enter into a consensual transaction to transfer ownership of the Rokstad Group to Stellex only if Stellex is willing to make substantial payments to them personally. This is very alarming considering that Stellex knows that the Rokstads are actively trying to set up a competing business.

18. In addition to the above steps, each of which stand to prejudice Stellex in its capacity as senior secured lender to the Rokstad Group, as well as the Rokstad Group's other stakeholders, the Rokstad Group have not cooperated with Stellex in its efforts to implement the corporate independence and oversight changes described in the Governance Notice, including the appointment of the Independent Directors.

19. Among other things:

(a) I am advised by Ms. Tamara Wilson and Mr. John Carter, and believe, that the Independent Directors called board meetings of the Rokstad Group for 6 pm EST on October 8, 2024 but no response from the Rokstads was received and follow ups for meetings were similarly not responded to; and

(b) I am advised by Ms. Tamara Wilson, and believe, that on October 8, 2024, Mr. Marco Martinez, the interim chief financial officer of the Rokstad Group, blocked Ms. Wilson from physically accessing the Rokstad Group's office on the grounds that the Rokstads did not recognize the Independent Directors as board members.

20. On October 8, 2024, counsel to the Rokstad Group sent a letter to counsel to Stellex asserting the position, without any substantiation, that the protective actions stipulated in the Governance Notice were not authorized. In this correspondence, a copy of which is attached to my Affidavit as **Exhibit "B"**, counsel to the Rokstad Group states that Stellex has appointed "Stellex principals" to act as Independent Directors. This is not accurate.

21. Neither Ms. Tamara Wilson nor Mr. John Carter hold any positions with Stellex and have never done so. Ms. Wilson was the Chief Financial Officer of the Rokstad Group until September 20, 2024. Mr. Carter is the Founder, Chairman and Chief Executive Officer of CarterBrothers Companies, founded in 2000, that has grown under Mr. Carter's leadership into a national management services and solutions company, specializing in consulting, contract manufacturing, and project management.

22. Stellex appointed Ms. Wilson and Mr. Carter as Independent Directors not because of any connection to Stellex but because they are uniquely qualified to provide oversight of the operation of the business that serves as security for the more than US \$34 million that is owed to Stellex in circumstances where the business continues to deteriorate, and the Rokstads have taken actions detrimental to the business (and by extension Stellex's recovery). I understand that once the Independent Directors have been appointed, they owe statutory and fiduciary duties to the

members of the Rokstad Group on whose boards they sit and not to Stellex. Their understanding of their duties, neutrality, and unique skills were the core reasons for the appointment of the Independent Directors. Stellex's position in this respect was communicated to counsel to the Rokstad Group in a letter from Stellex's counsel dated October 8, 2024, a copy of which is attached to my Affidavit as **Exhibit "C"**. I understand no response to that letter has been received.

23. As a direct result of the concerning actions of October 7 and 8, 2024, on October 9, 2024, Stellex wrote to Messrs. Aaron Rokstad, Darcy Leach, and Marco Martinez of the Rokstad Group to advise that it was exercising its rights under applicable security documents to have one of its representatives, Yoni Lipski, attend at the Rokstad Group's Phoenix, Arizona office to inspect books and records of the business. The request for the inspection was made because of Stellex's concerns regarding the conduct of the business, including the payments to insiders and blocked accounts referenced above, failure to recognize the Rokstad Group's corporate independence, and the Rokstads' efforts to divert employees and corporate opportunities from the Rokstad Group. A copy of an email chain between Mr. Yoni Lipski of Stellex and Messrs. Aaron Rokstad, Darcy Leach, and Marco Martinez regarding this matter is attached to my Affidavit as **Exhibit "D"**.

24. On the same day, Mr. Martinez responded to Stellex's request by advising its representative that the blocking of the CWB accounts was not caused by actions of the Rokstad Group and that, "[r]egarding the large payments to insiders, payments are for normal business expenses incurred on behalf of Rokstad." Mr. Martinez's response is found in the email chain attached to my Affidavit as Exhibit "C".

25. Stellex requested further information with respect to these statements including (a) confirmation that Mr. Martinez, as acting CFO, reviewed these expenses in detail and confirmed that they served a business, and not personal, purpose; (b) a copy of the company expense policies; (c) a list of the expenses with explanation; and (d) an explanation of why these expenses were prioritized versus other payments, for example payments to vendors, given the strain on the Rokstad Group's vendor relationships arising from significantly aging payables. Stellex's request for this information is found in the email chain attached to my Affidavit as Exhibit "C". To date, although Mr. Martinez has provided copies of certain company policies to Stellex and offered to discuss the relevant expenses, no response to Stellex's requests has been received.

26. Based on the foregoing, Stellex requests that this Honourable Court appoint FTI Consulting Canada Inc. ("FTI") as an interim receiver of the Rokstad Group's business and property on the terms sought in the petition filed concurrently with my affidavit. I believe such relief is necessary to protect the respondents' estate and the interest of Stellex and the respondents' creditors more generally. FTI is a licensed insolvency trustee and has consented to act as receiver on the terms sought by Stellex.

NECESSITY OF FURTHER RELIEF

27. The relief sought by Stellex on this petition is interim in nature. Stellex is requesting that this Court grant an order in a form it considers to be just and convenient to preserve oversight of the business and to conserve and protect its assets and customer and vendor relationships pending the hearing of an application to appoint a receiver over the entirety of the Rokstad Group.

28. Stellex's view is that a receivership over the Rokstad Group is warranted for several reasons in addition to those already referenced above including the fact that:

- (a) the Rokstad Group has been in default of their obligations owing to CWB since 2022 and, despite CWB's cooperation over multiple years, has failed in various efforts to service the debt or sell and/or otherwise restructure its business;
- (b) the Rokstad Group has deteriorated financially since that time and presently lacks the liquidity necessary to pay its obligations as they come due ;
- (c) the failure of the Rokstad Group to pay trade creditors, and its requests for advances from customers to pay payroll, has put the business at risk as critical business relationships are deteriorating;
- (d) critical members of senior management have left the employ of the Rokstad Group in recent months; and
- (e) Stellex as the current senior secured lender to the Rokstad Group and potential future acquiror or investor has lost all faith in the Rokstad Group's senior management and is unwilling to provide further financing to the business outside of a receivership proceeding.

29. I understand that under Canadian law a receiver appointed by this Honourable Court, whether on an interim or a permanent basis, owes duties to all stakeholders equally, and one

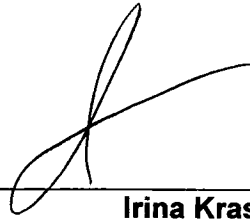
30. Accordingly, while Stellex intends to actively participate and be consulted with respect to these receivership proceedings and is prepared to support them financially, including by supporting a sales process to preserve and realize upon the going concern value of the entire Rokstad Group and not just the respondents on this application for the benefit of all stakeholders, I understand that all steps to be taken by the receiver once appointed are going to be subject to the receiver's duties as an impartial officer of this Court and be subject in all respects to this Court's jurisdiction and oversight.

AFFIRMED BEFORE ME at the City of
New York, in the State of New York, this
10th day of October, 2024.



A Notary Public for the State of New York

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Irina Krasik

NATHAN A. HAYNES
NOTARY PUBLIC-STATE OF NEW YORK
No. 02HA6028441
Qualified in New York County
My Commission Expires November 06, 2025

This is **Exhibit "A"** referred to in the Affidavit of Irina Krasik affirmed on October 10, 2024.



A Notary Public in and for the State of New York

NATHAN A. HAYNES
NOTARY PUBLIC-STATE OF NEW YORK
No. 02HA6028441
Qualified in New York County
My Commission Expires November 06, 2028

**Stellex Power Line Opco LLC
1501841 B.C. Ltd.**

October 8, 2024

VIA E-MAIL

Dentons Canada LLP
250 Howe St, 20th Floor
Vancouver, BC V6C 3R8

Attention: Kimberly Burns
E-mail: kimberly.burns@dentons.com

Rokstad Group (as defined below)
80 Golden Drive
Coquitlam, BC V3K 6T1

Attention: Darcy Leach
E-mail: darcy.leach@rokstadpower.com

Farris LLP
700 W Georgia St., 25th Floor
Vancouver, BC V7Y 1B3

Attention: Tevia R.M. Jeffries
E-mail: tjeffries@farris.com

Re: Amended and restated credit agreement dated December 22, 2020 (as amended, amended and restated, renewed, extended, supplemented, replaced, or otherwise modified from time to time, the "**Loan Agreement**") among Canadian Western Bank (together with its successors and assigns, "**CWB**") and the obligors listed therein (including Rokstad Holdings Corporation ("**Rokstad**"), Rokstad Power (2018) Ltd. ("**Rokstad 2018**"), Rokstad Power Inc. ("**Rokstad Power**"), Golden Ears Painting & Sandblasting (2018) Ltd. ("**Golden Ears**"), Plowe Power Systems (2018) Ltd. ("**PPS**"), Rokstad Power Transmission Services Ltd. ("**Long Lake**"), Rokstad Power Construction Services Ltd. ("**Bear Creek**"), Rokstad Power (Prairies) Ltd. ("**BiPole**", and collectively with Rokstad 2018, Golden Ears, PPS, Long Lake and Bear Creek, the "**Canadian Rokstad Group**"), Rokstad Power (East), Inc. ("**Rokstad East**", and collectively with Rokstad Power and the Canadian Rokstad Group, the "**Rokstad Group**"), Rok Air, LLC ("**Rok Air**") and Bernard George Rokstad, together with their respective successors and assigns)

Dear Sirs and Mesdames:

Stellex Power Line Opco LLC and 1501841 B.C. Ltd. (collectively, including their respective successors and assigns, the "**Purchaser**") have acquired all of CWB's right, title, interest in and to, among other things, the Loan Agreement and the other Loan Documents. Capitalized terms not otherwise defined

herein shall have the meanings given to them in the Loan Agreement. In addition, the following terms shall have the following meanings:

“Loan Documents” means the Loan Agreement and all security and guarantees (including, without limitation, all Lender’s Security) held by or on behalf of CWB in connection therewith, and any other agreements, documents, and/or instruments delivered in connection therewith or pursuant thereto, including, without limitation, the agreements, documents, and instruments listed on Schedule “A” hereto (in each case, as amended, amended and restated, renewed, extended, supplemented, replaced, or otherwise modified from time to time).

“GSAs” means the security agreements that constitute Loan Documents, including those listed in Schedule “A” hereto.

As you are aware, Events of Default and Defaults (as defined in the GSAs) have occurred and are continuing, and demand and notice of exercise of remedies was provided by CWB on September 4, 2024.

Given the occurrence and continuance of the Events of Default and Defaults (as defined in the GSAs), and the rights under each GSA:

- (1) we hereby provide written notice to Rokstad and each member of the Canadian Rokstad Group that all powers, functions, rights and privileges of the officers of each such member shall cease effective immediately;
- (2) we request that you deliver to the Vancouver office of Blake, Cassels & Graydon LLP (located at 1133 Melville Street Suite 3500, The Stack Vancouver, British Columbia, V6E 4E5 Canada), to the attention of Peter Bychawski, all certificates representing the shares held in each member of the Rokstad Group not previously provided to CWB or its counsel;
- (3) we request that you provide the BCOnline password for each member of the Canadian Rokstad Group; and
- (4) we hereby provide notice that we have exercised the power of attorney granted thereunder to appoint Tamara Wilson and John Carter to the board of directors of each member of the Rokstad Group, effective October 8, 2024. In addition, we have amended or amended and restated the governance documents of Rokstad 2018, Golden Ears, Rokstad Power, Rokstad East, and Rok Air, and transferred all the powers of the directors to manage or supervise the management of the business and affairs of PPS, Long Lake, Bear Creek and BiPole to the board of directors of Rokstad 2018.

The Purchaser has not and does not herein waive any Events of Defaults or Defaults (as defined in the GSAs), known or unknown, and expressly reserves and retains all rights and remedies with respect to the Indebtedness (as defined in the GSAs) and all other obligations, liabilities and indebtedness owing to it under the Loan Documents.

Sincerely,

Stellex Power Line Opco LLC
1501841 B.C. LTD.

DocuSigned by:

Inna Krasik

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Name: Inna Krasik

Title: Authorized Signatory

SCHEDULE A

Loan Agreement, Guarantees, and Security Documents

1. Loan Agreement
2. First Amending Agreement to the Loan Agreement, dated April 1, 2021
3. Confirmation and Acknowledgment granted by certain of the Obligors, dated January 6, 2021
4. General Security Agreement, dated June 3, 2020, granted by Rokstad
5. Security Agreement, dated June 3, 2020, granted by Rokstad Power
6. Amended and Restated Security Agreement, dated September 21, 2022, granted by Rokstad Power
7. Promissory Note in the maximum principal amount of \$725,439, dated January 15, 2021, granted by Rokstad 2018
8. Promissory Note in the maximum principal amount of \$523,650, dated February 3, 2021, granted by Rokstad 2018
9. General Security Agreement, dated June 3, 2020, granted by Rokstad 2018
10. General Security Agreement, dated June 3, 2020, granted by Golden Ears
11. General Security Agreement, dated June 3, 2020, granted by PPS
12. General Security Agreement, dated June 3, 2020, granted by Bear Creek
13. General Security Agreement, dated June 3, 2020, granted by Long Lake
14. General Security Agreement, dated June 3, 2020, granted by BiPole
15. Security Agreement, dated September 21, 2022, granted by Rokstad East
16. Security Agreement, dated September 21, 2022, granted by Rok Air
17. General Continuing Guaranty, dated June 3, 2020, granted by Rokstad Power
18. Guarantee and Indemnity Agreement, dated June 3, 2020, granted by Rokstad, Rokstad 2018, Golden Ears, PPS, Bear Creek, Long Lake, and BiPole
19. Amended and Restated General Continuing Guaranty, dated September 21, 2022, granted by Rokstad East
20. Full Liability Guarantee, dated January 14, 2021, granted by Bear Creek
21. Full Liability Guarantee, dated January 14, 2021, granted by Rokstad
22. Full Liability Guarantee, dated January 14, 2021, granted by Golden Ears
23. Full Liability Guarantee, dated January 14, 2021, granted by PPS
24. Full Liability Guarantee, dated January 14, 2021, granted by Rokstad Power

25. Full Liability Guarantee, dated January 14, 2021, granted by BiPole
26. Full Liability Guarantee, dated January 14, 2021, granted by Long Lake
27. Full Liability Guarantee Reaffirmation, dated February 4, 2021, executed by Bear Creek
28. Full Liability Guarantee Reaffirmation, dated February 4, 2021, executed by Rokstad
29. Full Liability Guarantee Reaffirmation, dated February 4, 2021, executed by Golden Ears
30. Full Liability Guarantee Reaffirmation, dated February 4, 2021, executed by PPS
31. Full Liability Guarantee Reaffirmation, dated February 4, 2021, executed by Rokstad Power
32. Full Liability Guarantee Reaffirmation, dated February 4, 2021, executed by Long Lake
33. Full Liability Guarantee Reaffirmation, dated February 4, 2021, executed by BiPole
34. Limited Liability Guarantee, dated November 8, 2023, granted by Bernard
35. Assignment and Postponement of Creditor's Claims, dated June 3, 2020, granted by Monolith Asset Group Inc.
36. Assignment and Postponement of Creditor's Claims, dated June 3, 2020, granted by 0887845 B.C. Ltd.
37. Assignment and Postponement of Creditor's Claims, dated June 3, 2020, granted by Stephanie Leigh Anne Rokstad
38. Assignment and Postponement of Creditor's Claims, dated June 3, 2020, granted by Tracy Rokstad
39. Assignment and Postponement of Creditor's Claims, dated June 3, 2020, granted by Brody Rokstad
40. Assignment and Postponement of Creditor's Claims, dated June 3, 2020, granted by Bernard
41. Assignment and Postponement of Creditor's Claims, dated June 3, 2020, granted by Bernard Aaron Rokstad
42. Assignment and Postponement of Creditor's Claims, dated June 3, 2020, granted by 0991249 B.C. Ltd.
43. Assignment and Postponement of Creditor's Claims, dated June 3, 2020, granted by 0921780 B.C. Ltd.
44. Assignment of Insurance, dated June 3, 2020, granted by Rokstad, Rokstad 2018, Rokstad Power, Golden Ears, PPS, Bear Creek, Long Lake, and BiPole
45. Confirmation and Acknowledgment, dated June 3, 2020, granted by SGSF Master Purchasing DE LLC
46. Indemnity and Contribution Agreement, dated August 24, 2020, between Crown Capital Partner Funding LP ("**Crown**") and CWB
47. Deposit Control Agreement

Forbearance Agreements

48. Forbearance Agreement, dated August 26, 2022, among CWB, Rokstad, Rokstad 2018, Rokstad Power, Golden Ears, PPS, Bear Creek, Long Lake, BiPole, Rokstad East, and Rok Air (the "**Original Forbearance**")
49. Amending Agreement to the Original Forbearance, dated October 19, 2022
50. Re-Instatement and Amending Agreement to the Original Forbearance, dated March 21, 2023
51. Amending Agreement to the Original Forbearance, dated April 14, 2023
52. Amending Agreement to the Original Forbearance, dated May 15, 2023
53. Amending Agreement to the Original Forbearance, dated May 26, 2023
54. Amending Agreement to the Original Forbearance, dated June 16, 2023
55. Amending Agreement to the Original Forbearance, dated June 30, 2023
56. Amending Agreement to the Original Forbearance, dated July 28, 2023
57. Amending Agreement to the Original Forbearance, dated August 17, 2023
58. Amending Agreement to the Original Forbearance, dated August 30, 2023
59. Amending Agreement to the Original Forbearance, dated September 29, 2023
60. Amending Agreement to the Original Forbearance, dated October 27, 2023
61. Amending Agreement to the Original Forbearance, dated November 15, 2023
62. Amending Agreement to the Original Forbearance, dated November 30, 2023
63. Amending Agreement to the Original Forbearance, dated December 15, 2023
64. Amending Agreement to the Original Forbearance, dated January 5, 2024
65. Amending Agreement to the Original Forbearance, dated January 19, 2024
66. Amending Agreement to the Original Forbearance, dated February 2, 2024
67. Amending Agreement to the Original Forbearance, dated February 9, 2024
68. Amending Agreement to the Original Forbearance, dated February 23, 2024
69. Amended and Restated Forbearance Agreement, dated March 7, 2024, among CWB and the Obligors (the "**Amended and Restated Forbearance**")
70. Omnibus Amending Agreement to the Amended and Restated Forbearance and the Loan Agreement, dated June 21, 2024
71. Second Omnibus Amending Agreement to the Amended and Restated Forbearance and the Loan Agreement, dated August 1, 2024

72. Third Omnibus Amending Agreement to the Amended and Restated Forbearance and the Loan Agreement, dated August 16, 2024

Crown Priority Agreement

73. Subordination, Priority, Standstill and Postponement Agreement, dated June 3, 2020, among CWB, Crown, and Rokstad (the "**Crown Priority Agreement**")
74. First Amending Agreement to the Crown Priority Agreement, dated April 9, 2021
75. Second Amending Agreement to the Crown Priority Agreement, dated September 23, 2022


Demand and Notices of Intention to Enforce Security

76. Demand letter, dated September 4, 2024, issued by CWB to the Obligors
77. Notices of Intention to Enforce Security, dated September 4, 2024, issued by CWB to each of Rokstad, Rokstad 2018, Rokstad Power, Golden Ears, PPS, Bear Creek, Long Lake, BiPole, Rokstad East, and Rok Air

This is **Exhibit "B"** referred to in the Affidavit of Irina Krasik affirmed on October 10, 2024.



A Notary Public in and for the State of New York

NATHAN A. HAYNES
NOTARY PUBLIC-STATE OF NEW YORK
No. 02HA6023441
Qualified in New York County 
My Commission Expires November 06, 20___

Reply Attention of: Tevia R. Jeffries
Direct Dial Number: 604 661 2174
Email Address: tjeffries@farris.com

FARRIS

File No: 49816-1

October 8, 2024

BY EMAIL

Stellex Power Line Opco LLC & 1501841 B.C. Ltd.

Blakes LLP

Attention: Kelly Bourassa & Peter Bychawski

Email: kelly.bourassa@blakes.com;
peter.bychawski@blakes.com

Greenberg Traurig, LLP

Attention: Oscar Pinkas

Email: pinkaso@gtlaw.com

Re: Amended and restated credit agreement dated December 22, 2020 (as amended, amended and restated, renewed, extended, supplemented, replaced, or otherwise modified from time to time, the "**Loan Agreement**") among Canadian Western Bank (together with its successors and assigns, "**CWB**") and the obligors listed therein (including Rokstad Holdings Corporation ("**Rokstad**"), Rokstad Power (2018) Ltd. ("**Rokstad 2018**"), Rokstad Power Inc. ("**Rokstad Power**"), Golden Ears Painting & Sandblasting (2018) Ltd. ("**Golden Ears**"), Plowe Power Systems (2018) Ltd. ("**PPS**"), Rokstad Power Transmission Services Ltd. ("**Long Lake**"), Rokstad Power Construction Services Ltd. ("**Bear Creek**"), Rokstad Power (Prairies) Ltd. ("**BiPole**", and collectively with Rokstad 2018, Golden Ears, PPS, Long Lake and Bear Creek, the "**Canadian Rokstad Group**"), Rokstad Power (East), Inc. ("**Rokstad East**", and collectively with Rokstad Power and the Canadian Rokstad Group, the "**Rokstad Group**"), Rok Air, LLC ("**Rok Air**") and Bernard George Rokstad, together with their respective successors and assigns).

We represent the Rokstad Group. We are in receipt of a letter from Stellex Power Line Opco LLC and 1501841 B.C. Ltd. (together, "**Stellex**") purporting to exercise certain rights over the entities in the Rokstad Group (the "**Notice**").

The general security agreements signed by the Rokstad Group do not give Stellex the authority to take the steps purported to be taken at items (1), (3), and (4). The power of attorney rights granted in the security agreements are solely to protect the value of collateral, not for a strategic acquiror to effect a takeover of the companies.

We understand that certain Stellex principals have purported to seek to call a board meeting and it is the Rokstad Group's position that any such meeting or business taken at such meeting is a nullity. Please be advised that any steps taken to seek to freeze out management or impact the business are further viewed as a nullity and may give rise to claims for damages. We ask that you advise Stellex not to take further actions until this matter is resolved.

We are open to discussing a consensual path forward in respect of realizing on security and protection of the collateral in the interim. However, the Rokstad Group does not waive and expressly reserves all rights and remedies with respect to Stellex's actions, including claims for damages for actions taken or purported to have been taken.

FARRIS LLP

25th Floor - 700 W Georgia Street Vancouver, BC Canada V7Y 1B3
Tel 604 684 9151 farris.com

October 8, 2024

- 2 -

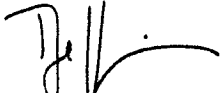
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If a consensual path forward is not Stellex's goal, please advise as to your availability for an urgent court application in the British Columbia Supreme Court in the coming days to have the validity of Stellex's purported actions determined.

Yours truly,

FARRIS LLP

Per:



Tevia R. Jeffries*

*Denotes a Professional Law Corporation

TRJ/

This is **Exhibit "C"** referred to in the Affidavit of Irina Krasik affirmed on October 10, 2024.



A Notary Public in and for the State of New York

NATHAN A. HAYNES
NOTARY PUBLIC-STATE OF NEW YORK
No. 02HA6028441
Qualified in New York County
My Commission Expires November 06, 2025



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trademark Agents
1133 Melville Street
Suite 3500, The Stack
Vancouver, B.C. V6E 4E5 Canada
Tel: 604-631-3300 Fax: 604-631-3309

October 8, 2024

Peter Bychawski

Partner

Dir: 604-631-4218

peter.bychawski@blakes.com

VIA EMAIL

Reference: 66834/1

Farris LLP
25th Floor – 700 W Georgia Street
Vancouver, BC

Attention: Tevia R. Jeffries

RE: Protective Actions of Stellex Power Line Opco LLC

Dear Madam:

We write further to your letter of today's date in which you purport to challenge, on behalf of Rokstad Holdings Corporation and certain of its affiliates, the validity of protective actions taken by our clients, Stellex Power Line Opco LLC and 1501841 B.C. Ltd. (together, "**Stellex**"), in their capacity as senior lender to your clients.

Your assertion that the protective actions taken by Stellex are somehow not authorized by the comprehensive loan and security package signed by your clients and their principals is baseless. The correspondence sent to your and your clients' attention earlier today specifically set out the actions that have been taken by Stellex in its capacity as a secured lender to your clients. The general security agreements and security agreements entered into by your clients provide ample authority for these actions including in sections 6, 9 and 13 of the general security agreements dated June 3, 2020 granted by Rokstad Holdings Corporation, Rokstad Power (2018) Ltd., Golden Ears Painting & Sandblasting (2018) Ltd., Plowe Power Systems (2018) Ltd., Rokstad Power Transmission Services Ltd., Rokstad Power Construction Services Ltd., and Rokstad Power (Prairies) Ltd.

You also purposefully misconstrue the nature of the protective actions taken by Stellex and their effect. Stellex has not purported to appoint "Stellex principals" to any board or other positions. Nor has Stellex or any of its principals called any board meetings of your clients; that was done by the independent directors of your clients.

What Stellex has done is exercise its powers under the applicable loan and security documents to appoint qualified and independent directors to the relevant boards for the purpose of protecting its collateral by providing oversight of the operation of the business that serves as security for the more than US \$35 million that is owed to Stellex in circumstances where the business continues to deteriorate and the principals of your clients continue to take actions detrimental to the business and Stellex's recovery. The independent directors hold no positions with Stellex (in fact, Tamara Wilson was the CFO of your clients



until a few weeks ago). They owe statutory and fiduciary duties to your clients on whose boards they sit and not to Stellex.

Circumstances have further revealed that the appointment of the independent directors is not only authorized but also warranted. We are advised by Stellex that it has come to its attention that misappropriation of collateral subject to its security has taken place at the direction of Messrs. Aaron and Bernie Rokstad for their personal benefit. We are further advised that Messrs. Aaron and Bernie Rokstad are purporting to exercise unauthorized control over your clients' bank accounts and have cutoff access to those accounts by your clients' entire finance team. You will appreciate that this information has justifiably alarmed our client. We expect that your clients share Stellex's concerns in this respect and support the need for further independent investigation and the taking of any necessary protective action for the benefit of the companies and the preservation of Stellex's collateral.

We welcome the opportunity to discuss this matter with you, including the opportunity for a consensual path forward. In the interim, the position of Stellex is that the actions it has taken are not only valid but also warranted as circumstances have shown. Stellex will continue to take all actions permitted by law to protect its collateral including by enforcing compliance with the protective actions it has taken to date. Any interference by your clients or their shareholders or principals with the taking or implementing of such protective actions, or other actions detrimental to the business and Stellex's collateral, will give rise to claims for damages and other appropriate relief.

Yours truly,

"Peter Bychawski"

Peter Bychawski

This is **Exhibit "D"** referred to in the Affidavit of Irina Krasik affirmed on October 10, 2024.



A Notary Public in and for the State of New York

NATHAN A. HAYNES
NOTARY PUBLIC-STATE OF NEW YORK
No. 02HA6028441
Qualified in New York County
My Commission Expires November 06, 2025

From: Yoni Lipski
To: Marco Martinez; Aaron Rokstad; Darcy Leach
Subject: Re: Lender inspection
Date: Wednesday, October 9, 2024 12:56:31 PM

• External Email | Courrier électronique externe •

Marco,

Please confirm you have reviewed these expenses in detail and have confirmed that they served a business, and not personal, purpose.

Separately, please send a list of these expenses with an explanation of their business purpose. Please also send your expense reimbursement policy. Finally, can you please explain how these expenses were prioritized over other expenses of the business, including critical past due A/P?

Thanks,
Yoni

From: Marco Martinez <Marco.Martinez@rokstadpower.com>
Sent: Wednesday, October 9, 2024 12:11:03 PM
To: Yoni Lipski <yilipski@stlexcapital.com>; Aaron Rokstad <Aaron.Rokstad@rokstadpower.com>; Darcy Leach <Darcy.Leach@rokstadpower.com>
Subject: RE: Lender inspection

[EXTERNAL EMAIL]

Yoni,

Please be advised, denied access to CWB accounts were not caused by Rokstad. Rokstad reached out to Cory Stark @ CWB on or about Monday of this week to inform the bank Rokstad has no access to their accounts. We requested access of accounts to be reinstated as quickly as possible as it is impacting the business. As of this morning, access to CWB accounts has not been restored. Rokstad is contacting CWB to obtain an update.

Feel free to reach out to Cory Stark @ CWB (587.921.8921) to obtain information on access to bank accounts.

Regarding the large payments to insiders, payments are for normal business expenses incurred on behalf of Rokstad.

Sincerely,

Marco

From: Yoni Lipski <ylipski@stellexcapital.com>

Sent: Wednesday, October 9, 2024 8:36 AM

To: Aaron Rokstad <Aaron.Rokstad@rokstadpower.com>; Darcy Leach <Darcy.Leach@rokstadpower.com>; Marco Martinez <Marco.Martinez@rokstadpower.com>

Subject: Lender inspection

Aaron, Darcy, Marco,

Please take notice that pursuant to Section 14.2.1 of the credit agreement, as Stellex's designee I plan to be in the office this afternoon to exercise Stellex's rights to inspect books and records of the business. I will be at the Phoenix office starting sometime between 4:15 – 4:45pm PT to do so. Inspection today is reasonable and necessary in light of the alarming actions taken yesterday to make large payments to insiders and that the finance team's access to CWB accounts was blocked. Please have finance team members available to provide this access and information, and to answer any questions, all as required by the credit agreement.

Thanks,
Yoni

Yoni Lipski

Stellex Capital Management

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O: +1.212.508.3914

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